

**GUJARAT ROAD AND INFRASTRUCTURE
COMPANY LIMITED**

ANNUAL REPORT

2009 - 10

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 Eleventh Annual Report together with the Audited Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

The Company earned total revenue to the tune of Rs. 7565.79 Lacs during the year under review by the way toll revenue and other income of Ahmedabad Mehsana Road Project and Vadodara Halol Road Project. The highlights of its financials for the Financial Year 2009-2010 vis-à-vis the Financial Year 2008-2009 are presented below:

Particulars	(Rs. in Lacs)	
	F.Y. 2009-2010	F.Y. 2008-2009
Income	7565.79	6676.40
Expenses	5639.41	5707.28
Profit / (Loss) Before Taxes	1926.38	969.12
Provision for Taxation	108.66	(3.24)
Profit / (Loss) After Taxes	1817.72	965.88

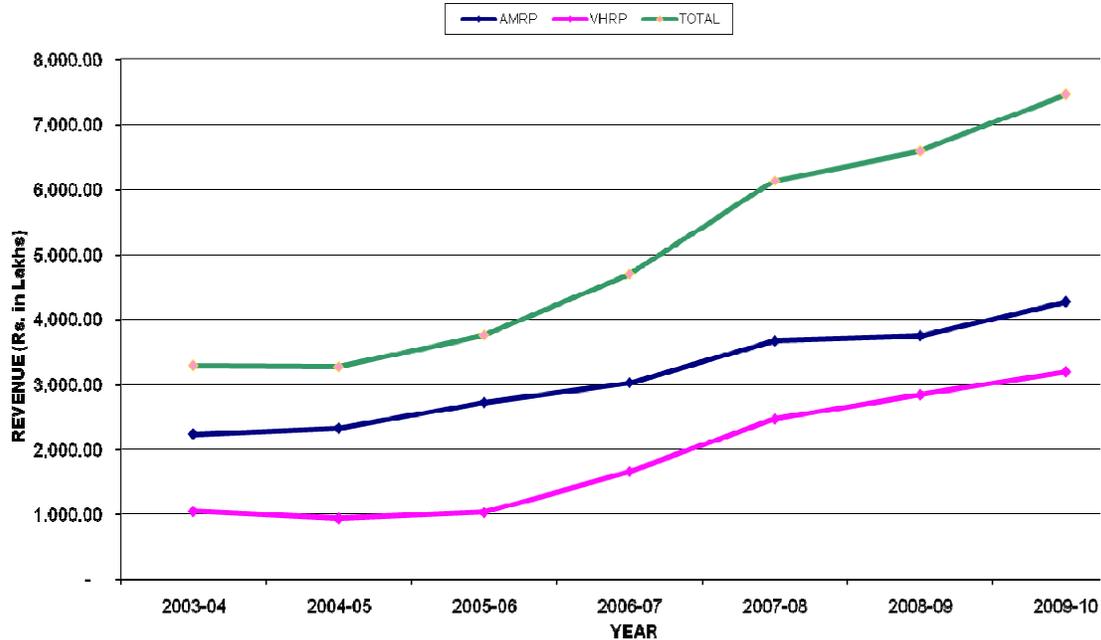
DIVIDEND

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

OPERATIONS

During the year, the Company's operation has been increased remarkably in terms of net cash flow compared to last year. Toll Collection has been augmented and also maintenance of both the road stretches under GRICL being undertaken as per the performance standards and user requirements. Also there has been no major user complaint received for any of road project of the Company. The Average Toll Revenue/Day has increased from Rs. 18.07 lacs to Rs. 20.48 lacs in the financial year 2009-10, showing increase of 13.30%. The Revenue Growth is depicted in following chart.

TOLL REVENUE GROWTH



VADODARA HALOL ROAD PROJECT

Company could successfully auction the toll collection during previous year with an increase of 8.47% over previous year's auction amount. The auction process was done on-line through an Government of Gujarat undertaking agency. Necessary agreement has been signed for auction and agency has been submitting regular installments in the Escrow Account. The contract has been awarded for a period of one year commencing from September 1, 2009.

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

AHMEDABAD MEHSANA ROAD PROJECT

During the year, the Company had initiated the process for toll auction in the month of December 2009. The offers received in the process for toll auction tender process were above reserved price. In view of the same, the toll collection work has been given to the Agency for an auction amount of Rs. 43.20 crores w.e.f. 17th January, 2010 for a period of one year. Necessary agreement has been signed for auction and agency has been submitting regular installments in the Escrow Account.

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



CORPORATE GOVERNANCE:

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

Audit Committee

The Audit Committee is comprised of Mr. K Ramchand, Mr. P. P. Vakharia and Mr. George Cherian. During the year, Mr. George Cherian was inducted as a member of the Audit Committee. This Committee had three 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. Manu Kochhar and Mr. R.K. Chauhan - Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offered themselves for reappointment. IDBI Bank Limited has nominated Mr. Rakesh Singhvi in place of Mr. B.H. Parghi on the Board of the Company w.e.f. 19th April, 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

Section 217 (2AA) of the Companies Act, 1956 as amended in December 2000 requires the Board of Directors to provide a statement to the members of the Company in connection with the maintenance of the books, records, preparation of Annual Accounts in conformity with the accepted accounting standards and past practices followed by the Company. Pursuant to Section 217(2AA) of the Companies Act 1956, the Board of Directors 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 except to the extent as disclosed in the notes to the Accounts.
- 2) Proper and reasonable accounting policies have been applied on a consistent basis except of the Provision of Depreciation on the Toll Road Facility, which has since been changed to normal depreciation from the commencement of the Toll Facility instead of Sinking Fund method followed earlier.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act and as per the Concession Agreement so as to safeguard the assets of the Company and prevent and detect fraud and irregularities.
- 4) The Annual Accounts for the year under review has been prepared on going concern basis.



PARTICULARS OF EMPLOYEES

The Company did not have any employees drawing the 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, technology absorption are not applicable the Company. The Company has not incurred any foreign exchange expenditure on account of foreign travel during the year under review.

FIXED DEPOSIT

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

STATUTORY AUDITORS

Messrs 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 is 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 SPV's.

By Order of the Board

Director
Gandhinagar

Director

Date: May 13, 2010

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

1. We have audited the attached Balance Sheet of **GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED** (the "Company") as at March 31, 2010, and the Profit and Loss Account and the Cash Flow Statement of the Company for year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("CARO") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraph 4 and 5 of CARO.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956; and



Deloitte Haskins & Sells

- (e) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956, in the manner so required and a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for year ended on that date.
5. On the basis of the written representations from the directors as on March 31, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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



Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Place: Ahmedabad
Date: May 13, 2010.

