

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT
COMPANY LIMITED**

ANNUAL REPORT

2009 - 10

DIRECTORS' REPORT

The Shareholders,

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

Your Directors have pleasure in presenting the Second Annual Report along with the Audited Accounts for the financial year ended March 31, 2010

FINANCIAL RESULTS:

	(Rs.)	
	For the period ended December 31, 2008	For the period ended March 31, 2010
Total Income	-	-
Total Expenses	62,788	653,986
Profit / (loss) for the period	(62,788)	(653,986)
Profit / (loss) Before Tax	(62,788)	(653,986)
Less: Provision for Tax	-	75,000
Profit After Tax	(62,788)	(7,28,986)
Balance carried forward	(62,788)	(7,91,774)

DIVIDEND:

Your Directors do not recommend dividend for the period under review

OPERATIONS:

During the period, your Company started Development and Operation of Beawar – Gomti Section of National Highway No. 8 in the State of Rajasthan on Design, Build, Finance, Operate and Transfer (“DBFOT”) Basis. The concession period is of 30 years in case of 4-lane; and in case 4 lane not done, then the Concession Period is 11 years. The project is scheduled to be completed in January 2011.

The total project cost is approximately Rs 355 Crores and your company has availed an aggregate loan from banks and lenders of Rs. 126.50 Crores as on March 31, 2010 to meet the project cost. The project has achieved about 50% of physical progress which is ahead of the project schedule. However, the key challenges in early completion of project are early approval from railways for construction of over-bridge and clearance from Central & State Boards of Wild Life and Empowered Committee, Hon’ble Supreme Court, which are yet to be received

The first installment of Grant from MORTH of Rs. 19.37 Crores has been already recommended by Authority to Department of Economic Affairs (DEA), Government of India and the DEA has also released partial amount of Grant, the balance amount will be received soon.

DIRECTORS:

During the period under review, Mr M K Mohan was appointed as the Managing Director of the Company by the Board at their Meeting held on November 23, 2009 for a period 2 years subject to the approval of the members at the ensuing Annual General Meeting of the Company. The requisite resolution and the Explanatory Statement thereto for the appointment of Mr M K Mohan have been incorporated in the notice of the ensuing Annual General Meeting of the Company for the approval of the members of the Company

Mr Mukund Sapre, Director of the Company is due for retirement by rotation and is eligible for re-appointment

AUDITORS:

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

DEPOSITS:

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

CORPORATE GOVERNANCE:

Five Board Meetings were held during the period under review on May 5, 2009, August 1, 2009, September 9, 2009, November 23, 2009 and March 22, 2010. The number of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	No. of Board Meetings Attended
1	Mr Mukund Sapre	5	5
2	Mr M K Mohan	5	3
3	Mr Cherian George	5	5
4	Mr Harish Mathur	5	5

The Audit Committee has been constituted by the Company for observing good corporate governance and have focused attention on the affairs of the Company

The Audit Committee is comprised of Mr Mukund Sapre, Mr Cherian George and Mr Harish Mathur. The Audit Committee met once in the year under review on November 23, 2009

PARTICULARS OF EMPLOYEES:

There are no employees in respect of whom the statement is required to be prepared pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

DIRECTORS RESPONSIBILITY STATEMENT:

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was no income/earning or outgo of foreign exchange during the period under review. Since your Company does not have any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable

ACKNOWLEDGMENTS:

Relationships with Shareholders, Central and State Government/Agencies, Bankers and Regulatory Authorities remained excellent during the period under review. Your Directors are grateful for the support extended by them and look forward to receiving their continued support and encouragement.

For and on behalf of the Board

Sd/-
(Managing Director)

Sd/-
(Director)

Date : April 29, 2010
Place : Mumbai

**AUDITORS' REPORT TO THE MEMBERS OF
ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
[FORMERLY KNOWN AS 'ITNL CHATTISGARH ROAD INFRASTRUCTURE COMPANY
LIMITED']**

1. We have audited the attached Balance Sheet of ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED (the 'Company') as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and also the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and also the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;
 - (v) On the basis of written representation received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and

(b) in the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date.

