

WEST GUJARAT EXPRESSWAY LIMITED

ANNUAL REPORT

2012-13

DIRECTORS' REPORT

The Shareholders

WEST GUJARAT EXPRESSWAY LIMITED

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

FINANCIAL RESULTS

The financial results of the Company are as under:

(Amount in ₹)

	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	466,353,990	403,633,478
Total Expenses	532,397,406	589,322,037
Profit/(Loss) Before Tax	(66,043,415)	(185, 688,559)
Less: Provision for Tax	-	NIL
Net Profit/(Loss) After Tax	(66,043,415)	(185, 688,559)
Balance carried forward	(648,591,993)	(582,548,577)

OPERATIONS:

Your Company continued to maintain the Jetpur- Gondal- Rajkot road section and Rajkot Bypass project road to quality standards and in accordance with the contractual requirements. During the year under review, the toll revenue earned was Rs. 45.68 Crores

DIVIDEND:

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

REDEMPTION OF NON – CONVERTIBLE DEBENTURES:

The Company had issued 360 Unsecured Subordinate Non-Convertible Debentures (NCDs) with a face value of ₹10,00,000 each to Infrastructure Leasing & Financial Services Limited (IL&FS), on April 30, 2007. Out of the aforementioned Debentures the Company had redeemed 72 debentures and was holding 288 Debentures at the beginning of the year. During the year under review, your Company has redeemed 36 NCDs of ₹10,00,000 each in 4 equated quarterly installments of ₹90,00,000/- each on June 30, 2012 (Sixth installment), September 30, 2012 (Seventh installment), December 31, 2012 (Eighth installment) and March 31, 2013 (Ninth installment) to IL&FS

DIRECTORS:

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr Pradeep Puri, Director of the Company is liable to retire by rotation at the forthcoming Annual

General Meeting of the Company and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment

AUDITORS:

M/s. M. K. P. S. & Associates, Chartered Accountants, Statutory Auditors, retire at the ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditors, if re-appointed

DEPOSITS:

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

CORPORATE GOVERNANCE:

Four Board Meetings were held during the year under review on April 19, 2012, July 19, 2012, October 18, 2012 and January 18, 2013. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Pradeep Puri	4	1
2	Mr. George Cherian	4	4
3	Mr. Avinash Bagul	4	4
4	Mr. Harish Mathur	4	3
5	Mr. Rajiv Dubey	4	2

The Audit Committee was constituted pursuant to the provisions of the Section 292A of the Companies Act, 1956. The Audit Committee is comprised of Mr Pradeep Puri, Mr George Cherian and Mr Harish Mathur. The Audit Committee met four times during the year under review on April 19, 2012, July 19, 2012, October 18, 2012 and January 18, 2013

PARTICULARS OF EMPLOYEES:

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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;

3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

ACKNOWLEDGMENTS:

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities including National Highway Authority of India and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

By the order of the Board

SD/-
Rajiv Dubey
(Managing Director)

SD/-
Harish Mathur
(Director)

Date : April 18, 2013
Place : Mumbai

M K P S & ASSOCIATES

(Formerly DASS MAULIK MAHENDRA K AGRAWALA & Co.)

CHARTERED ACCOUNTANTS

1001, A Wing, 10th Floor,
Rassaz Castle, Gundavli,
Western Express Highway,
Andheri (East), Mumbai - 400 069.
Tel No.: +91 22 6523 6959
Email: dmmkamumbai@yahoo.co.in
mumbai@mkps.in
Website: www.mkps.in

INDEPENDENT AUDITOR'S REPORT

To the Members of West Gujarat Expressway Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

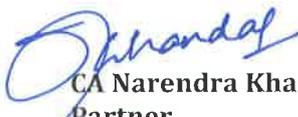
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For MKPS & Associates
Chartered Accountants
Firm's Regn. No. 302014E**


**CA Narendra Khandal
Partner
M No. 065025**



Mumbai, April 18, 2013

Annexure to Auditors' report

Referred to in our report on the accounts of

West Gujarat Expressway Ltd.

for the year ended on 31st March 2013

- (i) a) In our opinion and according to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) There is a phased programme for verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In our opinion and according to the information and explanations given to us, the Company has sub-contracted the entire work of construction to Sub-Contractor and therefore does not carry any Inventory. Hence, the provisions of Clause 4(ii) of the Order, 2003 are not Applicable to the Company.
- (iii) a) In our opinion and according to the information and explanations given to us, 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 Act. Hence the reporting requirement under sub clause (a), (b), (c) and (d) of clause 4 (iii) of the order are not applicable.
- b) In our opinion and according to the information and explanations given to us, the company has not taken loans from one company covered in the register maintained under section 301 of the Act. The aggregate of the amount taken during the year, amount repaid during the year, maximum amount outstanding during the year and the outstanding as at the end of the year were ₹. 12.50 crore, ₹. 40.00 crore ₹. 55.00 Crore and ₹. 15.00 Crore respectively.
- c) The rate of interest and other terms and conditions of the loan are not prima-facie prejudicial to the interest of the company.
- d) As explained to us, the loan is repayable on demand and that no demand for repayment of the same has been received.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of fixed assets and rendering of services. During the course of our audit, we have not observed nor informed by the management of any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Hence, the reporting requirements under sub-clause (a) and (b) of Clause 4 (v) of the order are not applicable for the year under audit.