Deloitte Haskins & Sells

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph (3) of our report of even date)

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



Deloitte Haskins & Sells

- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and no order has been passed in this respect, by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this respect.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, for the nature of services rendered by the Company. Accordingly, the provisions of paragraph 4(viii) of CARO are not applicable to the Company.
- (x) According to the information and explanation given to us in respect of statutory dues:
 - a. The Company has been generally regular in depositing undisputed statutory dues relating to Provident Fund, Income Tax, Service tax and other material statutory dues applicable to it to the appropriate authorities during the year. According to the information and explanation given to us, there were no dues payable on account of Investor Education and Protection Fund, Employee's State Insurance, Sales Tax, State Value Added Tax, Wealth Tax, Work Contract Tax, Customs Duty, Excise Duty and Cess during the year.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Work Contract Tax, Customs Duty, Excise Duty, Investors Education and Protection Fund, Cess and other material statutory dues applicable to it, were in arrears, as at March 31, 2010 for a period of more than six months from the date they became payable.
 - c. There were no disputed dues as regards Sales Tax, Income Tax, Wealth Tax, Customs Duty, Service Tax, Excise Duty and Cess which have not been deposited as at the year end.
- (xi) According to the information and explanations given to us, the accumulated losses of the Company as at the year-end have not exceeded 50% of its net worth after taking into account the credit to General Reserve consequent to recognition of the Toll Receivable Account (See note no. 11 in Schedule K) as a part of the net worth. The Company has not incurred cash losses during the financial year covered by our audit and in immediately preceding financial year.
- (xii) According to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.



Deloitte Haskins & Sells

- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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



Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Place: Ahmedabad
Date: May 13, 2010.



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Balance Sheet as at 31st March, 2010

(Amount in Rs.)

	Schedule	As at 31-Mar-10		As at 31-Mar-09	
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
Capital	A	1,265,422,710		1,265,422,710	
Reserves and Surplus	B	1,131,599,297	2,397,022,007	949,827,747	2,215,250,457
Advance towards Capital / Debt (Refer Schedule K - Note No. 4)			1,050,000,000		1,050,000,000
LOAN FUNDS					
Secured Loans	C	2,595,708,497		2,775,241,832	
Unsecured Loans		-	2,595,708,497	-	2,775,241,832
DEFERRED TAX LIABILITY (net) (Refer Schedule K, Note No. 12)			-		-
TOTAL			6,042,730,504		6,040,492,289
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block		4,748,691,272		4,737,599,668	
Less: Depreciation / Amortisation		745,935,438		652,359,703	
Net Block	D	4,002,755,834		4,085,239,965	
Add: Capital Work-in-Progress		2,187,231	4,004,943,065	740,774	4,085,980,739
TOLL RECEIVABLE ACCOUNT (Refer Schedule K, Note No. 11)			2,033,496,000		2,033,496,000
CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	E	-		-	
(b) Sundry Debtors		4,864,936		708,372	
(c) Cash and Bank Balances		120,548,324		37,296,305	
(d) Other Current Assets		203,215		61,083	
(e) Loans and Advances		8,508,951		8,769,159	
		134,125,426		46,834,919	
LESS: CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	F	120,665,577		125,564,140	
(b) Provisions		9,168,410		255,229	
		129,833,987		125,819,369	
NET CURRENT ASSETS / (LIABILITIES)			4,291,439		(78,984,450)
Profit & Loss Account Debit Balance		328,654,308		505,425,858	
Less: Adjusted against balance in Reserves and Surplus		328,654,308	-	505,425,858	-
TOTAL			6,042,730,504		6,040,492,289

Significant accounting policies J
Notes to the financial statements K

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

In terms of our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

Sanjiv V. Pilgaonkar
Partner

Chief Executive Officer

Director

Director

Place : Ahmedabad
Date : 13th May, 2010

Chief Financial Officer

Manager & Company Secretary



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rs.)

	Schedule	For the year ended 31-Mar-10	For the year ended 31-Mar-09
<u>INCOME</u>			
Toll Revenue		747,415,627	659,689,930
Other Income	G	9,163,468	7,950,160
Total Income		756,579,095	667,640,090
<u>EXPENSES</u>			
Toll Operation Expenses		54,172,280	54,352,524
Asset Management Cost (Refer Schedule K, Note No. 22)		28,822,111	23,878,219
Administrative and General Expenses	H	41,444,522	48,768,687
Interest and Finance Charges	I	345,650,058	335,013,800
Depreciation / Amortisation		93,852,174	108,714,914
Total Expenses		563,941,145	570,728,144
Profit before tax		192,637,950	96,911,946
Less: Provision for current tax - MAT		(10,866,400)	-
Less: Fringe Benefit Tax		-	(324,095)
Profit after tax		181,771,550	96,587,851
Transfer to Debenture Redemption Reserve		(5,000,000)	(5,000,000)
		176,771,550	91,587,851
Balance of loss brought forward		(505,425,858)	(597,013,710)
Loss carried forward to Balance Sheet		(328,654,308)	(505,425,858)

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

- Basic	1.78	0.85
- Diluted	0.82	0.39

Significant accounting policies J
 Notes to the financial statements K

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

In terms of our report of even date attached

For Deloitte Haskins & Sells
 Chartered Accountants

For and on behalf of the Board

Sanjiv V. Pilgaonkar
 Partner

Chief Executive Officer

Director

Director

Place : Ahmedabad
 Date : 13th May, 2010

Chief Financial Officer

Manager & Company Secretary



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rs.)

	For the year ended 31-Mar-2010	For the year ended 31-Mar-2009
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit for the year before tax	192,637,950	96,911,946
Adjustments for the year		
Depreciation / Amortisation	93,852,174	108,714,914
Provision for compensated absences	(48,845)	222,731
Provision for gratuity	10,301	261,046
Finance and Interest Charges	345,650,058	335,013,800
Loss on sale of assets	72,278	657,354
Provision for doubtful debts	640,000	-
Provisions written back	(98,967)	(504,091)
Interest Income	(2,402,747)	(1,039,577)
	630,312,202	540,238,123
Changes in Working Capital		
(Increase) / Decrease in Debtors	(4,796,564)	176,405
(Increase) / Decrease in Loans & Advances	159,615	2,380,131
Increase / (Decrease) in Current Liabilities	(9,891,725)	19,380,618
	(14,528,674)	21,937,154
Cash generated from operations	615,783,528	562,175,277
Income Tax Paid (Net of refund)	(1,832,115)	(766,570)
Fringe Benefit Tax	-	(355,894)
Net cash flow from Operating Activities (a)	613,951,413	561,052,813
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of fixed assets	22,000	3,000
Fixed Assets purchased during the year	(13,108,777)	(21,962,134)
Fixed Deposits (placed) / encashed with maturity period of more than 3 months	281,947	(22,109)
Interest Income	2,260,614	1,020,434
Net cash used in Investing Activities (b)	(10,544,216)	(20,960,809)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Finance and Interest Charges	(237,457,707)	(368,172,842)
Proceeds from Long term Borrowing	-	195,845,645
Repayment of Long term Borrowing	(282,415,524)	(349,383,515)
Net Cash used in Financing Activities (c)	(519,873,231)	(521,710,712)
Net Increase / (Decrease) in Cash & Cash Equivalents ((a)+(b)+(c))	83,533,966	18,381,292



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED
Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rs.)

