

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT
COMPANY LIMITED**

FINANCIAL STATEMENT

2014-15



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ITNL ROAD
INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ITNL Road Infrastructure Development Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.



Emphasis of Matter

Note 25 of Financial Statement which indicates that the Company has incurred a net loss of Rs. 249, 950,803/- during the year ended March 31, 2015, has a negative working capital as at March 31, 2015. These conditions along with accumulated losses cast a doubt over the company's ability to continue as a going concern. However, the financials of the company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Company does not have a branch office and accordingly, section 143 (8) of the Act does not apply.
- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) Without modifying our opinion, the going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.



(g) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 21 A) on contingent liabilities, to the financial statements which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For D.R.Mohnot & Co.
Chartered Accountants
Firm registration number: 001388C

D.R.Mohnot
Partner

Membership number: 070579



Place- Mumbai

Date- 27.04.2015

Annexure to the Auditors' Report

The Annexure referred to in our report to the members ITNL Road Infrastructure Development Company Limited for the year Ended on March 31st 2015. We report that:

- (i) (a) the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
(b) the fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
- (ii) The Company does not have any inventory. Accordingly clause 3(ii) of the Order is not applicable.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly sub clauses (a) and (b) of clause 3(iii) of the order are 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, for the purchase of fixed assets and for the sale of services. The activities of the company do not involve purchase of inventory & sale of goods. Further on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control weakness.
- (v) The company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly, clause 3 (v) of the order is not applicable.



- (vi) According to information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act.
- (vii) (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 undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us there are no dues in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us there are no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The company has accumulated losses at the end of year and it exceeds 50% of the net worth of the company and it has incurred cash losses during the year as well as during the year preceding the current financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to Banks. The Company has not borrowed from any financial institution.
- (x) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Accordingly Clause 3(x) of Order is not applicable.
- (xi) According to the information and explanation given to us and on an overall examination of documents provided to us, the term loans have been applied for the purpose for which they were raised.



(xii) During the course of our examination of books of account and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such case by management.

For D.R.Mohnot & Co.
Chartered Accountants
Firm registration number: 001388C

D.R.Mohnot



Place- Mumbai

Date- 27.04.2015

D.R.Mohnot
Partner

Membership number: 070579

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Balance Sheet As at March 31, 2015

Amount in ₹

| | Note | As At March 31, 2015 | | As At March 31, 2014 | |
|---|------|-------------------------|----------------------|-------------------------|----------------------|
| | | | | | |
| I EQUITY AND LIABILITIES | | | | | |
| 1 SHAREHOLDERS' FUNDS | | | | | |
| (a) Share capital | 2 | 1,400,000,000 | | 1,400,000,000 | |
| (b) Reserves and surplus | 3 | (1,241,384,183) | 158,615,817 | (991,339,446) | 408,660,554 |
| 2 NON-CURRENT LIABILITIES | | | | | |
| (a) Long-term borrowings | 4 | 2,837,028,572 | | 2,969,100,000 | |
| (b) Other long term liabilities | 5 | 62,960,568 | 2,899,989,140 | 55,698,474 | 3,024,798,474 |
| 3 CURRENT LIABILITIES | | | | | |
| (a) Current maturities of long-term debt | 6 | 727,471,428 | | 371,200,000 | |
| (b) Short-term borrowings | 7 | 1,202,500,000 | | 425,000,000 | |
| (c) Other current liabilities | 8 | 3,029,015,027 | 4,958,986,455 | 3,058,933,304 | 3,855,133,304 |
| TOTAL | | | 8,017,591,412 | | 7,288,592,332 |
| II ASSETS | | | | | |
| 1 NON CURRENT ASSETS | | | | | |
| (a) Fixed assets | 9 | | | | |
| (i) Tangible assets (net) | | 398,802 | | 308,583 | |
| (ii) Intangible assets (net) | | 2,921,448,603 | | 2,929,121,536 | |
| (iii) Intangible assets under development | | 4,230,044,147 | 7,151,891,552 | 3,615,287,668 | 6,544,717,787 |
| (b) Long-term loans and advances | 10 | 619,298,871 | | 626,661,103 | |
| (c) Other non-current assets | 11 | 13,383,108 | 632,681,979 | 25,956,478 | 652,617,581 |
| 2 CURRENT ASSETS | | | | | |
| (a) Cash and cash equivalents | 12 | 201,702,156 | | 59,364,066 | |
| (b) Short-term loans and advances | 13 | 976,286 | | 32,291 | |
| (c) Other current assets | 14 | 30,339,439 | 233,017,881 | 31,860,607 | 91,256,964 |
| TOTAL | | | 8,017,591,412 | | 7,288,592,332 |

Notes 1 to 29 form part of financial statements.