- (vi) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits from public during the period under audit, consequently, the directives issued by Reserve Bank of India and the provisions of Sections 58A and 58AA of the Act and the rules framed there under are not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion, that prima-facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) a) According to the information and explanations given to us and as per the records of the company examined by us, the company has been generally regular in depositing with the appropriate authorities undisputed statutory dues including income tax and other material statutory dues as applicable to it. According to the information and explanations given to us there are no undisputed amounts payable in respect of income tax and sales tax is outstanding, as at the Balance Sheet date for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
- (x) The accumulated losses of the company as at the end of the year are more than 50% of the net worth of the company. However, the company has not incurred cash loss during the year as well as in the immediately preceding financial year.
- (xi) Based upon the audit procedures carried out by us and on the basis of the information and explanations provided by the management we are of the opinion that the company has not defaulted in repayment of dues to bank.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the company.
- (xiii) The company is not a chit fund or a nidhi mutual benefit fund / society. Hence, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Hence, the provisions of clause 4(xiv) of the Order are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the company.



- (xvi) In our opinion and according to the information and explanations given to us, the term loans had been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that as at the Balance Sheet date, funds raised on short-term basis aggregating to ₹. 52.33 Crore have been used for long-term investment as part financing the cost of the intangible asset which is used for the purpose of generating revenue in the long term.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures. Hence, the reporting requirements under clause 4(xix) of the Order are not applicable to the company.
- (xx) The company has not raised any money by public issues. Hence, the reporting requirements under clause 4(xx) of the Order are not applicable to the company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For MKPS & Associates
Chartered Accountants
Firm's Regn No. 302014E


CA Narendra Khandal
Partner
M. No. 065025

Place: Mumbai
Date: April 18, 2013



WEST GUJARAT EXPRESSWAY LIMITED
Balance Sheet As At March 31, 2013

In ₹

Particulars	Note No.	As At March 31, 2013		As At March 31, 2012	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	3	40,00,00,000		40,00,00,000	
(b) Reserves and surplus	4	-46,65,91,993	-6,65,91,993	-40,05,48,577	-5,48,577
2 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	5		1,33,00,33,000		1,14,89,53,000
3 CURRENT LIABILITIES					
(a) Short-term borrowings	6	15,00,00,000		42,50,00,000	
(b) Trade payables	7	40,43,71,005		23,70,01,197	
(c) Other current liabilities	8	33,32,93,929	88,76,64,934	29,87,62,085	96,07,63,282
TOTAL			2,15,11,05,941		2,10,91,67,705
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	9				
(i) Tangible assets		42,50,169		47,44,504	
(ii) Intangible assets		1,99,52,29,329	1,99,94,79,498	1,98,55,55,261	1,99,02,99,765
(b) Long-term loans and advances	10		61,84,424		61,84,424
2 CURRENT ASSETS					
(a) Cash and cash equivalents	11	11,75,52,108		10,27,59,801	
(b) Short-term loans and advances	12	2,44,48,487		66,58,097	
(c) Other current assets	13	34,41,424	14,54,42,019	32,65,618	11,26,83,516
TOTAL			2,15,11,05,941		2,10,91,67,705

Notes forming part of the financial statements 1 to 26

In terms of our report attached
For **MKPS & Associates**
Chartered Accountants
Firm Registration No- 302014E

Narendra Khandal

Narendra Khandal
Partner

Membership Number : 065025
Date: 18/04/13

Place: Mumbai



For and on behalf of the Board

[Signature]
Managing Director

[Signature]
Director

[Signature]
Company Secretary

WEST GUJARAT EXPRESSWAY LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2013

In ₹

Particulars	Note No.	Year ended March 31, 2013	Year ended March 31, 2012
I Revenue from operations	14	45,68,96,075	38,65,57,220
II Other income	15	94,57,915	1,70,76,258
III Total revenue (I + II)		46,63,53,990	40,36,33,478
IV Expenses			
Operating expenses	16	16,94,18,951	13,91,43,150
Finance costs	17	23,42,31,949	24,72,52,585
Depreciation	9	11,34,10,639	18,58,75,806
Other expenses	18	1,53,35,866	1,70,50,496
Total expenses		53,23,97,406	58,93,22,037
V Loss before tax (VII-VIII)		-6,60,43,415	-18,56,88,559
X Tax expense:			
(1) Current tax		-	-
(2) Excess Provision for Fringe Benefit Tax for an earlier year written		-	0
(3) Deferred tax		-	-
Total tax expenses (X)		-	0
XI Loss for the year (IX-X)		-6,60,43,415	-18,56,88,559
Earnings per equity share (of ₹ 10/- each) Basic / Diluted	21	-3.53	-9.52

Notes forming part of the financial statements 1 to 26

In terms of our report attached
For MKPS & Associates
Chartered Accountants
Firm Registration No- 302014E