	For the year ended 31-Mar-2010	For the year ended 31-Mar-2009
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		
Cash & Cash equivalents as at the end of the year	120,548,324	37,014,358
Cash & Cash Equivalents as at the beginning of the year	37,014,358	18,633,066
Net Increase / (Decrease) in Cash & Cash Equivalents	83,533,966	18,381,292
COMPONENTS OF CASH & CASH EQUIVALENTS - END OF THE YEAR		
Cash in hand	68,629	1,145,812
Balances with Scheduled Bank :		
- In Current Account	5,452,031	12,247,626
- In Deposit Account (original maturity of upto three months)	115,027,664	23,620,920
	120,548,324	37,014,358
- Add: term deposits with original maturity exceeding three months	-	281,947
Cash and bank balances as per Schedule E	120,548,324	37,296,305

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

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

For and on behalf of the Board

Sanjiv V. Pilgaonkar
Partner

Chief Executive Officer

Director

Director

Place : Ahmedabad
Date : 13th May, 2010

Chief Financial Officer

Manager & Company Secretary



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

SCHEDULE A : CAPITAL

(Amount in Rs.)

	As at 31-Mar-10	As at 31-Mar-09
Authorised :		
- 100,000,000 Equity Shares of Rs. 10 each	1,000,000,000	1,000,000,000
- 45,000,000 Non Cumulative Redeemable Convertible Preference Shares of Rs. 10 each	450,000,000	450,000,000
	1,450,000,000	1,450,000,000
Issued, Subscribed and Paid - up :		
- 91,542,271 (31 st March 2009 - 91,542,271) Equity Shares of Rs. 10 each fully paid up - (Refer footnote 1)	915,422,710	915,422,710
- 35,000,000 (31st March 2009 - 35,000,000) Non Cumulative Redeemable Convertible Preference Share of Rs. 10 each fully paid-up (Refer Schedule K, Note Nos. 3(d), 5, and 19 - footnote (a))	350,000,000	350,000,000
Total	1,265,422,710	1,265,422,710

Footnote: 1) Out of the total equity shares of the Company, 76,542,266 (31st March 2009 - 76,542,266) shares are held by IL&FS Transportation Networks Limited, the holding company; Infrastructure Leasing & Financial Services Limited is the ultimate holding company

SCHEDULE B : RESERVES & SURPLUS

(Amount in Rs.)

	As at 31-Mar-10	As at 31-Mar-09
(A) General Reserve		
Opening Balance (Refer Schedule K, Note No. 11)	1,445,253,605	1,445,253,605
Less: Debit balance in Profit and Loss Account	(328,654,308)	(505,425,858)
	1,116,599,297	939,827,747
(B) Debenture Redemption Reserve		
Opening balance	10,000,000	5,000,000
Add: Transfer during the year	5,000,000	5,000,000
	15,000,000	10,000,000
Total	1,131,599,297	949,827,747



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

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

(Amount in Rs.)

	As at 31-Mar-10	As at 31-Mar-09
- Non Convertible Debentures	200,000,000	200,000,000
- Deep Discount Bonds (Refer footnote 1)	920,780,660	817,898,471
- From Financial Institutions (Refer footnote 2)	200,723,051	251,971,475
- From Banks (Refer footnote 3)	514,934,219	646,406,699
- From Others (Refer footnote 4)	759,270,567	858,965,187
Total	2,595,708,497	2,775,241,832
Footnotes:		
1 The Deep Discount Bonds include amounts payable to Banks aggregating Rs. 396,662,592 (31st March 2009 Rs. 354,622,373)		
2 Repayable within one year - Rs. 51,248,424 (31st March 2009 Rs. 51,248,424)		
3 Repayable within one year - Rs. 131,472,480 (31st March 2009 Rs. 131,472,480)		
4 Repayable within one year - Rs. 99,694,620 (31st March 2009 Rs. 99,694,620)		



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

Schedule D : FIXED ASSETS

Particulars	Gross Block				Depreciation			Net Block		
	Opening as at 01-Apr-09	Additions	Deletions	Closing as at 31-Mar-10	Accumulated Depreciation upto 31-Mar-09	For the year	Deletions	Accumulated Depreciation upto 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
Tangible Assets										
Ahmedabad Mehsana Road	3,095,396,156	3,280,470	-	3,098,676,626	386,406,136	50,271,019	-	436,677,155	2,661,999,471	2,708,990,020
Vadodara Halol Road (Refer footnote 1)	1,615,484,491	3,415,686	-	1,618,900,177	253,462,240	40,514,618	-	293,976,858	1,324,923,319	1,362,022,251
Vehicles	2,489,760	-	-	2,489,760	1,518,377	251,492	-	1,769,869	719,891	971,383
Data Processing Equipments	8,246,416	4,326,595	-	12,573,011	6,152,027	1,612,662	-	7,764,689	4,808,322	2,094,389
Office Premises (Refer footnote 2)	8,581,617	-	-	8,581,617	1,365,981	138,002	-	1,503,983	7,077,634	7,215,636
Office Equipments	2,793,892	255,445	370,717	2,678,620	1,873,595	172,468	276,439	1,769,624	908,996	920,297
Furniture & Fixtures	1,138,270	35,575	-	1,173,845	976,649	58,915	-	1,035,564	138,281	161,621
Electrical Installations	508,559	-	-	508,559	363,743	20,143	-	383,886	124,673	144,816
Total Tangible Assets	4,734,639,161	11,313,771	370,717	4,745,582,215	652,118,748	93,039,319	276,439	744,881,628	4,000,700,587	4,082,520,413
Intangible Assets										
Software	2,960,507	148,550	-	3,109,057	240,955	812,855	-	1,053,810	2,055,247	2,719,552
Total Intangible Assets	2,960,507	148,550	-	3,109,057	240,955	812,855	-	1,053,810	2,055,247	2,719,552
Grand Total	4,737,599,668	11,462,321	370,717	4,748,691,272	652,359,703	93,852,174	276,439	745,935,438	4,002,755,834	4,085,239,965
31st-March 2009	4,716,624,415	21,774,720	799,467	4,737,599,668	543,783,902	108,714,914	139,113	652,359,703	4,085,239,965	

Footnote :

- 1 Vadodara Halol Road includes an estimated cost of Rs. 10,783,616 (31st March 2009 Rs. 10,783,616) on building and an estimated cost of Rs. 1,863,000 (31st March 2009 Rs. 1,863,000) on Data Processing Equipments
- 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
Schedules forming a part of the financial statements

SCHEDULE E : CURRENT ASSETS, LOANS AND ADVANCES

(Amount in Rs.)