(c) in the case of the Cash Flows Statement, of the cash flows of the Company for the period ended on that date

Place : Mumbai

Date : 29th April, 2010



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

A handwritten signature in cursive script, appearing to read "Parag Modi".

(Parag Modi)
Partner
M.No. 114105

Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date to the members of ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED on the financial statements for the period ended 31st March, 2010)

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



- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 with regard to the nature of the business of the Company.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed dues payable in respect of provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess and other statutory dues as applicable, were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of wealth tax, service tax, sales tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The company has been incorporated for the period less than five years. Accordingly clause 4(x) of the Order is not applicable.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has generally not defaulted in repayment of dues to Banks.
- (xii) Based on our examination and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is not a chit fund, nidhi mutual benefit fund/ society. Accordingly clause 4(xiii) of the Order is not applicable.
- (xiv) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly clause 4(xiv) of the Order is not applicable.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the period. Accordingly clause 4(xv) of the Order is not applicable.
- (xvi) To the best of our knowledge and belief and according to the information and explanations and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the period for the purpose for which the loans were obtained.



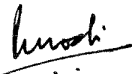
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to a company covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the period. Accordingly clause 4(xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issue during the period. Accordingly clause 4(xx) of the Order is not applicable.
- (xxi) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.

Place : Mumbai

Date : 29th April, 2010



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


(Parag Modi)
Partner
M.No. 114105

ITNL Road Infrastructure Development Company Limited
(Formerly Known as ITNL Chhattisgarh Road Infrastructure Company Limited)

Balance Sheet as at 31 March, 2010

	Schedule	As at 31-Mar-10 (Rs.)	As at 31-Mar-10 (Rs.)	As at 31-Dec-08 (Rs.)
<u>SOURCES OF FUNDS</u>				
SHARE HOLDERS' FUNDS				
Share Capital	A		400,000,000	500,000
<u>LOAN FUNDS</u>				
Secured Loans	B	1,331,800,000		
Unsecured Loans		133,300,000	1,465,100,000	-
TOTAL			1,865,100,000	500,000
<u>APPLICATION OF FUNDS</u>				
<u>FIXED ASSETS</u>				
Gross Block	C	2,860,941		
Less: Accumulated Depreciation		425,331		
		2,435,610		
Add : Capital Work In Progress		1,737,117,741	1,739,553,351	-
<u>CURRENT ASSETS, LOANS & ADVANCES</u>				
Cash and Bank Balance	D	155,488,099		470,359
Other Current Assets		47,793		-
Loans and advances		320,069,311		-
		475,605,203		470,359
<u>LESS: CURRENT LIABILITIES & PROVISIONS</u>				
Current Liabilities	E	350,850,328		33,147
Provisions		-		-
		350,850,328		33,147
NET CURRENT ASSETS:(LIABILITIES)			124,754,875	437,212
Profit and Loss Account			791,774	62,788
TOTAL			1,865,100,000	500,000

Significant Accounting Policies
Notes forming part of the Accounts
Schedules A to H annexed hereto form part of Financial Statements

G
H

As per our report of even date
For Lakhani & Co.
Chartered Accountants
Firm Registration No. 105524W

For and on behalf of the Board

Parag Modi
Partner
Membership Number . 114105
Place : Mumbai
Date : April 29, 2010

Managing Director

Director

ITNL Road Infrastructure Development Company Limited
(Formerly Known as ITNL Chhattisgarh Road Infrastructure Company Limited)

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM JANUARY 01,2009 TO MARCH 31,2010

		For the period from January 01, 2009 to 31st March 2010 Rs.	For the period from October 26 2007 to 31st December 2008 Rs.
<u>INCOME</u>		-	-
		-	-
<u>EXPENSES</u>			
Administrative and operating Expenses	F	514,205	62,788
Depreciation on Fixed Assets		139,781	-
Total		653,986	62,788
Profit / (Loss) before Tax		(653,986)	(62,788)
Provision for Taxation - Current Tax		75,000	
Profit / (Loss) After Tax		(728,986)	(62,788)
Balance of Profit / (Loss) Brought Forward		(62,788)	-
Balance Carried Forward to Balance Sheet		(791,774)	(62,788)

Earning Per Share

Basic	(0.002)	(1.26)
Diluted	(0.002)	(1.26)

Schedules A to H annexed hereto form part of Financial

As per our report of even date.