For and on behalf of the Board


Narendra Khandal
Partner

Membership Number : 065025
Date: 18/04/13

Place: Mumbai




Managing Director


Director


Company Secretary

WEST GUJARAT EXPRESSWAY LIMITED
Cash Flow Statement for the Year Ended March 31, 2013

Particulars	As at March 31, 2013	As at March 31, 2012
Cash Flow from Operating Activities		
Loss before tax	(6,60,43,415)	(18,56,88,559)
Adjustments for :-		
Depreciation	11,34,10,639	18,58,75,806
Interest expense on borrowings	23,16,70,959	24,45,49,559
Interest income	(93,79,071)	(1,64,53,471)
Profit on sale of fixed assets	(831)	(1,06,254)
Sundry credit balance written back	-	(64,08,863)
Operating profit before Working Capital Changes	26,96,58,280	22,17,68,218
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	-	18,38,143
Short-term loans and advances	(1,77,78,984)	24,871
Long-term loans and advances	-	-
Other current assets	1,01,650	(1,01,650)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	16,73,69,808	5,05,44,065
Other current liabilities	5,07,86,883	88,737
Cash Generated from Operating Activities	47,01,37,637	27,41,62,384
Net income tax (paid) / refunds	(11,406)	(4,08,058)
Net Cash Flow from Operating Activities (A)	47,01,26,231	27,37,54,326
Cash flow from Investing Activities		
Capital expenditure on fixed assets (after adjustments of increase/(decrease) in payables for acquisition / construction of fixed assets)	(15,97,66,193)	(9,30,60,864)
Proceeds from sale of fixed assets	6,000	4,17,455
Bank balances not considered as Cash and cash equivalents -		
- Placed		(1,25,11,440)
- Matured (including pre-matured)	(72,72,028)	10,18,34,437
Interest received (Refer footnote 2)	91,01,615	1,70,54,482
Net Cash from Investing Activities (B)	(15,79,30,605)	1,37,34,071
Cash flow from Financing Activities		
Proceeds from short term borrowings		22,25,00,000
Repayment of short term borrowings	(27,50,00,000)	-
Repayment of long-term borrowings	14,78,00,000	(26,88,40,000)
Interest expense on borrowings	(17,74,75,347)	(24,45,71,874)
Net Cash used in Financing Activities (C)	(30,46,75,347)	(29,09,11,874)
Net decrease in Cash & Cash Equivalents (A+B+C)	75,20,279	(34,23,477)
Cash and Cash Equivalents at the beginning of the year (Refer footnote 1)	1,03,81,259	1,38,04,736
Cash and Cash Equivalents at the end of the year (Refer footnote 1)	1,79,01,538	1,03,81,259
Footnotes:		
1 Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash equivalents as per Balance Sheet (Refer note 12)	11,75,52,108	10,27,59,801
Less: Bank balances not considered as cash and cash equivalents as defined in AS3 Cash Flow Statements		
Deposits placed for periods exceeding 3 months #	9,96,50,570	9,23,78,542
Cash and Cash Equivalents at the end of the year *	1,79,01,538	1,03,81,259
* Components of Cash & Cash Equivalents		
Cash on hand (including cash at toll plazas ₹ 1,240,655/- [previous year ₹ Nil])	28,70,479	12,44,397
Balances with banks	1,50,31,059	91,36,862
- In Current accounts		
	1,79,01,538	1,03,81,259

Not immediately available for use by the Company as the banks are having lien on the deposit accounts which are held under Debt Service Reserve Account. Further, as stated in Note 5 of Notes forming part of the financial statements, balances in Debt Service Reserve Account are hypothecated to the banks as security against the loans.

2. Interest on refund of income tax ₹ 77,308/- [Previous year interest on refund of income tax / fringe benefit tax ₹ 151,764/-] adjusted against the income tax demand, being a non cash item not included above.

3. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.
For MKPS & Associates
Chartered Accountants
Firm Registration No- 302014E


Narendra Khandal
Partner
Membership Number : 065025

Place: Mumbai
Date: 18/04/13



For and on behalf of the Board


Managing Director


Director


Company Secretary

Note 1 – Nature of Operations

The Company is a Special Purpose Vehicle promoted by Infrastructure Leasing & Financial Services Limited. The Company has entered into a Concession Agreement (CA) with the National Highways Authority of India on March 22, 2005. Under the terms of CA, the Company has obtained a concession to develop, design, engineer, finance, procure, construct, operate, and maintain the Jetpur– Gondal-Rajkot Project (the Project Highway) for a period of 20 years ending on September 17, 2025. The CA permits the Company to levy, demand, collect and appropriate the Fees from vehicles and persons liable to payment of Fees for using the Project Highway or any part thereof over the period of the CA referred to above.

Note 2 – Significant Accounting Policies

(I) Basis of Accounting:

The Financial Statements have been prepared in accordance with the recognition and measurement criteria as given in the Group Referral Instructions for inclusion in the consolidated financial information of IL&FS Transportation Networks Limited (Holding Company). The accounting policy on Accounting for Service Concession Arrangements specified in the Group Referral Instructions is based on the Exposure Draft of Guidance Note on Accounting for Service Concession Arrangements issued by The Institute of Chartered Accountants of India, which is implemented w.e.f. April 01, 2007.