In terms of our report attached.

For D. R. Mohnot & Co.

Chartered Accountants

Firm Registration No. 001888C

D. R. Mohnot

Partner

Membership Number : 070579

Place: Mumbai

Date: 07.4.15



For and on behalf of the Board

[Signature]
Director

Chief Financial Officer

Place: Mumbai

Date:

[Signature]
Director

Director

Company Secretary

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

Amount in ₹

| | Note | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--|-----------|--------------------------------------|--------------------------------------|
| I Revenue from operations | 15 | 313,204,856 | 287,081,840 |
| II Other income | 16 | 2,101,817 | 113,148 |
| III Total revenue (I + II) | | 315,306,673 | 287,194,988 |
| IV Expenses | | | |
| Operating expenses | 17 | 74,319,528 | 70,780,499 |
| Finance costs | 18 | 478,539,505 | 439,189,043 |
| Administrative and general expenses | 19 | 4,909,663 | 9,533,104 |
| Depreciation and amortization expense | 9 | 7,488,780 | 8,418,128 |
| Total expenses (IV) | | 565,257,476 | 527,920,774 |
| V Loss before taxation (III-IV) | | (249,950,803) | (240,725,786) |
| VI Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Tax relating to earlier year | | - | - |
| (3) Deferred tax | | - | - |
| Total tax expenses (VI) | | | |
| VII Loss for the year ended (V-VI) | | (249,950,803) | (240,725,786) |
| Earnings per equity share (Face value per share Rupees 10/-) | 20 | | |
| (1) Basic | | (1.79) | (2.46) |
| (2) Diluted | | (1.79) | (2.46) |

Notes 1 to 29 form part of financial statements.

In terms of our report attached.

For D. R. Mohnot & Co.

Chartered Accountants
Firm Registration No. 001386C

D. R. Mohnot

Partner

Membership Number : 070974

Place: Mumbai

Date: 27.7.15



For and on behalf of the Board

[Signature]
Director

Chief Financial Officer

Place: Mumbai

Date:

[Signature]
Director
A. B. Romare
Company Secretary

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Cash Flow Statement for the year ended March 31, 2015