	As at 31-Mar-10	As at 31-Mar-09
(A) Inventories	-	-
(B) Sundry Debtors :		
- Outstanding for a period exceeding six months		
Unsecured, Considered good	482,402	708,372
Unsecured, Considered doubtful	640,000	-
- Others		
Secured, Considered good	4,292,114	-
Unsecured, Considered good	90,420	-
- Less: Provision for doubtful debts	(640,000)	-
	4,864,936	708,372
(C) Cash and Bank :		
- Cash in hand	68,629	1,145,812
- Balances with Scheduled Banks :		
- In Current Account	5,452,031	12,247,626
- In Deposit Account	115,027,664	23,902,867
	120,548,324	37,296,305
(D) Other Current Assets :		
- Interest accrued on Bank Deposit	203,215	61,083
	203,215	61,083
(E) Loans and Advances : (Unsecured, Considered Good)		
- Advances recoverable in cash or in kind or for value to be received (Refer Schedule K, Note No. 16)	4,657,976	4,735,343
- Advance Payment of Taxes (net of provisions)	2,312,914	2,312,914
- Advance Fringe Benefit Tax (net of provisions)	205,699	205,699
- Security Deposits	1,332,362	1,515,203
	8,508,951	8,769,159
Total	134,125,426	46,834,919

SCHEDULE F : CURRENT LIABILITIES AND PROVISIONS

(Amount in Rs.)

	As at 31-Mar-10	As at 31-Mar-09
(A) Current Liabilities : (Refer Schedule K, Note No. 10 and 21)		
- Sundry creditors		
- due to Micro and Small Enterprises	-	200,000
- due to other creditors	99,176,542	106,208,158
- Income received in advance	18,186,996	14,951,152
- Other liabilities	3,302,039	4,204,830
	120,665,577	125,564,140
(B) Provisions:		
- Provision for compensated absences	111,905	107,039
- Provision for Tax (Net of advances)	9,034,285	-
- Provision for gratuity (Refer Schedule K, Note No. 20)	22,220	148,190
	9,168,410	255,229
Total	129,833,987	125,819,369



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

SCHEDULE G : OTHER INCOME

(Amount in Rs.)

	For the year ended 31-Mar-10	For the year ended 31-Mar-09
- Interest on Bank Deposits (Tax Deducted At Source Rs. 251,201, 31st March 2009 Rs. 114,947)	2,402,747	1,039,577
- Excess Provisions reversed	98,967	504,091
- Income for laying cables, pipelines etc.	4,740,380	5,708,559
- Interest on late receipt of Toll Installments	86,168	47,955
- Income from Tender Fees	60,000	170,000
- Insurance claim received	1,569,744	241,415
- Income from Sale of scrap	45,450	8,088
- Miscellaneous Income	160,012	230,475
Total	9,163,468	7,950,160

SCHEDULE H : ADMINISTRATIVE AND GENERAL EXPENSES

(Amount in Rs.)

	For the year ended 31-Mar-10	For the year ended 31-Mar-09
- Insurance Charges	4,535,297	4,954,104
- Legal and Professional Fees	5,826,295	10,202,003
- Employee Costs (Refer Schedule K, Note No. 14 and 20)	5,157,507	6,680,622
- Deputation costs	10,681,780	12,648,324
- Travelling and Conveyance	2,940,359	2,766,861
- Advertisement Expenses	1,689,942	3,088,878
- Repairs and Maintenance - Others	1,839,611	600,482
- Auditors' Remuneration (Refer Schedule K, Note No. 13)	2,464,907	1,856,314
- Communication Expenses	595,373	629,480
- Electricity Charges	2,624,623	2,129,387
- Printing and Stationery	852,447	1,178,894
- Rent	419,256	416,818
- Rates and Taxes	34,702	252,683
- Directors' Sitting Fees	350,000	320,000
- Loss on sale / theft / lost assets	72,278	657,354
- Provision for doubtful debts	640,000	-
- Other Expenses	720,145	386,483
Total	41,444,522	48,768,687

SCHEDULE I : INTEREST AND FINANCE CHARGES

(Amount in Rs.)

	For the year ended 31-Mar-10	For the year ended 31-Mar-09
- Interest on Debentures	25,143,836	23,824,657
- Interest on loans for fixed period	307,663,557	295,624,024
- Finance charges	12,842,665	15,565,119
Total	345,650,058	335,013,800



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

1. Basis for preparation

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

2. Use of Estimates

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

3. Fixed Assets

Tangible Fixed Assets

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

Intangible Fixed Assets

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



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

4. Depreciation / Amortisation

i. Tangible Fixed Assets

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

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

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

Amortisation policy for various intangible assets is given below:

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

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

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

5. Impairment of Assets

The carrying values of assets of the Company's cash-generating unit 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.



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

6. Revenue Recognition

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

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

7. Financial income and borrowing costs

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

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

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

8. Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange differences arising on settlement thereof during the period are recognised as income or expenses in profit and loss account.

Cash and bank balances, receivables and liabilities (monetary items) denominated in foreign currencies outstanding at the year end are valued at closing-date rates, and unrealised translation differences are included in the income statement.

9. 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

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

i. Defined-contribution plans

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

ii. Defined-benefit plans

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

c) Other benefits

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

10. Taxes on Income

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

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

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

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



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

11. 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.

12. 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.

13. Cash and Cash Equivalents

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

14. Earnings per Share

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

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



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2. Independent Auditors, appointed in terms of the concession arrangements, have determined costs of the roads, major maintenance and the returns due to the Company in respect of VHRP and AMRP up to 30th June, 2009. As per those certificates, the aggregate of the costs of the road, major maintenance and shortfall in the designated return aggregated Rs. 797.72 crores in the case of the VHRP and Rs. 939.41 crores in the case of the AMRP.

3. Contingent Liabilities

Description	Rupees	
	As at 31 st March, 2010	As at 31 st March, 2009
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (against which advances paid aggregate Rs. 2,187,231, 31 st March 2009 Rs. 740,774)	6,080,153	2,804,652
(b) Disputed income tax penalty claims	Nil	989,531
(c) 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
(d) Cumulative dividend in arrears on Cumulative Preference Shares up to 31 st March, 2004 (also see note 5 below)	5,152,055	5,152,055
Tax on distribution	855,692	875,592
(e) Claims against the Company not acknowledged as debt	15,799	25,798

- (f) The stamp duty on transfer of immovable properties, consequent to merger of the erstwhile Vadodara Halol Toll Road Company Ltd. ("VHTRL") and the erstwhile Ahmedabad Mehsana Toll Road Company Ltd. ("AMTRL") with the Company, is under adjudication. The Company is a custodian of the toll roads under the concession arrangements and the toll roads are to be handed over to the Government of Gujarat at the end of the concession period. Therefore, the Company paid stamp duty computed at 0.75 percent of the face value of equity shares



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

issued under the scheme of amalgamation to the shareholders of VHTRL and AMTRL. Pending completion of the adjudication process, the Company sought legal advice from its solicitors to assess the amount of additional liability that could devolve on it. Based on the legal advice received, the Company has assessed the possibility of any additional liability devolving on it on this account to be remote

4. Advance towards capital / debt:

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

		(Rupees)
	Name of Investor	Amount
a.	Government of Gujarat (GoG)	300,000,000
b.	IL&FS Infrastructure Equity Fund (IIEF)	150,000,000
c.	IL&FS Transportation Networks Limited (ITNL)	600,000,000

The Company has applied to the CDR with a request for converting the above advances into subordinated debt. Pending completion of the approval process, the Company has classified the amount as an advance towards capital / debt.