For Lakhani & Co.

Chartered Accountants

Firm Registration No. 105524W

For and on behalf of the Board

Parag Modi

Partner

Membership Number :114105

Place : Mumbai

Date : April 29, 2010

Managing Director

Director

ITNL Road Infrastructure Development Company Limited
(Formerly Known as ITNL Chhattisgarh Road Infrastructure Company Limited)

Cash Flow Statement for the Period from January 01, 2009 to March 31, 2010

	For the period Ended March 31, 2010	For the period ended December 31, 2008 (Rs.)
Cash Flows From Operating Activities		
Net Profit / (Loss) Before Tax	(653,986)	(62,788)
Adjustment For :-		
Depriciation on Fixed Assets	139,781	-
Net Operating Loss before Working Capital Changes	(514,205)	(62,788)
Movement in Working Capital		
(Increase) / Decrease in Current Asset, Loans & Advances	(11,000)	-
Increase / (Decrease) in Current Liabilities and Provisions	409,969	33,147
Net Changes in Working Capital	350,806,181	33,147
Payments of taxes	(87,908)	-
Net Cash Generated/ (Used) From Operating Activities	350,204,068	(29,641)
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(2,860,941)	-
Addition to Capital Work in Progress	(1,736,832,191)	-
(Increase) / Decrease in Current Asset, Loans & Advances	(320,093,196)	-
Increase / (Decrease) in Current Liabilities and Provisions	350,407,212	-
Net Cash Used in Investing Activities	(2,059,786,328)	-
Cash Flows from Financing Activities		
Issue of Equity Shares	399,500,000	500,000
Loan From Bank	1,331,800,000	-
Loan From Holding Company	133,300,000	-
Net Cash Generated from Financing Activities	1,864,600,000	500,000
Net Increase/(Decrease) in Cash and Cash Equivalents	155,017,740	470,359
Cash and Cash Equivalents at the beginning of the year	470,359	-
Cash and Cash Equivalents at the end of the year	155,488,099	470,359
Net Increase/(Decrease) in Cash and Cash Equivalents	155,017,740	470,359
COMPONENTS OF CASH & CASH EQUIVALENT- END OF PERIOD		
Cash in hand	8,756	1,500
Balances with Scheduled Banks :		
- In Current Account	15,294,240	468,859
-In Fixed Deposit Account	140,185,103	-
	155,488,099	470,359

As per our report of even date.
For Lakhani & Co.
Chartered Accountants
Firm Registration No. 105524W

For and on behalf of the Board

Parag Modi
Partner
Membership Number : 114105
Place : Mumbai
Date April 29, 2010

Managing Director Director

ITNL Road Infrastructure Development Company Limited
(Formerly Known as ITNL Chhattisgarh Road Infrastructure Company Limited)

Schedule forming Part of the Accounts

SCHEDULE A : SHARE CAPITAL

	As at 31-Mar-10 Rs.	As at 31-Dec-08 Rs.
Authorised : 40,000,000 Equity Shares of Rs. 10/- each (previous Year 50,000 equity shares)	400,000,000	500,000
	400,000,000	500,000
Issued, Subscribed and Paid - up : 40,000,000 Equity Shares of Rs. 10/- each Fully Paid up (previous Year 50,000 equity shares) (40,000,000 Equity Shares are held by IL&FS Transportation Networks Limited, the Holding Company)	400,000,000	500,000
Total	400,000,000	500,000