Amount in ₹

| | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| Cash Flow from Operating Activities | | |
| Loss Before Taxes | (249,950,803) | (240,725,786) |
| Adjustments for :- | | |
| Interest on short term deposit | (2,099,737) | - |
| Interest Income | (2,080) | (1,875) |
| Interest and finance expense | 478,539,505 | 439,189,043 |
| Registration Expenses (Share Capital) | - | 4,380,000 |
| Depreciation & Amortisation | 7,488,780 | 8,418,128 |
| Operating profit before Working Capital Changes | 233,975,665 | 211,259,510 |
| Adjustments for changes in working capital: | | |
| (Increase) / Decrease in Other Current, Other Non-Current Assets | 12,401,649 | (28,470,112) |
| Increase / (Decrease) in Other Current, Other Non-Current Liabilities | 325,349 | (12,235,293) |
| Cash Generated from Operations | 246,702,663 | 170,554,105 |
| Direct Taxes Paid | (7,514,974) | (5,855,615) |
| Net Cash generated Flow from Operating Activities (A) | 239,187,689 | 164,698,490 |
| Cash flow from Investing Activities | | |
| Purchase of Fixed Assets (Including Intangible Assets) | (553,549,254) | (2,343,717,285) |
| (Increase) / Decrease in Current and Non-Current Assets | 16,556,595 | (613,342,806) |
| Increase / (Decrease) in Current and Non-Current Liabilities | (22,981,532) | 1,948,414,361 |
| Fixed deposits under lien for less than 12months | (187,461,348) | - |
| Interest received | 1,171,322 | - |
| Net Cash used in Investing Activities (B) | (746,264,217) | (1,008,645,730) |
| Cash flow from Financing Activities | | |
| Shares Issued | - | 880,000,000 |
| Registration Expenses (Share Capital) | - | (4,380,000) |
| Proceeds from Long-term Borrowings | - | 800,000,000 |
| Repayment of Long-term Borrowings | (371,200,000) | (262,500,000) |
| Proceeds from Long-term Borrowings - Related Party | 595,400,000 | 155,000,000 |
| Short term loans repaid | - | (800,000,000) |
| Short term loans taken | 777,500,000 | 565,000,000 |
| Interest and Finance Charges Paid | (539,746,730) | (440,340,345) |
| Net Cash generated from Financing Activities (C) | 461,953,270 | 892,779,655 |
| Net Increase in Cash & Cash Equivalents (A+B+C) | (45,123,258) | 48,832,415 |
| Cash and Cash Equivalent at the beginning of the year | 59,364,066 | 10,531,651 |
| Cash and Cash Equivalent at the end of the year | 14,240,808 | 59,364,066 |
| Net Increase in Cash & Cash Equivalents | (45,123,258) | 48,832,415 |
| Notes: | | |
| Components of Cash & Cash Equivalent | | |
| Cash on Hand | 789,229 | 698,089 |
| Balance with Scheduled Banks - Current Accounts | 13,451,579 | 58,665,977 |
| | 14,240,808 | 59,364,066 |
| Other bank balances | 187,461,348 | - |
| | 201,702,156 | 59,364,066 |

Notes 1 to 29 form part of financial statements.

In terms of our report attached.

For D. R. Mohnot & Co.
Chartered Accountants
Firm Registration No.001308C

D. R. Mohnot
Partner

Membership Number : 070529
Place: Mumbai
Date: 27.4.15



For and on behalf of the Board

[Signature]
Director

[Signature]
Chief Financial Officer
Place: Mumbai
Date:

[Signature]
Director
[Signature]
Company Secretary

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

Note 1 – SIGNIFICANT ACCOUNTING POLICIES

1. The Company was incorporated under the Co's Act 1956 on October 26, 2007 vide Registration No U45400MH2007PLC175415.

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.

2. **Basis of preparation of Financial Statements**

These Financial Statements have been specifically prepared in accordance with the Accounting Principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 .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.

3. **Revenue Recognition**

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

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

4. Fixed Assets and Depreciation / Amortisation:

(a) Fixed assets and depreciation

Fixed assets other than project assets are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

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

Expenses incurred on the Project includes direct and attributable / allocated indirect expenses incurred for the construction of the road and is capitalized when the project is complete in all respects and when the Company receives the final completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. The economics of the project is for the entire length of the road as per the bidding submitted by the Company. The component based certification which is received is an intermediate mechanism provided in the Concession Agreement to provide a right to collect a discounted toll to compensate the Company for cost recovery during construction period and for any delays beyond the control of the Company. However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed portion of the road as a completed project.

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

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II "Useful Lives to compute Depreciation" of the Companies Act, 2013 comes into effect from April 1, 2014 which prescribes the useful lives for determining the depreciation charge for the tangible assets. Accordingly, with effect from April 1, 2014, the Company has modified the useful lives of the certain tangible assets in line with Schedule II of the Companies Act, 2013 and additionally the Company has decided to use the Straight Line Depreciation Method (SLM) in place of Written Down value Depreciation Method (WDV) for all the tangible assets. The useful lives of the tangible assets as determined by the Company are as stated below:

- (i) All tangible assets are depreciated on a Straight Line Depreciation Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

- (ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate of useful life based on their usage
- a) Data Processing Equipment – Server and Networking equipment are depreciated over a period of four years
 - b) Mobile Phones and I pad / Tablets are fully depreciated in the year of purchase
 - c) Specialised office equipment's are depreciated on Straight Line Method over a period of three years
 - d) Vehicles purchased by the company for employees, are depreciated over a period of five years
 - e) Assets provided to employees are depreciated over a period of three years
 - f) Leasehold improvement costs are capitalised and amortised over the period of lease agreement
 - g) All categories of assets costing less than ` 5,000/- each are fully depreciated in the year of purchase.
- (iii) The residual value of all the assets is retained at ` 1/- each

For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes the useful lives as given above best represents the period over which the management expects to use these assets.