5. Preference Shares:

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

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

The accumulated premium accrued on NRCPS and not provided for as at 31st March, 2010, aggregates Rs. 120,653,963 (31st March, 2009 Rs. 104,512,752) and the tax on distribution thereof aggregates Rs. 20,039,115 (31st March, 2009 Rs. 17,761,942).

6. Secured Loans: Nature of Security

a. Loans from financial institutions, banks and others aggregating Rs. 1,026,416,935 (31st March 2009 Rs. 1,273,161,583) are secured by first charge and loans from others aggregating Rs. 308,800,000 (31st March 2009 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. 139,710,902/- (31st March 2009 Rs. 175,381,778) taken from a financial institution.

b. Deep Discount Bonds along with interest accrued but not due, aggregating Rs. 920,780,660 (31st March 2009 Rs. 817,898,471) are secured by a pari-passu first charge in favour of the Trustee



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

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.

- c. Non-Convertible Debentures aggregating Rs. 200,000,000 (31st March 2009 Rs. 200,000,000) are secured by a pari-passu first charge in favour of the Trustee along with the other senior lenders of the Company on the project assets and all tangible and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc.

7. Deep Discount Bonds: Redemption

2,000 Deep Discount Bonds (DDBs) issued at Rs. 50,000 each are redeemable at Rs. 274,721 each at the end of the 15th year from the deemed date of allotment (i.e. 1st July, 2003).

60,000 DDBs issued at Rs. 5,000 each are redeemable at Rs. 33,498 each at the end of 16th year, with a "take-out" option at the end of 8th year at Rs. 11,937 each in respect of 47,000 DDBs allotted on 17th April, 2000 and 3,000 DDBs allotted on 18th April, 2000 and Rs. 11,886 each in respect of 10,000 DDBs allotted on 30th November, 2000.

Infrastructure Leasing & Financial Services Limited ("IL&FS") and Infrastructure Development Finance Company Limited ("IDFC") had agreed to provide take-out finance assistance to the Company to the extent of DDBs with subscription value aggregating Rs. 300,000,000 (Rs. 100,000,000 by IL&FS and Rs. 200,000,000 by IDFC) in the event of exercise of "take-out" option by the bondholders.

Of the above mentioned DDBs for which the take out option was available in 2008 (i.e. 47,000 DDBs allotted on 17th April, 2000 and 3,000 DDBs allotted on 18th April 2000 and 10,000 DDBs allotted on 30th November, 2000) DDB holders for 24,652 DDBs have exercised the take out option.

IL&FS has purchased its agreed share of 8,217 DDBs (1/3rd of 24,652 DDB which opted for take out) from such DDB holders. In respect of balance 16,435 DDBs, IDFC provided the take out finance in the form of loan to the Company to pay out such other DDB holders.

The Company is awaiting clearance from IDFC for cancellation of DDBs. In the meantime the DDBs to the extent, the holders have been paid out, have been reduced from the liabilities and the loan from IDFC Rs. 139,710,902 (31st March 2009 Rs. 175,381,778) has been classified as a part of "Secured Loans" from Financial Institutions in Schedule C

8. The balance outstanding against Deep Discount Bonds (DDBs) includes accrued interest aggregating Rs. 602,955,660 (31st March, 2009 Rs. 500,073,471) which is payable at the time of redemption of the DDBs. Since the accretion to the liability amount did not involve cash and cash equivalents, the amount of Rs. 602,995,660 (31st March, 2009 Rs. 500,073,471) has been excluded from the "Financing Activities" cash flows in the Cash Flow Statement.

9. Non-Convertible Debentures: Redemption

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

10. Included in sundry creditors is a sum of Rs. 44,204,559 (31st March, 2009 Rs. 37,983,759) being dues on account of commitment charges payable to IL&FS [Rs. 28,731,685 (31st March, 2009 Rs. 28,731,685)] and ITNL [Rs. 15,472,874 (31st March, 2009 Rs. 9,252,074)]. These amounts are payable to IL&FS and ITNL for providing an irrevocable revolving Letter of Credit of Rs. 1,000,000,000 for Debt Service Reserve Fund (which can be used by the Company to service its debts in the event of shortfall of funds) which is payable only after repayment of term loans and Deep Discount Bonds. Also included in sundry creditors is sum of Rs. 1,000,000 (31st March 2009 Rs. 1,200,000) payable in respect of acquisition of fixed assets / capital work in progress.



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

11. Toll Receivable Account

The balance in the Toll Receivable Account of Rs. 2,033,496,000 represents the aggregate shortfall in the assured return as per the terms of the concession agreements (referred to in Note No. 1 above) up to 30th September, 2003. The amount of Rs. 2,033,496,000 was recognised with a corresponding credit to the General Reserve as per the Order dated 18th May, 2005 of the Honourable High Court of Gujarat, Ahmedabad, sanctioning the Scheme of Amalgamation of the erstwhile Vadodara Halol Toll Road Company Limited and Ahmedabad Mehsana Toll Road Company Limited with the Company. Such shortfall has not been recognised as an asset subsequent to the amalgamation as the income has not been earned under the concession agreement. Had the shortfall not been accounted for as aforesaid, the Toll Receivable Account and the General Reserve would not have reflected any balance and the balance in the Profit and Loss Account as at the balance sheet date would have been higher at a debit balance of Rs. 916,896,703 (31st March, 2009 debit balance in the Profit and Loss Account would have been Rs. 1,093,668,253).