SCHEDULE B : LOAN FUND

	As at 31-Mar-10 Rs.	As at 31-Dec-08 Rs.
<u>SECURED LOAN</u>		
Term loan from Banks (Hypothecation of all movable, tangible and intangible assets, Receivables, cash and investments created as part of the Project; Monies lying in the Escrow account into which all the investments in the project and all Project revenues and Insurance proceeds are to be deposited Assignment of all the rights, title, benefits, claims and demands of the Borrower under Project Agreements)	1,331,800,000	-
Total (A)	1,331,800,000	-
<u>UNSECURED LOAN</u>		
IL&FS Transportation Networks Limited	133,300,000	-
Total (B)	133,300,000	-
Loan Fund	Total (A+ B)	
	1,465,100,000	-

ITNL Road Infrastructure Development Company Limited
(Formerly Known as ITNL Chhattisgarh Road Infrastructure Company Limited)

SCHEDULE C : FIXED ASSETS

Asset Type	Gross Block (at cost)		Depreciation		Net Block	
	Opening as at January 01, 2009 (Rs.)	Deletions (Rs.)	Accumulated up to January 01, 2009 (Rs.)	For the Period (Rs.)	As at March 31, 2010 (Rs.)	As at December 31, 2008 (Rs.)
Furniture & Fixtures	-	475,473	-	203,377	272,096	-
Office Equipments	-	393,254	-	95,189	298,065	-
Data Processing Equipments	-	577,468	-	79,200	498,268	-
Vehicles	-	1,414,746	-	47,565	1,367,181	-
Total	-	2,860,941	-	425,331	2,435,610	-
Add: Capital Work in Progress (Refer Note No.9)						
Previous Year	-	-	-	-	1,737,117,741	-
	-	-	-	-	1,739,553,351	-

Note: 1. Out of total Depreciation for the period Rs.1,39,781/- is charged to Profit & Loss Account & Rs.2,85,550/- is debited to Capital Work In Progress

ITNL Road Infrastructure Development Company Limited
(Formerly Known as ITNL Chhattisgarh Road Infrastructure Company Limited)

SCHEDULE D: CURRENT ASSETS, LOANS & ADVANCES

	As at 31-Mar-10 Rs	As at 31-Dec-08 Rs
(A) CURRENT ASSET		
(a) Cash and Bank balances		
Cash in Hand	8,756	1,500
Balance with Scheduled Bank		
- In Current Account	15,294,240	468,859
- In Fixed Deposit Account	140,185,103	-
	155,488,099	470,359
(b) Other Current Assets		
Interest Accrued on Short Term Deposit	47,793	-
	47,793	-
Sub-Total (A)	155,535,892	470,359
(B) Loans and Advances (Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received (Refer Note No.11)	320,056,403	-
Advances Taxes (net)	12,908	-
Sub-Total (B)	320,069,311	-
Total (A) + (B)	475,605,203	470,359

SCHEDULE E: CURRENT LIABILITIES AND PROVISIONS

	As at 31-Mar-10 (Rs.)	As at 31-Dec-08 (Rs.)
(A) Current Liabilities		
Sundry Creditors (Refer Note No.12)	211,776,152	-
Other Liabilities	139,074,176	33,147
Sub-Total (A)	350,850,328	33,147
(B) Provisions		
Provision	-	-
Sub-Total (B)	-	-
Total (A) + (B)	350,850,328	33,147

ITNL Road Infrastructure Development Company Limited
 (Formerly Known as ITNL Chhattisgarh Road Infrastructure Company Limited)

SCHEDULE F : ADMINISTRATIVE & OPERATING EXPENSES

	For the year ended March 31, 2010 (Rs.)	For the year ended December 31, 2008 (Rs.)
Bank Charges	13,985	-
Books & Periodicals	6,833	-
Internal Audit Fees	82,725	-
Legal & Professional Fees	29,127	-
Licence Fees	1,200	-
Miscellaneous Expenses	380,335	-
Total	514,205	-

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
(FORMERLY KNOWN AS ITNL CHHATTISGARH ROAD
INFRASTRUCTURE COMPANY LIMITED)

SCHEDULE 'G' : Accounting Policies

1. Basis of preparation of Financial Statements

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

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

2. Revenue Recognition

Revenue is recognised on accrual basis.