(b) Amortisation

The Intangible rights which are recognised in the form of right charge users of the infrastructure assets are amortised in proportion to revenue for the year to projected revenue i.e. based on toll revenue for the year to projected revenue that is expected to be collected over the Concession period as estimated by the management.

A review of the estimated revenue over the balance period, of useful life / the concession period of the rights is undertaken by the management based on technical evaluation by independent experts at periodic intervals to assess the additional charge for amortisation, if any.

(c) Capital work in progress:

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

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

complete and on receipt of final completion certificate from the authority as specified in the Concession Agreement and not on component basis certifications received. Discounted Revenue collected on receipt of the component based certification received as an intermediate mechanism provided in the Concession Agreement is reduced from the cost of the Intangible asset as the construction work is still in progress and the entire asset is not ready for its intended purpose. However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat asset is ready for its intended use and discontinue to reduce the revenue from the cost of the Intangible assets, and asset will be capitalised.

5. Cash and Cash Equivalents

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

6. Cash Flow Statements

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

7. 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.

8. Taxation

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

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of timing differences between the book profit and the tax profit. Deferred Tax Assets and Liabilities other than carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable profit. Deferred Tax Assets and Liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Profit and Loss Account in the period of substantive enactment of the change.

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

9. Earnings Per Share

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

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

10. Borrowing Cost

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

11. Preliminary Expenditure

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

12. 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.

13. Government Grants:

- (a) Government grants are recognised only when it is reasonably certain that the Company will comply with the attached conditions and the ultimate collection is not in doubt.
- (b) Grants received as compensation for expenses or losses are taken to the Profit and Loss Account and is accounted in the period to which it relates. Grants in the nature of promoter's contribution are treated as Capital Reserve.

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

14. Current/Non-current Assets and Liabilities :

- (a) Assets are classified as current when it is expected to be realized within 12 months after the reporting date.

All other assets are classified as Non-current

- (b) Liabilities are classified as current when it is expected to be settled within 12 months after the reporting date.

All other liabilities are classified as Non-current

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 2: Share capital

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Number | ₹ | Number | ₹ |
| Authorised Equity Shares of Rupees 10/- each | 150,000,000 | 1,500,000,000 | 150,000,000 | 1,500,000,000 |
| Issued Equity Shares of Rupees 10/- each | 140,000,000 | 1,400,000,000 | 140,000,000 | 1,400,000,000 |
| Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i to iv) | 140,000,000 | 1,400,000,000 | 140,000,000 | 1,400,000,000 |
| Total | 140,000,000 | 1,400,000,000 | 140,000,000 | 1,400,000,000 |

Foot Notes:

- i. All of the above 140,000,000 shares are held by the holding company IL&FS Transportation Networks Limited (As at March 31, 2014 : 140,000,000).
- ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|---------------|----------------------|---------------|
| | Equity Shares | | Equity Shares | |
| | No. of Shares | ₹ | No. of Shares | ₹ |
| Shares outstanding at the beginning of the year | 140,000,000 | 1,400,000,000 | 52,000,000 | 520,000,000 |
| Shares issued during the year | - | - | 88,000,000 | 880,000,000 |
| Shares outstanding at the end of the year | 140,000,000 | 1,400,000,000 | 140,000,000 | 1,400,000,000 |

iii. Shareholding

| Name of Shareholder | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | No. of Shares held | % of total holding | No. of Shares held | % of total holding |
| IL&FS Transportation Networks Limited (Holding Company) | 140,000,000 | 100.00% | 140,000,000 | 100.00% |
| Total | 140,000,000 | 100.00% | 140,000,000 | 100.00% |

iv. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.