12. Deferred Tax and Credit for Minimum Alternate Tax

Having regard to the assured return on the toll road projects as explained in Note No. 1 and 2 above, the Company has recognised deferred tax assets on timing differences and unabsorbed depreciation to the extent the Company has deferred tax liability arising from timing differences on account of depreciation net of other deferred tax assets:

Deferred Tax arising from	Rupees	
	As at 31 st March, 2010	As at 31 st March, 2009
Deferred Tax Liability		
In respect of Depreciation	526,680,112	478,455,035
Deferred Tax Asset		
In respect of retirement benefits	44,553	86,752
In respect of provision for doubtful debts	212,592	-
In respect of unabsorbed depreciation	526,422,967	478,368,283
<i>Net Deferred Tax Liability</i>	<i>Nil</i>	<i>Nil</i>

The Company has recomputed its depreciation allowance under the Income Tax Act, 1961, consequent to certain assessment proceedings carried out for certain past assessment years in earlier years. The Company's revised computation of depreciation is supported by the decisions of the Honourable Bombay High Court in case of Hindustan Petroleum Corporation Limited 187 ITR 1 and of the Income Tax Appellate Tribunal (Delhi) in the case of Noida Toll Bridge Company Ltd.

Additional deferred tax assets arising due to unabsorbed depreciation and carried forward business loss have not been recognised in the absence of virtual certainty of the future taxable profits against which such assets could be off-set.

Further the Company has not claimed credit in respect of Minimum Alternate Tax amounting to Rs. 10,866,400 paid by it under the Income Tax Act, 1961, in the absence of convincing evidence that the Company will pay normal income tax in future against which such credit could be off-set.

13. Auditors' Remuneration:

Sr. No.	Particulars	Rupees	
		For the year ended 31 st March, 2010	For the year ended 31 st March, 2009
(a)	For Audit Fees	1,222,500	1,465,000
(b)	For Tax Audit	100,000	100,000
(c)	Other Assurance Services	900,000	100,000



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

		Rupees	
Sr. No.	Particulars	For the year ended 31 st March, 2010	For the year ended 31 st March, 2009
(d)	Service Tax	230,178	183,622
(e)	Out of Pocket Expenses	12,229	7,692

A sum of Rs. 1,170,000 (31st March 2009 Rs. 1,170,000), excluding service tax, has been paid to a firm in which some of the partners of the Auditors' firm are partners is included under the head "Legal and Professional Fees" in Schedule H - Administrative and General Expenses.

14. Employee costs include Salaries, Bonus and Allowances Rs. 4,344,771 (31st March, 2009 Rs. 5,236,462); Contribution to Provident and Other Funds Rs. 119,257 (31st March, 2009 Rs. 499,256); and Staff Training and Welfare Expenses Rs. 693,479 (31st March, 2009 Rs. 944,904).

15. Managerial Remuneration (paid to Manager)

		Rupees	
Sr. No.	Particulars	For the year ended 31 st March, 2010	For the year ended 31 st March, 2009
1	Salary, bonus and allowances	737,629	680,684
2	Contribution to Provident and Superannuation Fund	75,600	64,718
	Total	813,229	745,402

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

16. Amounts recoverable from Companies under the same management

Current year

Particulars	Rupees	
	Amounts outstanding as on 31 st March, 2010	Maximum amount Outstanding during the year
Andhra Pradesh Expressway Ltd.	890,360	898,092
Chhattisgarh Highways Development Co. Ltd.	72,120	118,235
East Hyderabad Expressway Ltd.	33,914	108,302
Elsamex India (P) Ltd.	-	15,000
IL&FS Cluster Development Initiative Ltd.	1,500	6,000
IL&FS Ecosmart India Ltd.	-	18,000
IL&FS Infrastructure Development Corporation Ltd.	19,500	37,500
IL&FS Urban Infrastructure Services Ltd.	3,000	3,000
ITNL Road Infrastructure Development Company Ltd.	1,500	1,500
North Karnataka Expressway Limited	-	2,000
Project Development Company of Rajasthan Ltd.	-	2,000
Road Infrastructure Development Company of Rajasthan Ltd.	3,062	9,062
Tamil Nadu Water Investment Co. Ltd.	3,000	3,000
West Gujarat Expressway Ltd.	48,014	48,014



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

Previous year

Particulars	Rupees	
	Amounts outstanding as on 31 st March 2009	Maximum amount Outstanding during the year
Andhra Pradesh Expressway Ltd.	13,283	684,848
Chhattisgarh Highways Development Co. Ltd.	118,235	1,112,527
East Hyderabad Expressway Ltd.	2,000	136,853
Elsamex India (P) Ltd.	15,000	15,000
IL&FS Cluster Development Initiative Ltd.	6,000	16,000
IL&FS Ecosmart India Ltd.	-	31,500
IL&FS Education & Technology Services Ltd.	-	9,000
IL&FS Infrastructure Development Corporation Ltd.	28,500	58,000
IL&FS Insurance Distribution Pvt. Ltd.	-	1,021
North Karnataka Expressway Limited	2,000	158,247
Road Infrastructure Development Company of Rajasthan Ltd.	1,497	1,497
West Gujarat Expressway Ltd.	8,297	722,390

17. Related Party Disclosures

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

Current year: -

a. Related Parties and their relationship

a.	Company having significant influence- Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited (IL&FS)
b.	Holding Company	IL&FS Transportation Networks Limited (ITNL)
c.	Key management personnel	Mr. Mukund Sapre (Chief Executive Officer) Mr. Ankit Sheth (Manager & Company Secretary)
d.	Fellow Subsidiaries (with whom there have been transactions during the period)	1 IL&FS Infrastructure Development Corporation Limited (IIDCL)
2 IL&FS Trust Company Limited (ITCL)		
3 West Gujarat Expressway Limited (WGEL)		
4 Andhra Pradesh Expressway Limited (APEL)		
5 Chattisgarh Highways Development Company Limited (CHDCL)		
6 IL&FS Cluster Development Initiative Limited (ICDIL)		
7 East Hyderabad Expressway Limited (EHEL)		
8 IL&FS Infrastructure Equity Fund (IIEF)		
9 IL&FS Urban Infrastructure Services Limited (IUISL)		
10 ITNL Road Infrastructure Development Company Ltd (IRIDCL)		
11 Tamil Nadu Water Investment Company Ltd. (TNWICL)		
12 Road Infrastructure Development Company of Rajasthan Ltd (RIDCOR)		



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

- b. The nature and volume of transactions during the year with the above related parties are as follows:

(Rupees)

Nature of Transaction	Amount	Company
Commitment Charges	6,912,000	ITNL
Interest Paid on Borrowings	126,478,813	IL&FS
Interest Paid on Borrowings	38,822,087	ITNL
Loans Repaid	99,694,620	IL&FS
Security Agent Fees	1,103,000	IL&FS
Takeout Assistance fees	1,828,280	IL&FS
Toll Operation Expenses	54,172,280	ITNL
Deep Discount Bonds Trusteeship Fees	110,300	ITCL
Remuneration	2,885,033	Mr. Mukund Sapre (Chief Executive Officer)
	813,229	Mr. Ankit Sheth (Manager & Company Secretary)

Note: - Reimbursement of cost is not included above

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

(Rupees)