(II) Fixed Assets and Depreciation / Amortisation:

(a) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Company 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 working condition for its intended use such as 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.

Depreciation is provided on the straight line method on computers over the management's estimate of its useful life of 4 years and on office premises at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

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

Depreciation on fixed assets, other than those specified above, has been provided on the Written Down Value method using the rates and the manner specified in Schedule XIV to the Companies Act, 1956



(b) Intangible assets and amortisation

Under the Concession Agreement (CA), the Company has received the right to charge users of the Project Highway. Such rights are recognised and classified as "Intangible Assets".

Intangible assets are reported at acquisition value (including fair value of the construction services delivered, and borrowing costs) with deductions for accumulated amortisation and impairment losses, if any.

Intangible Asset is amortised over the period of the CA based on the proportion which the estimated traffic count on the Project Highway for each period bears to the total estimated traffic count on the Project Highway over the period of the CA which represents the pattern in which the asset's economic benefits are consumed by the Company. The traffic count for each year of the CA has been projected by an independent expert based on the traffic data of the Project Highway for the recent past and experience on similar BOT projects.

An impairment test of such 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 Statement of Profit and Loss.

(III) Borrowing Cost

Borrowing Costs directly attributable to the construction of the Project Highway are considered as part of the cost of intangible asset till the date of commencement of commercial operations and other borrowing costs are charged to the Statement of Profit and Loss.

(IV) Overlay Expenditure

The Project Highway is expected to be overlaid every five years. Amount of the estimated cost expected to be incurred at the end of each block of five years is allocated in the respective block of five years, based on the estimated traffic count in each year of the block of five years. The traffic count for each year of the CA has been projected by an independent expert based on the traffic data of the Project Highway for the recent past and experience on similar BOT projects.

(V) Revenue recognition

Toll Revenue is recognised in the period of collection which generally coincides with the usage of the Project Highway or where such rights have been auctioned, in the period to which the auctioned amount relates.

Revenue from Construction Contracts is recognised by reference to the Stage of Completion of Construction. Contract Revenue is measured on the basis of the fair value of the consideration for the Right to Charge users of the Project Highway under the CA which is based on the estimated Internal Rate of Return related to the Project Highway.

(VI) Grant:

- (i) Grant received as Equity Support from the National Highway Authority of India under the CA entered into with the National Highways Authority of India on March 22, 2005 is treated as Capital Reserve.
- (ii) Grant receivable as Operation and Maintenance Support from National Highways Authority of India under the CA is accounted in the period to which it relates in terms of the CA.
- (iii) Grant payable by the Company to National Highways Authority of India in terms of the CA during the 'Operations Period' of the CA will be accounted in the period for which it is payable in the terms of the CA.



(VII) Foreign Currency Transactions :

Foreign Currency transactions during the year are recorded at the rate of exchange prevailing at the date of transaction. All foreign currency monetary items outstanding at the year end are translated at the year end exchange rates. Exchange gains or losses realised and arising due to translation of monetary items outstanding as at the year end are accounted for in the Statement of Profit and Loss. In respect of transactions covered by forward exchange contracts, premium or discounts are amortised as expense or income over the life of the contracts. Exchange differences on such forward contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rate changes. Profit or loss arising on cancellation or renewal of such forward exchange contracts are recognised as income or expense for the year.

(VIII) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

The tax effect of the timing differences between taxable income and accounting income which are capable of reversal in one or more subsequent periods are recorded as deferred tax asset subject to the consideration of prudence or deferred tax liability. Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses only to the extent that there are timing differences, the reversal of which will result in sufficient income or there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date.

(IX) Provisions, Contingent Liabilities and Contingent Assets:

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



(X) Current/Non-Current Assets and Liabilities:

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

- 1) It is expected to be realized within twelve months after the reporting date,
- 2) It is held primarily for the purpose of being traded,
- 3) It is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as Non-current

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

- 4) It is expected to be settled within twelve months after the reporting date,
- 5) It is held primarily for the purpose of being traded,
- 6) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non-current

(XI) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which results are known / materialized.



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 3: Share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 10/- each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Redeemable Optionally Convertible Cumulative Participating Preference Shares of ₹ 10/- each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000
Issued, Subscribed and Paid up (Refer footnotes i, ii, and iii)				
Equity shares of ₹ 10/- each fully paid up	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
2 % Redeemable Optionally Convertible Cumulative Participating Preference Shares of ₹ 10/- each fully paid up	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Total	4,00,00,000	40,00,00,000	4,00,00,000	40,00,00,000

Footnotes:

i. Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Equity Shares		Equity Shares	
	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000

Particulars	Preference Shares		Preference Shares	
	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000

ii. Shareholders holding more than 5 percent shares / shares held by the Holding Company, the Ultimate Holding Company, their Subsidiaries and Associates:

Particulars	Equity Shares		Equity Shares	
	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (Holding Company by virtue of the right to control the composition of the board of directors and w.e.f. August 23, 2011 holds more than half of the paid up equity capital)	1,47,99,985	74%	1,47,99,985	74.00%
Infrastructure Leasing and Financial Services Limited (Holding Company as well as Ultimate Holding Company)	52,00,015	26%	52,00,015	26.00%

Particulars	Preference Shares		Preference Shares	
	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (Holding Company)	2,00,00,000	100%	2,00,00,000	100.00%
Total	2,00,00,000	100.00%	2,00,00,000	100.00%

iii. Each preference share shall be convertible at par at the option of the Investors or the registered holder of such Preference shares into one fully paid Equity Share of the Company on September 22, 2025 or, after obtaining permission of National Highways Authority of India ("NHAI") to change the shareholding structure of the Company, whichever is earlier. The Preference shares if not converted as stated above, shall be redeemable at par in a single tranche on September 22, 2025.

iv. Rights, preferences and restrictions attached to shares
Equity Shares:

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2 % Redeemable Optionally Convertible Cumulative Participating Preference Shares:

The preference shares are eligible for fixed dividend @ 2% p.a. on cumulative basis. In the event of there being no profits, the same is allowed to be accumulated.



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 4: Reserves and surplus

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Capital Reserve				
Grant from National Highways Authority of India				
Opening balance	18,00,00,000		18,00,00,000	
(+) Current year addition	-		-	
(-) Written back in current year	-		-	
Closing Balance		18,00,00,000		18,00,00,000
(b) Debenture Redemption Reserve				
Opening balance	20,00,000		20,00,000	
(+) Created during the year (Refer footnote)	-		-	
(-) Written back in current year	-		-	
Closing Balance		20,00,000		20,00,000
(c) Surplus / (Deficit) In Statement of Profit and Loss				
Opening balance	-58,25,48,577		-39,68,60,018	
(+) Loss for the year	-6,60,43,415		-18,56,88,559	
Closing Balance		-64,85,91,993		-58,25,48,577
Total		-46,65,91,993		-40,05,48,577

Footnote:

In terms of Section 117C of the Companies Act, 1956 the Company being an Infrastructure Company is required to create Debenture Redemption Reserve to the extent of 25% of the value of privately placed Debentures until such debentures are redeemed, to which amount shall be credited from out of its profits every year. Since the Company has not made profit for the year no amount has been transferred to Debenture Redemption Reserve.



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 5: Long-term borrowings

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Debentures				
Unsecured				
Non-Convertible Debentures (Refer Footnote 1)	25,20,00,000	21,60,00,000	28,80,00,000	25,20,00,000
Less: Current Maturity of Debentures	3,60,00,000		3,60,00,000	
(b) Term Loans				
(i) Secured				
From banks (Refer Footnote 2)	89,69,53,000	71,40,33,000	1,11,31,53,000	89,69,53,000
Less: Current Maturity of Long term debts	18,29,20,000		21,62,00,000	
(ii) Unsecured				
From banks (Refer Footnote 3)		40,00,00,000		-
Total		1,33,00,33,000		1,14,89,53,000

Footnote:

1 - 252 (Previous year 288) , 12.5% Sub-ordinate Non-convertible Debentures of ₹ 1,000,000/- each

(These shall be redeemed / repaid as under:

The Non-Convertible Debentures are repayable in balance 28 equated quarterly installments of ₹ 9,000,000 each.)

2 **(a) Secured by hypothecation of:**

(i) All tangible and intangible moveable assets, both present and future and all right, title, interest, property, claims and demands whatsoever unto and upon the same

(ii) All right, title, interest, benefits, claims and demands whatsoever in respect of all moneys including Fees (toll collections), insurance proceeds under Insurance Contracts, Termination payments and investments lying to the credit of or liable to be credited to their Escrow account and other accounts including balances in Debt Service Reserve together with interest thereon

(iii) All rights, title and interest pursuant to and in accordance with the Substitution Agreement providing for step in rights of the lenders in accordance with the Concession Agreement)

(b) These term loans are repayable in balance structured 28 unequal quarterly installments. The rate of interest is 12.25% p.a. which will be reset next on December 29, 2014

Repayment Schedule (Secured Loan): Payable in half yearly installments

Payable Financial Year ending	As at March 31, 2013	As at March 31, 2012
2012-13	-	21,62,00,000
2013-14	18,29,20,000	18,29,20,000
2014-15	18,29,20,000	18,29,20,000
2015-16	18,29,20,000	18,29,20,000
2016-17	18,29,20,000	18,29,20,000
2017-18	8,31,60,000	8,31,60,000
2018-19	8,21,13,000	8,21,13,000
Total	89,69,53,000	1,11,31,53,000

3 **Repayment Schedule (Unsecured Loan)**

Payable Financial Year ending	As at March 31, 2013	As at March 31, 2012
2014-15	5,71,42,857	-
2015-16	11,42,85,714	-
2016-17	11,42,85,714	-
2017-18	11,42,85,714	-
Total	40,00,00,000	-