Note 3: Reserves and surplus

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|--|----------------------|------------------------|----------------------|----------------------|
| | | Amount in ₹ | | Amount in ₹ |
| (a) Capital Reserve (Refer footnote - i) | | 390,000,000 | | 390,000,000 |
| (b) Deficit in statement of Profit / (Loss) | | | | |
| Opening balance | (1,381,339,446) | | (1,140,613,660) | |
| (-) Depreciation Charge (Refer footnote - ii) | (93,934) | | - | |
| (+) Loss for the current year | (249,950,803) | (1,631,384,183) | (240,725,786) | (1,381,339,446) |
| Total | | (1,241,384,183) | | (991,339,446) |

Foot Note:

i. Capital Reserves:

Grant from Ministry of Road Transport and Highways - Equity Support: The Company in accordance with the concession agreement signed with Department of Road Transport and Highways is entitled to Grant of Rs. 754,650,000/-. Of the above, Company had received Rs.390,000,000/- towards equity support as per clause 25.2 of Concession Agreement during construction period. Remaining balance of Rs.364,650,000/- is receivable towards Operation and Maintenance support as per clause 25.3 of Concession Agreement, of which Company has received Rs.351,000,000/- as on March 31, 2015.

ii. Depreciation includes Rs.93,934/- debited to opening deficit in Statement of Profit & Loss as per Schedule II of Companies Act 2013 due to change in estimated balance useful life being NIL as on March 31, 2014.

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 4: Long-term borrowings

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | Term Loans | | | |
| (i) Secured | | | | |
| From banks | | 1,142,200,000 | | 1,561,100,000 |
| (ii) Unsecured | | | | |
| From banks | 731,428,572 | | 1,040,000,000 | |
| From Holding Company | 963,400,000 | 1,694,828,572 | 368,000,000 | 1,408,000,000 |
| Total | | 2,837,028,572 | | 2,969,100,000 |

Foot Notes:

1. Secured By:

Term loans from banks are secured by hypothecation of:

- All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects.
- All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited.
- Assignment of all rights, title, benefits, claims and demands of the Borrowers under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc.
- Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.
- First ranking assignment of all contract, documents insurance contracts/insurance Proceeds (Security Trustee to be named as loss payee), clearances and interests of the Borrower.
- Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement contract.

2. Terms of Repayment:

- The Borrower shall repay the term loans to each of the senior lenders as per the repayment schedule, as set out in Footnote-3
- Amounts repaid by the Borrower shall not be re-borrowed.
- Any senior lenders may, in suitable circumstances, at the request of the Borrower and subject to consent of the other senior lenders revise or vary the repayment schedule or postpone the payment of any specific repayment installment(s) or part thereof, upon such terms and conditions shall form a part of this agreement as an amendment to repayment schedule hereto.
- In the event of any default in the payment of the repayment installments of principal, interest and default interest, postponement, if any, allowed by any of the senior lenders shall be at the rate of interest as may be stipulated by the concerned senior lenders at the time of postponement.

3. Repayment Schedule:

Amount in ₹

| Financial Year | Amount of Senior Debt Repayment | Amount of Unsecured Term Loan Repayment | Amount of Sub Debt Repayment |
|----------------|---------------------------------|---|------------------------------|
| 2015-2016 | 418,900,000 | 308,571,428 | - |
| 2016-2017 | 448,400,000 | 308,571,428 | - |
| 2017-2018 | 358,400,000 | 308,571,428 | - |
| 2018-2019 | 268,400,000 | 114,285,716 | - |
| 2019-2020 | 67,000,000 | - | 106,500,000 |
| 2020-2021 | - | - | 106,500,000 |
| 2030-2031 | | | 262,675,732 |
| 2031-2032 | | | 487,724,268 |
| Total | 1,561,100,000 | 1,040,000,000 | 963,400,000 |

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 5: Other long term liabilities

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|--------------|--|-------------------|----------------------|-------------------|
| | Retention Money Payable To related parties | | 62,960,568 | |
| Total | | 62,960,568 | | 55,698,474 |

Note 6: Current Maturities of Long-term debt

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|-------------------------------------|---|--------------------|----------------------|--------------------|
| | Term Loans (i) Secured From banks | | 418,900,000 | |
| (ii) Unsecured From banks | | 308,571,428 | | 40,000,000 |
| Total | | 727,471,428 | | 371,200,000 |