Balance Outstanding	Amount	Company
Loans outstanding	989,331,602	IL&FS
Loans outstanding	308,800,000	ITNL
Commitment Charges Payable	28,731,685	IL&FS
Commitment Charges Payable	15,472,874	ITNL
Advance towards Share Capital	150,000,000	IIEF
Advance towards Share Capital	600,000,000	ITNL
Payable on current account	5,896,215	ITNL
Receivable on current account	4,821	IL&FS
Receivable on current account	890,360	APEL
Receivable on current account	72,120	CHDCL
Receivable on current account	33,914	EHEL
Receivable on current account	1,500	ICDIL
Receivable on current account	19,500	IIDCL
Receivable on current account	3,000	IUISL
Receivable on current account	1,500	IRIDCL
Receivable on current account	3,062	RIDCOR
Receivable on current account	3,000	TNWICL
Receivable on current account	48,014	WGEL



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

Previous year:

a. Related Parties and their relationship

a.	Company having significant influence- Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited (IL&FS)																								
b.	Holding Company	IL&FS Transportation Networks Limited (ITNL)																								
c.	Key management personnel	Mr. Mukund Sapre (Chief Executive Officer) Mr. Vikram Joshi (Manager & Company Secretary) (till 15-07-08) Mr. Ankit Sheth (Manager & Company Secretary) (from 06-12-08)																								
d.	Fellow Subsidiaries	<table border="1"> <tr><td>1</td><td>IL&FS Cluster Development Initiative Limited (ICDIL)</td></tr> <tr><td>2</td><td>IL&FS Infrastructure Development Corporation Limited (IIDCL)</td></tr> <tr><td>3</td><td>IL&FS Trust Company Limited (ITCL)</td></tr> <tr><td>4</td><td>West Gujarat Expressway Limited (WGEL)</td></tr> <tr><td>5</td><td>Andhra Pradesh Expressway Limited (APEL)</td></tr> <tr><td>6</td><td>Chattisgarh Highway Development Company Limited (CHDCL)</td></tr> <tr><td>7</td><td>East Hyderabad Expressway Limited (EHEL)</td></tr> <tr><td>8</td><td>North Karnataka Expressway Limited (NKEL)</td></tr> <tr><td>9</td><td>IL&FS Infrastructure Equity Fund (IIEF)</td></tr> <tr><td>10</td><td>IL&FS Renewable Energy Limited (IREL)</td></tr> <tr><td>11</td><td>Road Infrastructure Development Company of Rajasthan Ltd (RIDCOR)</td></tr> <tr><td>12</td><td>Elsamex India (P) Ltd. (EIPL)</td></tr> </table>	1	IL&FS Cluster Development Initiative Limited (ICDIL)	2	IL&FS Infrastructure Development Corporation Limited (IIDCL)	3	IL&FS Trust Company Limited (ITCL)	4	West Gujarat Expressway Limited (WGEL)	5	Andhra Pradesh Expressway Limited (APEL)	6	Chattisgarh Highway Development Company Limited (CHDCL)	7	East Hyderabad Expressway Limited (EHEL)	8	North Karnataka Expressway Limited (NKEL)	9	IL&FS Infrastructure Equity Fund (IIEF)	10	IL&FS Renewable Energy Limited (IREL)	11	Road Infrastructure Development Company of Rajasthan Ltd (RIDCOR)	12	Elsamex India (P) Ltd. (EIPL)
1	IL&FS Cluster Development Initiative Limited (ICDIL)																									
2	IL&FS Infrastructure Development Corporation Limited (IIDCL)																									
3	IL&FS Trust Company Limited (ITCL)																									
4	West Gujarat Expressway Limited (WGEL)																									
5	Andhra Pradesh Expressway Limited (APEL)																									
6	Chattisgarh Highway Development Company Limited (CHDCL)																									
7	East Hyderabad Expressway Limited (EHEL)																									
8	North Karnataka Expressway Limited (NKEL)																									
9	IL&FS Infrastructure Equity Fund (IIEF)																									
10	IL&FS Renewable Energy Limited (IREL)																									
11	Road Infrastructure Development Company of Rajasthan Ltd (RIDCOR)																									
12	Elsamex India (P) Ltd. (EIPL)																									

b. The nature and volume of transactions during the year with the above related parties are as follows:

(Rupees)

Nature of Transaction	Amount	Company
Commitment Charges	6,912,000	ITNL
Commitment Charges	550,098	IL&FS
Interest Paid on Borrowings	105,447,022	IL&FS
Interest Paid on Borrowings	55,839,818	ITNL
Loans Repaid	99,694,620	IL&FS
Security Agent Fees	1,123,600	IL&FS
Takeout Assistance fees	1,615,439	IL&FS
Toll Operation Expenses	54,352,524	ITNL
Purchase of Fixed Assets	3,530,172	ITNL
Legal & Professional Fees	573,036	ITNL
Consultancy Charges	3,529,600	IREL
Deep Discount Bonds Trusteeship Fees	112,360	ITCL
Remuneration	4,143,729	Mr. Mukund Sapre (Chief Executive Officer)
	591,023	Mr. Vikram Joshi (Manager & Company Secretary)
	226,639	Mr. Ankit Sheth (Manager & Company Secretary)

Note: - Reimbursement of Cost is not included above



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

- c. The nature and volume of closing balances as at 31st March, 2009 with the above related parties are as follows:

(Rupees)

Balance Outstanding	Amount	Company
Loans outstanding	1,051,156,358	IL&FS
Loans outstanding	308,800,000	ITNL
Payable on current account	1,011,231	IL&FS
Commitment Charges Payable	28,731,685	IL&FS
Commitment Charges Payable	9,252,074	ITNL
Advance towards Share Capital	150,000,000	IIEF
Advance towards Share Capital	600,000,000	ITNL
Payable on current account	13,560,522	ITNL
Payable on current account	3,129,696	IREL
Receivable on current account	13,283	APEL
Receivable on current account	118,235	CHDCL
Receivable on current account	2,000	EHEL
Receivable on current account	15,000	EIPL
Receivable on current account	6,000	ICDIL
Receivable on current account	28,500	IIDCL
Receivable on current account	2,000	NKEL
Receivable on current account	1,497	RIDCOR
Receivable on current account	8,297	WGEL

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

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

	Particulars	Current Year	Previous Year
(A)	Net Profit / (Loss) for the half year (Rupees)	181,771,550	96,587,851
(B)	Less: Premium on non Cumulative Redeemable Convertible Preference Shares including tax thereon (Rupees)	(18,822,065)	(18,884,410)
(C)	Net Profit/ (Loss) Attributable to Shareholders (Rupees) (see footnote (a) below)	162,949,485	77,703,441
(D)	Weighted Average number of Equity Shares	91,542,271	91,542,271
(E)	Face value per equity share (Rupees)	10.00	10.00
(F)	Basic EPS (C) / (D) (Rupees) (not annualised)	1.78	0.85
(G)	Net Profit adjusted for stamp duty on shares to be issued	161,899,485	76,653,441
(H)	Equity Shares used to compute diluted earnings per share	196,542,271	196,542,271
(I)	Diluted EPS (G/H) (not annualised) (also see footnote (b) below)	0.82	0.39



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

Footnotes: -

- Consequent to the restrictions on declaration of dividend as explained in note no. 5 above, dividend on preference shares has not been adjusted in computing the earnings per share.
- Pending conversion of the advance towards share capital into subordinated debt (see note 4 above), it has been considered for computing the diluted earnings per share.