Note 6: Short-term borrowings

Particulars	As at March 31, 2013		As at March 31, 2012	
Loans from related party				
Unsecured		15,00,00,000		42,50,00,000
Total		15,00,00,000		42,50,00,000



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 7: Trade payables

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Total outstanding dues to Micro Enterprises and Small Enterprises (Refer footnote)		-		-
(b) Total outstanding dues other than (a) above				
Trade payables				
To related parties	40,06,43,898		23,44,96,885	
To others	37,27,107	40,43,71,005	25,04,312	23,70,01,197
Total		40,43,71,005		23,70,01,197

Footnote

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

Note 8: Other current liabilities

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Current maturities of long-term debts (Refer note 5)				
Debentures				
Unsecured	3,60,00,000		3,60,00,000	
Term Loans				
From Banks				
Secured	18,29,20,000	21,89,20,000	21,62,00,000	25,22,00,000
(b) Interest accrued but not due on borrowings		5,80,72,979		38,77,367
(c) Other payables				
For Acquisition / construction of fixed assets	19,91,520		3,91,62,171	
Tax deducted / collected at source	39,34,903		27,70,816	
Others	5,03,74,527	5,63,00,950	7,51,731	4,26,84,718
Total		33,32,93,929		29,87,62,085



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 9: Fixed assets

Particulars	Gross Block				Accumulated Depreciation		Net Block		
	Balance as at April 1, 2012	Additions	Disposals	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation charge for the year	Deletions	As at March 31, 2013	As at 31-03-2012
a) Tangible assets									
Office Premises	29,47,555	-	-	29,47,555	3,16,814	47,914	-	25,82,827	26,30,741
Furniture and Fixtures	16,10,311	-	-	16,10,311	11,82,189	77,279	-	3,50,843	4,28,122
Vehicles	50,00,771	-	36,248	49,64,523	39,05,056	2,81,654	31,078	8,08,891	10,95,715
Office Equipment	14,93,074	-	-	14,93,074	9,03,709	81,757	-	5,07,608	5,89,365
Data Processing Equipments	8,68,610	-	-	8,68,610	8,68,049	561	-	-	561
Total (A)	1,19,20,321	-	36,248	1,18,84,073	71,75,817	4,89,165	31,078	42,50,169	47,44,504
b) Intangible assets									
Rights under service concession arrangements (Refer footnote)	2,76,23,18,468	12,25,95,542	8,22,21,562	2,80,26,92,448	77,67,63,207	11,29,21,474	8,22,21,562	1,99,52,29,329	1,98,55,55,261
Total (B)	2,76,23,18,468	12,25,95,542	8,22,21,562	2,80,26,92,448	77,67,63,207	11,29,21,474	8,22,21,562	1,99,52,29,329	1,98,55,55,261
Total (A+B)	2,77,42,38,789	12,25,95,542	8,22,57,810	2,81,45,76,521	78,39,39,024	11,34,10,639	8,22,52,640	1,99,94,79,498	1,99,02,99,765
Previous Year	2,77,30,01,489	1,50,44,736	1,38,07,436	2,77,42,38,789	61,15,59,453	18,58,75,806	1,34,96,235	1,99,02,99,765	



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 10: Long-term loans and advances

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Security Deposits				
Secured, considered good				
Unsecured, considered good		9,10,715		9,10,715
(b) Other Loans & Advances				
Advance payment of taxes (net of provisions ₹ 12,300,000 [As at March 31, 2012 ₹ 12,300,000/-])				
Unsecured, considered good		52,73,709		52,73,709
Total		61,84,424		61,84,424

Note 11: Cash and cash equivalents

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Cash on hand		28,70,479		12,44,397
(including cash at toll plazas ₹ 1,240,655/- [previous year ₹ Nil])				
(b) Balances with banks				
- In Current accounts	1,50,31,059		91,36,862	
- In Deposit accounts (Refer footnotes)	9,96,50,570	11,46,81,629	9,23,78,542	10,15,15,404
Fixed Deposits placed for a period less than 3 months [The banks are having lien on the fixed deposits which are held under Debt Service Reserve Account. Further, as stated in Note 5, balances in Debt Service Reserve Account are hypothecated to the banks as security against the	-		-	
Total		11,75,52,108		10,27,59,801
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is		1,79,01,538		1,03,81,259
Footnotes				
i) Balances with banks includes deposits amounting to ₹ Nil (As at March 31, 2012 ₹ Nil) which have an original maturity of more than 12 months. Balances with banks includes deposits amounting to ₹ Nil (As at March 31, 2012 ₹ Nil) which have a maturity of more than 12 months from the Balance Sheet date.				
ii) The banks are having lien on the deposit accounts which are held under Debt Service Reserve Account. Further, as stated in Note 5, balances in Debt Service Reserve Account are hypothecated to the banks as security against the loans				

WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 12: Short-term loans and advances