Note 7: Short-term borrowings

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|--------------|--|----------------------|----------------------|--------------------|
| | Loans from related parties Unsecured | | 1,202,500,000 | |
| Total | | 1,202,500,000 | | 425,000,000 |

Note 8: Other current liabilities

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|---------------------------------------|----------------------|----------------------------|----------------------|
| | (a) Income received in advance | | 29,225 | 26,288 |
| (b) Statutory Dues | | 514,227 | 63,425,324 | 63,425,324 |
| (c) Sundry Creditors for Capital Assets - Related Parties - Others | 3,015,015,668 12,304,025 | 3,027,319,693 | 2,990,475,162 3,965,000 | 2,994,440,162 |
| (d) Sundry Creditors - Others | | 1,151,882 | | 1,041,530 |
| Total | | 3,029,015,027 | | 3,058,933,304 |

Footnote:

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the end of the year with the interest paid / payable as required under the said Act have not been given.

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 9: Fixed assets

| Particulars | Gross block (At Cost) | | | Accumulated depreciation / amortisation | | | Net block | |
|---|------------------------------|----------------------|------------------------------|---|---|------------------------------|------------------------------|------------------------------|
| | Balance as at April 1st 2014 | Additions | Balance as at March 31, 2015 | Balance as at April 1st 2014 | Depreciation charge for the year (Refer foot note no.2) | Balance as at March 31, 2015 | Balance as at March 31, 2015 | Balance as at March 31, 2014 |
| a) Tangible assets | | | | | | | | |
| Vehicles | 553,252 | - | 553,252 | 408,970 | (106,886) | 302,084 | 251,168 | 144,282 |
| Data processing equipments | 518,321 | - | 518,321 | 518,312 | - | 518,312 | 9 | 9 |
| Office equipments | 201,192 | - | 201,192 | 114,336 | (7,102) | 201,168 | 24 | 86,856 |
| Furniture and fixtures | 333,530 | - | 333,530 | 256,094 | (70,165) | 185,929 | 147,601 | 77,436 |
| Total | 1,606,295 | - | 1,606,295 | 1,297,712 | (184,153) | 1,207,493 | 398,802 | 308,583 |
| b) Intangible assets | | | | | | | | |
| Software / Licences | 43,800 | - | 43,800 | 43,799 | - | 43,799 | 1 | 1 |
| Rights under service concession arrangements | 3,509,416,599 | - | 3,509,416,599 | 580,295,064 | 7,672,933 | 587,967,997 | 2,921,448,602 | 2,929,121,535 |
| Total | 3,509,460,399 | - | 3,509,460,399 | 580,338,863 | - | 588,011,796 | 2,921,448,603 | 2,929,121,536 |
| c) Intangible assets under Development | 3,615,287,668 | 614,756,479 | 4,230,044,147 | - | - | - | 4,230,044,147 | 3,615,287,668 |
| GRAND TOTAL | 7,126,354,362 | 614,756,479 | 7,741,110,841 | 581,636,575 | 93,934 | 589,219,289 | 7,151,891,552 | 6,544,717,786 |
| PREVIOUS YEAR | 4,779,844,732 | 2,346,509,630 | 7,126,354,362 | 573,218,447 | - | 581,636,575 | 6,544,717,786 | - |

Foot Note:

| Particulars | For the year ended March 31, 2015 |
|---|-----------------------------------|
| Carrying amount of assets with revised useful life as Nil, has been charged to Surplus in the Statement of Profit & Loss as at April 1, 2014 | 93,934 |
| Depreciation includes the amount have been credited to the Statement of Profit and Loss being the depreciation impact due to the change in the method of calculation of depreciation from WDV to SLM as per the provisions of Accounting Standard AS-6 on Depreciation Accounting | (340,986) |
| Had the Company followed the earlier method, depreciation charge for the year ended March 31, 2015 would have been lower by | 93,417 |

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 10: Long-term loans and advances (Unsecured Considered good)

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|-------------------------|--------------------|-------------------------|--------------------|
| | | | | |
| (a) Mobilisation Advances - To related parties | | 592,679,432 | | 607,501,738 |
| (b) Security Deposits | | 286,150 | | 341,050 |
| (c) Other loans and advances - WCT Receivable - Advance payment of taxes | 5,648,061 20,685,228 | 26,333,289 | 5,648,061 13,170,254 | 18,818,315 |
| Total | | 619,298,871 | | 626,661,103 |