20. Employee Benefit Obligations

Defined-Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the period 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. 129,558 (31st March, 2009 Rs. 238,210) has been charged to the Profit and Loss Account in this respect.

Defined-Benefits Plans

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

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

	Rupees	
Gratuity (Funded Plan)	As at 31st March, 2010	As at 31st March, 2009
Present Value of Commitments	185,897	182,688
Fair Value of Plans	163,677	34,498
Liability taken to the balance sheet	22,220	148,190

Defined benefit commitments:

	Rupees	
Gratuity (Funded Plan)	As at 31st March, 2010	As at 31st March, 2009
Opening balance	182,688	216,460
Current Service Cost	20,440	50,785
Interest expenses	13,702	4,750
Benefits paid (including Transfer)	-	(306,241)
Actuarial (gain) / loss	(30,933)	216,934
Closing balance	185,897	182,688

Plan assets: Gratuity

	Rupees	
Gratuity (Funded Plan)	As at 31st March, 2010	As at 31st March, 2009
Opening balance	34,498	239,063
Expected return on scheme assets	2,760	10,942
Contributions by the Company	115,669	90,253



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

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

Rupees

Gratuity (Funded Plan)	As at 31 st March, 2010	As at 31 st March, 2009
Benefits paid (including Transfer)	-	(306,241)
Actuarial gain / (loss)	10,750	481
Closing balance	163,677	34,498

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

Return on plan assets: Gratuity

Rupees

	As at 31 st March, 2010	As at 31 st March, 2009
Expected return on plan assets	2,760	10,942
Actuarial gain / (loss)	10,750	481
Actual return on plan assets	13,510	11,423

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

Rupees

Gratuity (Funded Plan)	For the year ended 31 st March, 2010	For the year ended 31 st March, 2009
Current service costs	20,440	50,785
Interest expense	13,702	4,750
Expected return on investment	(2,760)	(10,942)
Net actuarial (gain) / loss	(41,683)	216,453
Amount (credited) / charged to the profit and loss account	(10,301)	261,046

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

	As at 31 st March, 2010	As at 31 st March, 2009
Rate for discounting liabilities	8.25% p.a.	7.50% p.a.
Expected salary increase rate	4.50% p.a.	4.00% p.a.
Expected return on scheme assets	8.00% p.a.	8.00% p.a.
Attrition	2.00% p.a.	2.00% p.a.
Mortality table used	LIC (1994-96) Ultimate	

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

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 31st March, 2010, 31st March, 2009, 31st March, 2008 and 31st March, 2007 are given below:



GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Schedules forming a part of the financial statements

SCHEDULE 'K': NOTES TO THE FINANCIAL STATEMENTS

Rupees

Gratuity (Funded Plan)	As at 31 st March, 2010	As at 31 st March, 2009	As at 31 st March, 2008	As at 31 st March, 2007
Defined benefit commitments	185,897	182,688	216,460	298,330
Plans assets	163,677	34,498	239,063	458,082
(Surplus) / Deficit	22,220	148,190	(22,603)	(159,752)
	For the year ended 31 st March, 2010	For the year ended 31 st March, 2009	For the year ended 31 st March, 2008	For the year ended 31 st March, 2007
Experience adjustments on plan commitments	(23,025)	(414,395)	(160,442)	128,580
Experience adjustments on plan assets	10,750	481	5,365	6,374

The contributions expected to be made by the Company during the financial year 2010-11 is Rs. 29,580.

21. 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 (31st March, 2009 Rs. 200,000). There were no delays in the payment of dues to Micro and Small Enterprises.
22. Asset Management Costs include cost of routine maintenance in respect of AMRP and VHRP aggregating Rs. 20,838,267 (31st March, 2009 Rs. 15,414,244).
23. Previous year's figures have been regrouped / rearranged whenever necessary to conform to the classification of the current year.

For and on behalf of the Board

Chief Executive Officer

Director

Director

Chief Financial Officer

Manager & Company Secretary

Place: Ahmedabad

Date: 13th May, 2010

GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

INFORMATION FURNISHED PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

3	6	0	8	6
---	---	---	---	---

State Code

0	4
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

N	A								
---	---	--	--	--	--	--	--	--	--

Bonus Issue

N	A								
---	---	--	--	--	--	--	--	--	--

Rights Issue

N	A								
---	---	--	--	--	--	--	--	--	--

Private Placement

N	A								
---	---	--	--	--	--	--	--	--	--

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

Total Liabilities

		6	0	4	2	7	3	0
--	--	---	---	---	---	---	---	---

Total Assets

		6	0	4	2	7	3	0
--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-Up Capital

		1	2	6	5	4	2	2
--	--	---	---	---	---	---	---	---

Reserve and Surplus

		1	1	3	1	5	9	9
--	--	---	---	---	---	---	---	---

Secured Loans

		2	5	9	5	7	0	8
--	--	---	---	---	---	---	---	---

Unsecured Loans

							N	I	L
--	--	--	--	--	--	--	---	---	---

Deferred Tax Liability

							N	I	L
--	--	--	--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

		4	0	0	4	9	4	3
--	--	---	---	---	---	---	---	---

Investments

N	I	L							
---	---	---	--	--	--	--	--	--	--

Net Current Assets

					4	2	9	1
--	--	--	--	--	---	---	---	---

Misc. Expenditure

N	I	L							
---	---	---	--	--	--	--	--	--	--

Accumulated Losses

							N	I	L
--	--	--	--	--	--	--	---	---	---

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

			7	5	6	5	7	9
--	--	--	---	---	---	---	---	---

Total Expenditure

			5	6	3	9	4	1
--	--	--	---	---	---	---	---	---

+ - Profit / Loss before Tax

			1	9	2	6	3	8
--	--	--	---	---	---	---	---	---

+ - Profit / Loss after Tax

			1	8	1	7	7	2
--	--	--	---	---	---	---	---	---

(Please tick Appropriate box + for Profit - for Loss)

Earning Per Share in Rs.

			1	.	7	8
--	--	--	---	---	---	---

Dividend Rate %

N	I	L							
---	---	---	--	--	--	--	--	--	--

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Items Code No. (ITC Code)
N.A.

Product Description
Construction & Operation of Vadodara Halol Road Project & Ahmedabad Mehsana Road Project on Build, Own, Operate & Transfer (BOOT) Systems
37