3. Fixed Assets and Depreciation / Amortisation:

(a) Fixed assets and depreciation

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

The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition value are delivery and handling costs, installation, legal services and consultancy services.

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

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

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

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

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

(b) Capital work in progress

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

4. Cash Flow Statements

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

5. Provisions and Contingencies

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

6. Taxation

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

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of timing differences between the book profit and the tax profit. Deferred Tax Assets and Liabilities other than carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable profit. Deferred Tax Assets and Liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Profit and Loss Account in the period of substantive enactment of the change. Fringe Benefit Tax is recognised in accordance with the provisions of the Income Tax Act, 1961 and Guidance Note on Accounting for Fringe Benefit Tax issued by the Institute of Chartered Accountants of India.

7. Earnings Per Share

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

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

8. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance charges in the income statement in the period in which they are incurred

9. Preliminary Expenditure

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

10. Impairment of Assets

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

SCHEDULE 'H' : Notes forming part of Accounts

1. The Company was incorporated under the Co's Act 1956 on October 26,2007 vide Registration No U45400MH2007PLC175415.The Financial statements are prepared for the period from January 01,2009 to March 31,2010.
2. IL&FS Transportation Networks Ltd. (ITNL) had submitted bid on January 30, 2009 for development of Beawar-Gomti section of NH-8 (the Project) in the State of Rajasthan through private participation on Design, Build, Finance, Operate and Transfer (DBFOT) basis involving Grant of Rs.75,46,50,000/-. ITNL was declared as the "Successful Bidder" for the Project by the Department of Road Transport & Highway (DORTH) vide its Letter of Acceptance dated March 2, 2009. The Company has entered into a Concession Agreement (CA) on April 1, 2009 with The President of India, represented by Special Secretary and Director General (Road Development), DORTH (hereinafter referred to as the "Authority"), to Construct, Operate and Maintain the Project for a period of 30 years commencing from the Appointed date, provided that in the event of four-laning not undertaken for any reason in accordance with the provisions of CA, the Concession period shall be deemed to be 11 years including construction period of 455 days required for 2- laning of the Project.

IL&FS Transportation Networks Ltd. (ITNL) as the successful bidder has formed 'ITNL Road Infrastructure Development Company Limited' (the Company/IRIDCL), as a Special Purpose Vehicle to undertake and perform the obligations as a Concessionaire for implementation of the Project. The Company was originally formed as "ITNL Chhattisgarh Road Infrastructure Company Ltd on October 26, 2007. The Company's name was changed to 'ITNL Road Infrastructure Development Company Limited' w.e.f January 17, 2009 and consequent to the change in name of the Company, a fresh Certificate of Incorporation dated January 17, 2009 was issued by the Registrar of Companies (RoC), Maharashtra.

3. Capital Commitment

(Amount in Rupees)

Particulars	As at March 31,2010	As at December 31, 2008
Estimated amount of contract remaining to be executed on capital account not provided for (net of advances paid of Rs 319,228,000 /-)	1,216,459,330/-	NIL

4. Segment Reporting

The Company is engaged in the business detailed in Note 1 above and thus operates in a single business segment. Also it operates in a single geographical segment. In the absence of separate reportable business or geographical segments, the disclosures required under Accounting Standard (AS)-17 on "Segment Reporting" specified by the Central Government are not applicable.