Note 11: Other non-current assets

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | | | | |
| (a) National Saving Certificates (Deposited with Sales Tax Department, Govt. of Rajasthan) | | 20,000 | | 20,000 |
| (b) Other non-current assets - Unamortised borrowing cost - Interest accrued but not due | 13,355,545 7,563 | 13,363,108 | 25,930,995 5,483 | 25,936,478 |
| Total | | 13,383,108 | | 25,956,478 |

Note 12: Cash and cash equivalents

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|-----------------------|--------------------|-----------------------|-------------------|
| | | | | |
| (a) Cash and cash equivalents Cash on hand Current accounts (refer footnote) | 789,229 13,451,579 | 14,240,808 | 698,089 58,665,977 | 59,364,066 |
| (b) Other bank balances Fixed Deposits under lien less than 12 months | | 187,461,348 | | - |
| Total | | 201,702,156 | | 59,364,066 |

Footnote

Includes
- Balance of Rs 4,173,051/- (P/Y Rs.26,813,041/-) in an Escrow Account in accordance with the Concession Agreement dated. April 01, 2009

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 13: Short-term loans and advances (Unsecured, Considered good)

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|-------------------|---------------------------------|----------------|----------------------|---------------|
| | Other loans and advances | | | |
| Pre-paid expenses | | 976,286 | | 32,291 |
| Total | | 976,286 | | 32,291 |

Note 14: Other current assets (Unsecured, Considered good)

Amount in ₹

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|--------------------------------|-------------------|----------------------|-------------------|
| | (a) Unamortised borrowing cost | | 12,590,414 | |
| (b) Mobilisation Advances - Others | | 3,175,748 | | 5,500,000 |
| (c) Other receivables | | 644,863 | | - |
| (d) Interest accrued but not due - Fixed Deposit | | 928,415 | | - |
| (e) Grant receivable from Ministry of Road Transport and Highways | | 12,999,999 | | 11,916,666 |
| Total | | 30,339,439 | | 31,860,607 |

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 15: Revenue from operations

Amount in ₹

| Particulars | For the year ended March 31, 2015 | | For the year ended March 31, 2014 | |
|--|-----------------------------------|--------------------|-----------------------------------|--------------------|
| | | | | |
| Income from services | | | | |
| Toll revenue | 234,121,523 | | 207,998,507 | |
| Operation and maintenance Grant from MORTH | 79,083,333 | 313,204,856 | 79,083,333 | 287,081,840 |
| Total | | 313,204,856 | | 287,081,840 |

Note 16: Other income

Amount in ₹

| Particulars | For the year ended March 31, 2015 | | For the year ended March 31, 2014 | |
|-----------------------------------|-----------------------------------|------------------|-----------------------------------|----------------|
| | | | | |
| Interest Income | | | | |
| Interest on bank deposits | 2,099,737 | | - | |
| Others | 2,080 | 2,101,817 | 1,875 | 1,875 |
| Other non-operating income | | | | |
| Excess provisions written back | - | | 65,673 | |
| Miscellaneous Income | - | | 45,600 | 111,273 |
| Total | | 2,101,817 | | 113,148 |

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 17: Operating expenses

Amount in ₹

| Particulars | For the year ended March 31, 2015 | | For the year ended March 31, 2014 | |
|------------------------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
| | | | | |
| Operation and maintenance expenses | | 74,319,528 | | 70,780,499 |
| Total | | 74,319,528 | | 70,780,499 |

Note 18: Finance cost

Amount in ₹

| Particulars | For the year ended March 31, 2015 | | For the year ended March 31, 2014 | |
|---|-----------------------------------|--------------------|-----------------------------------|--------------------|
| | | | | |
| (a) Interest expenses | | | | |
| Interest on loans for fixed period | 461,367,531 | | 425,204,914 | |
| Other interest - Delayed payment of TDS | 15 | 461,367,546 | 81,000 | 425,285,914 |
| (b) Other borrowing costs | | | | |
| Guarantee commission | 1,490,405 | | 2,051,525 | |
| Finance charges | 15,681,554 | 17,171,959 | 11,851,604 | 13,903,129 |
| Total | | 478,539,505 | | 439,189,043 |