Particulars	As at March 31, 2013		As at March 31, 2012	
Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provisions ₹ 7,725,167/- [As at March 31, 2012 ₹ 7,725,167])	64,89,174		64,77,768	
- Advance fringe benefit tax (net of provisions ₹ 622,000/- [As at March 31, 2012 ₹ 622,000/-])	33,000		33,000	
- Prepaid expenses	4,01,339		37,573	
- Others	1,75,24,974	2,44,48,487	1,09,756	66,58,097
Total		2,44,48,487		66,58,097

Note 13: Other current assets

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Accruals				
Interest accrued but not due on bank deposits		34,41,424		31,63,968
(b) Others				
Net amount receivable from toll collecting agency		-		1,01,650
Total		34,41,424		32,65,618



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 14: Revenue from operations

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
(a) Toll revenue		45,68,96,075		38,01,48,357
(b) Other operating revenues Sundry credit balance written back		-		64,08,863
Total		45,68,96,075		38,65,57,220

Note 15: Other income

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
(a) Interest income				
Interest on bank deposits (Tax Deducted at Source ₹ 363,393/- [Previous year ended March 31, 2012 ₹ 380,321/-])	89,23,715		1,56,61,845	
Interest on overdue trade receivables	4,55,356		6,39,862	
Interest on income tax / fringe benefit tax refund	77,308	94,56,379	1,51,764	1,64,53,471
(b) Profit on sale of fixed assets		831		1,06,254
(c) Miscellaneous income		705		5,16,533
Total		94,57,915		1,70,76,258



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 16: Operating expenses

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Operation and maintenance expenses		6,94,18,951		3,91,43,150
Negative grant to National Highways Authority of India		10,00,00,000		10,00,00,000
Total		16,94,18,951		13,91,43,150

Note 17: Finance costs

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
(a) Interest expense on borrowings		23,16,70,959		24,45,49,559
Interest on loans for fixed period	19,73,53,838		20,56,30,724	
Interest on debentures	3,43,17,121		3,89,18,835	
(b) Other borrowing costs		25,60,990		27,03,026
Guarantee commission	1,04,864		13,68,685	
Finance charges	24,56,126		13,34,341	
Total		23,42,31,949		24,72,52,585

Note 18: Other expenses

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Legal and consultation fees		45,15,080		43,87,508
Rates and taxes excluding taxes on income		78,134		81,719
Insurance		56,18,000		55,15,000
Printing and Stationery		29,743		-
Directors' fees		75,000		-
Auditors Remuneration (Including service tax)				
- Audit Fees	1,12,360		8,42,700	
- Fees for other services	2,38,203		8,86,829	
- Reimbursement of expenses	-		9,750	
- Tax Audit Fees	1,12,360	4,62,923	1,12,360	18,51,639
Internal audit fees		1,69,313		-
Deputed staff cost		29,21,411		25,63,029
Miscellaneous expenses		14,66,262		26,51,601
		1,53,35,866		1,70,50,496

Footnote

Amount paid/Payable to Auditors (including service tax) :

Sr No	Description	As at March 31, 2013	As at March 31, 2012
1	Audit Fees	1,12,360	8,42,700
2	Fees for other services	2,38,203	8,86,829
3	Reimbursement of expenses	-	9,750
4	Tax Audit Fees	1,12,360	1,12,360
	TOTAL	4,62,923	18,51,639



Note 19: Contingent liabilities and capital commitments & Other Information

A) Contingent liabilities :

		₹	
Particulars (Name & Description)		As at March 31, 2013	As at March 31, 2012
1	Arrears of dividend on 2% Redeemable Optionally Convertible Cumulative Participating Preference Shares including dividend tax thereon	2,67,62,929	2,21,14,029
2	Demand for Assessment Year 2007-08 for which the Company's appeal is pending with the appellate authority	Nil	22,55,417
3	For Assessment Year 2008-09 for which the Company's appeal is pending with the appellate authority	48,50,383	48,50,383
4	Demand for bank and other charges relating to banks loan	Nil	26,09,687
5	Demand for the period April, 2006 to February, 2008 from the Office of the Deputy Commissioner, Commercial Tax Office, Gujarat	7,82,69,586	Nil

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

		₹	
Particulars (Name of party & description)		As at March 31, 2013	As at March 31, 2012
1	Periodic Overlay (upto the end of concession period)	69,51,64,507	80,39,72,174
2	Operation & Maintenance excluding service tax (upto the end of concession period)	62,06,31,281	61,05,14,794
II	Negative Grant to National Highway Authority of India (up to 2019-20)	2,60,00,00,000	2,70,00,00,000



WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 20: Related Party Statement

Related Party disclosures in accordance with Accounting Standard 18 – “Related Party Disclosure” are given below:

I Name and nature of relationship of the Related Parties where Control exists:

Holding company:

Infrastructure Leasing & Financial Services Limited (ownership directly or indirectly of more than one half of the voting power of the Company)

IL&FS Transportation Networks Limited (by virtue of the right to control the composition of the board of directors and w.e.f. August 23, 2011 holds more than half of the paid up equity capital)

II Current Year

a 1. Name of the related parties and description of relationship:

Nature of Relationship	Name of Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (with whom there have been transactions during the year)	IL&FS Trust Company Limited	ITCL

b Transactions / Balances with related parties as mentioned (a) above

Account head	Name of Entity	Amount Rupees
Balances:		
Loan Taken (Non Convertible Debentures)	IL&FS	25,20,00,000
Loan Taken	ITNL	15,00,00,000
Equity share capital	ITNL	14,79,99,850
Preference share capital	ITNL	20,00,00,000
Creditors payable	ITNL	40,06,43,898
Interest accrued but not due	ITNL	5,80,72,979
OPE Payable	ITNL	3,37,81,206
Syndication Fees Payable	ITNL	1,61,79,840
Transactions:		
Toll Operation Charges	ITNL	1,16,85,444
Routine Maintenance Charges	ITNL	2,63,18,640
Insurance Charges	ITNL	56,18,000
Independent Auditors & Engineer Fees	ITNL	33,70,800
Overlay exepenses charge	ITNL	12,25,95,542
Short Term Loan Taken	ITNL	12,50,00,000
Short Term Loan Repaid	ITNL	40,00,00,000
Interest On Short Term Loan	ITNL	6,02,17,351
Security Trusteeship Fees	ITCL	1,12,360
Redemption of NCD	IL&FS	3,60,00,000



Previous Year

1. Name of the related parties and description of relationship:

Nature of Relationship	Name of Entity	Acronym used
Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
d Fellow Subsidiaries (with whom there have been transactions during the year)	IL&FS Trust Company Limited	ITCL
	Moradabad Bareilly Expressway Limited	MBEL

Transactions / Balances with related parties as mentioned (c) above

Account head	Name of Entity	Amount Rupees
Balances:		
Loan Taken	IL&FS	28,80,00,000
Loan Taken	ITNL	42,50,00,000
Preference share capital	ITNL	20,00,00,000
Creditors payable	ITNL	27,09,62,607
Interest accrued but not due	ITNL	38,77,367
Transactions:		
Toll Operation Charges	ITNL	53,69,640
Routine Maintenance Charges	ITNL	1,89,79,785
Insurance Charges	ITNL	41,36,250
Independent Auditors & Engineer Fees	ITNL	24,81,750
Short Term Loan Taken	ITNL	21,00,00,000
Security Trusteeship Fees	ITCL	82,725
Redemption of NCD	IL&FS	2,70,00,000
Interest Expenses on NCD	IL&FS	2,96,63,013
IV Interest On Short Term Loan	ITNL	2,69,34,293
Sale of Fixed Assets	MBEL	1,80,455

Footnote : Reimbursement of Expenses not included above

No amounts have been written off / provided for or written back in respect of amounts receivable from or payable to the related party.

WEST GUJARAT EXPRESSWAY LIMITED
Notes forming part of the financial statements

Note 21: Earnings per equity share

Particulars	Unit	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax and minority interest	Rupees	(66043415)	(185688559)
Premium on preference shares	Rupees	(4000000)	(4000000)
Tax on premium on preference shares	Rupees	(648900)	(648900)
Profit available for Equity Shareholders	Rupees	(70692315)	(190337459)
Weighted number of Equity Shares of ₹ 10/- each outstanding	Numbers	20000000	20000000
Weighted number of Potential Equity Shares of ₹ 10/- each outstanding	Numbers	20000000	20000000
Weighted average number of equity shares including potential number of equity shares for calculating Diluted EPS	Numbers	40000000	40000000
Per value of shares	Rupees	10	10
Basic Earnings per share	Rupees	(3.53)	(9.52)
Diluted Earnings per share (*)	Rupees	(1.77)	(4.76)

(*) Anti Dilutive

Footnote: Potential Equity Shares are anti-dilutive as the conversion of Redeemable Optionally Convertible Cumulative Participating Preference Shares to Equity Shares would decrease loss per share. Accordingly the effect of anti-dilutive potential Equity Shares is ignored in calculation of Diluted Earning per Share.

Note 22: Directors' Remuneration

The Directors have been paid sitting fees for the Board and Committee meetings attended by them. Further, no remuneration has been paid by the Company to the Manager appointed under section 269 of the Companies Act, 1956.

Note 23: Segment Reporting

The Company is engaged in the business detailed in Note no 1 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.

Note 24 :

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

Note 25 :

Hitherto the amortisation of intangible assets arising out of Service Concession Arrangements was based on units of usage method i.e. on the number of vehicles expected to use the project facility over the concession period as estimated by the Management. With effect from April 1, 2012 based on notification dated April 17, 2012 issued by Ministry of Corporate Affairs, the Company has changed the method of amortisation of intangible assets arising out of Service Concession Arrangements prospectively. Effective April 1, 2012 the amortisation is in proportion to the revenue earned for the period to the total estimated toll revenue i.e. expected to be collected over the balance concession period. Had the Company followed the earlier method, the amortization would have been higher by ₹ 12 million.

Note 26: Previous period / year

Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

In terms of our report attached

For MKPS & Associates

Chartered Accountants

Firm Registration No- 302014E


Narendra Khandal
Partner

Membership Number : 065025

Place: Mumbai

Date: 18/04/13



For and on behalf of the Board


Managing Director


Company Secretary


Director