5. Related Party Disclosures

As per the Accounting Standard on "Related Party Disclosures" (AS 18) issued by the the Companies Accounting Standards Rules, 2006, the related parties of ITNL Road Infrastructure Development Company Limited (IRIDCL) as on March 31, 2010 are as follows: -

Ultimate Holding Company:

Infrastructure Leasing & Financial Services Limited (IL&FS)

Holding Company :

IL&FS Transportation Networks Limited (ITNL)

Fellow Subsidiaries: (With whom the Company has transaction during the period)

IL&FS Financial Services Limited
Gujarat Road & Infrastructure Company Limited
IL&FS Trust Company Limited

Subsidiaries:

NIL

Associates: (Direct & Indirect)

NIL

Entities having significant influence over IRIDCL:

NIL

Key Management Personnel:

Mr M K Mohan – Managing Director

Other Enterprises over which IRIDCL has control

NIL

TRANSACTION WITH RELATED PARTY

Amount In Rupees

Name of The Company	Nature of Transaction	Transaction for the period ended March 31,2010	Balance as on March 31, 2010
IL&FS Transportation Networks Limited	Share Capital	399,500,000 (500,000)	400,000,000 (500,000)
	Unsecured Loan taken	133,300,000 (NIL)	133,300,000 (NIL)
	Interest paid on Loan	18,985,336 (NIL)	NIL (NIL)
	Project Consultancy Fees	551,500,000 (NIL)	NIL (NIL)
	Contractual Charges paid	260,274,360 (NIL)	NIL (NIL)
	Fixed Assets Purchased	1,170,116 (NIL)	NIL (NIL)
	Mobilisation Advance given	370,253,000 (NIL)	319,228,000 (NIL)
	Milestone Payment	806,781,895 (NIL)	NIL (NIL)
	Current Liabilities		547,556 (23,868)
	Sundry Creditors		313,510,322 (NIL)

TRANSACTION WITH RELATED PARTY

Amount In Rupees

Name of The Company	Nature of Transaction	Transaction for the period ended March 31,2010	Balance as on March 31, 2010
IL&FS Transportation Networks Limited	Share Capital	399,500,000 (500,000)	400,000,000 (500,000)
	Unsecured Loan taken	133,300,000 (NIL)	133,300,000 (NIL)
	Interest paid on Loan	18,985,336 (NIL)	NIL (NIL)
	Project Consultancy Fees	551,500,000 (NIL)	NIL (NIL)
	Contractual Charges paid	260,274,360 (NIL)	NIL (NIL)
	Fixed Assets Purchased	1,170,116 (NIL)	NIL (NIL)
	Mobilisation Advance given	370,253,000 (NIL)	319,228,000 (NIL)
	Milestone Payment	806,781,895 (NIL)	NIL (NIL)
	Current Liabilities		547,556 (23,868)
	Sundry Creditors		313,510,322 (NIL)

Name of The Company	Nature of Transaction	Transaction for the period ended March 31,2010	Balance as on March 31, 2010
IL&FS Transportation Networks Limited	Retention Money (Credit Balance)	----- (NIL)	20,169,547 (NIL)
IL&FS Financial Services Limited	Upfront Fees & Syndication Fees paid	28,094,513 (NIL)	NIL (NIL)
IL&FS Trust Company Limited	Security Trusteeship Fees	2,292,124 (NIL)	276,052 (NIL)
East Hyderabad Expressway Limited	Current Account (Debit Balance)	----- (NIL)	11,000 (NIL)

Note:

- ❖ Amounts are inclusive of service tax.
 - ❖ Figures in brackets for Transaction represents figures for the period ended December 31,2008.
 - ❖ Figures in brackets for Balance represents figures as at December 31, 2008.
6. Mr M.K.Mohan has been appointed as a Managing Director of the Company in previous period, with no remuneration. Accordingly, the statement showing computation of net profits in accordance with section 349 of the Companies Act, 1956 , has not been given.
7. Other information required pursuant to provision in Part VI to the Companies Act 1956, to the extent applicable

	For the Year Ended	
	March 31 st 2010	December 31 st 2008
Audit Fees	165,450	30,899
Certification Fees	46,602	NIL
Fees for other Services	166,500	NIL
Out of Pocket Expenses	1,783	NIL

Note: Above figures are inclusive of service tax

8 Earning Per Share

As per AS-20 notified under the Companies Accounting Standards Rules, 2006. EPS has been computed by dividing the loss for the period by No of Equity Shares for the respective period as under: -

	Period from January 01, 2009 to March 31, 2010	Period from October 26, 2007 to December 31, 2008
Loss after Tax	728,986	62,788
Weighted average no of equity shares in calculating EPS	321,768,022	50,000
EPS : Basic	(0.002)	(1.26)
Diluted	(0.002)	(1.26)

9. Capital Work In Progress includes

	As at 1-Jan-09 Rs.	Addition During The Period	As at 31-Mar-10 Rs.
Interest & Finance Charges	-	97,996,385	97,996,385
Rent	-	157,333	157,333
Depreciation on Fixed Assets	-	285,550	285,550
Legal & Professional Fees	-	1,156,918	1,156,918
Contractual Charges	-	260,274,360	260,274,360
Milestone Payment	-	806,781,895	806,781,895
Project Development Fees	-	551,500,000	551,500,000
Rates & Taxes	-	3,300,855	3,300,855
Repairs, Maintenance & Assets Running Expenses	-	598,412	598,412
Security Trusteeship Fees	-	2,292,124	2,292,124
General & Miscellaneous Expenses	-	13,700,783	13,700,783
(A)	-	1,738,044,615	1,738,044,615
Less: Indirect Income			
Interest on Bank Fixed Deposit (Tax Deducted at Source Rs.87,908/-)	-	(926,874)	(926,874)
(B)	-	(926,874)	(926,874)
Total (A) - (B)	-	1,737,117,741	1,737,117,741

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

11. Advances recoverable in cash or in kind includes Mobilisation advance of Rs.319,228,000/- towards construction of road and paid to EPC Contractor.

12. Dues to Micro, Small and Medium Enterprises.

There is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (“the Act”). This information has been determined based on the details regarding the status of suppliers obtained by the Company and the same has been relied upon by the Auditors.

13. The company has not taken any derivative instrument during the period and there is no derivative instrument outstanding as at the period end. Further, at the period end there is no outstanding foreign currency exposure in respect of receivables and payables.

14. Previous period figures regrouped & rearranged wherever necessary.

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

For and on behalf of the Board

Parag Modi

Managing Director

Director

Partner

M.No: 114105

Mumbai

Date 01.2013

April 29, 2013

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

1	7	5	4	1	5
---	---	---	---	---	---

State Code

1	1
---	---

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

1	8	6	5	1	0	0			
---	---	---	---	---	---	---	--	--	--

Total Assets

1	8	6	5	1	0	0			
---	---	---	---	---	---	---	--	--	--

Sources of Funds

Paid-Up Capital

4	0	0	0	0	0				
---	---	---	---	---	---	--	--	--	--

Reserve and Surplus

-									
---	--	--	--	--	--	--	--	--	--

Secured Loans

1	3	3	1	8	0	0			
---	---	---	---	---	---	---	--	--	--

Unsecured Loans

1	3	3	3	0	0				
---	---	---	---	---	---	--	--	--	--

Deferred Tax Liability

-									
---	--	--	--	--	--	--	--	--	--

Application of Funds

Net Fixed Assets

1	8	6	2	5	8	3			
---	---	---	---	---	---	---	--	--	--

Investments

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

Net Current Assets

1	7	2	5						
---	---	---	---	--	--	--	--	--	--

Misc. Expenditure

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

Accumulated Losses

7	9	2							
---	---	---	--	--	--	--	--	--	--

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

Turnover

-									
---	--	--	--	--	--	--	--	--	--

Total Expenditure

6	5	4							
---	---	---	--	--	--	--	--	--	--

+ - Profit / Loss before Tax

	✓	6	5	4					
--	---	---	---	---	--	--	--	--	--

+ - Profit / Loss after Tax

	✓	7	2	9					
--	---	---	---	---	--	--	--	--	--

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

Earning Per Share in Rs.

-	0	.	0	0	2				
---	---	---	---	---	---	--	--	--	--

Dividend Rate %

-									
---	--	--	--	--	--	--	--	--	--

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

Items Code No. (ITC Code)

N.A.

Product Description

N.A.

Managing Director

Director

Place : Mumbai
 Date : 29-Apr-2010