Note 19: Administrative and general expenses

Amount in ₹

| Particulars | For the year ended March 31, 2015 | | For the year ended March 31, 2014 | |
|--|-----------------------------------|------------------|-----------------------------------|------------------|
| | | | | |
| Legal and consultation fees | 3,597,335 | | 2,897,609 | |
| Auditors' Remuneration (refer footnote) | 353,934 | | 1,162,725 | |
| Travelling and conveyance | 44,112 | | 280,868 | |
| Rates and taxes | 11,257 | | 5,090 | |
| Bank commission | 669,016 | | 621,773 | |
| Registration expenses (Share Capital Expenses) | - | | 4,380,000 | |
| Insurance | 8,548 | | 3,599 | |
| Printing and stationery | 44,000 | | - | |
| Sitting Fees | 174,158 | | 168,539 | |
| Miscellaneous expenses | 7,303 | 4,909,663 | 12,901 | 9,533,104 |
| Total | | 4,909,663 | | 9,533,104 |

Footnote

Auditor's Remuneration

Amount in ₹

| Sr. No. | Description | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---------|------------------------|-----------------------------------|-----------------------------------|
| 1 | Audit Fees | 337,080 | 337,080 |
| 2 | Taxation Matter | - | 112,360 |
| 3 | Out of Pocket Expenses | - | 10,002 |
| 4 | Other Services | 16,854 | 703,283 |

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 20: Earnings per equity share

| Particulars | Unit | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--|-------------|--|--|
| Loss after tax | ₹ | (249,950,803) | (240,725,786) |
| Depreciation charge to surplus / deficit in the Statement of Profit and Loss due to change in depreciation policy as per the Companies Act 2013. | ₹ | (93,934) | - |
| Loss available for Equity Shareholders | ₹ | (250,044,737) | (240,725,786) |
| Weighted number of Equity Shares outstanding | Numbers | 140,000,000 | 97,775,343 |
| Nominal Value of equity shares | ₹ | 10.00 | 10.00 |
| Basic Earnings per share | ₹ | (1.79) | (2.46) |
| Equity shares used to compute diluted earnings per share | Numbers | 140,000,000 | 97,775,343 |
| Diluted Earnings per share | ₹ | (1.79) | (2.46) |

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 21: Contingent liabilities and capital commitments

A) Contingent liabilities :

| Particulars (Name & description) | | Amount in ₹ | |
|-----------------------------------|---|----------------------|----------------------|
| | | As at March 31, 2015 | As at March 31, 2014 |
| Sr. No. | Description | | |
| 1 | Demand for Assessment Year 2011-12 for work contract tax for which the Company's appeal is pending with the appellate authority | 4,703,066 | 4,703,066 |
| 2 | Demand for Assessment Year 2012-13 for work contract tax for which the Company's appeal is pending with the appellate authority | 944,995 | 944,995 |
| 3 | Claims against the Company not acknowledged as debts Income tax demands for Assessment Year 2011-12 contested by the Company | 159,780 | 159,780 |

B) Financial commitments pending to be executed :

| Particulars (Name of party & description) | | | Amount in ₹ | |
|--|-----------------------------|---|----------------------|----------------------|
| | | | As at March 31, 2015 | As at March 31, 2014 |
| Sr. No. | Name of Party | Description | | |
| 1 | IL&FS Trust Company Limited | Estimated amount of contracts to be executed on security trusteeship fees (excluding taxes) (upto the end of repayment of last installment of term loan) | 2,125,000 | 2,625,000 |

C) Operating commitments pending to be executed :

| Particulars (Name of party & description) | | | Amount in ₹ | |
|--|---------------------------------------|---|----------------------|----------------------|
| | | | As at March 31, 2015 | As at March 31, 2014 |
| Sr. No. | Name of Party | Description | | |
| 1 | IL&FS Transportation Networks Limited | Estimated amount of contracts to be executed on Operation & Maintenance (Base Price Rs.64,200,000/- p.a. for base financial year 2011, escalated @5% p.a. for the period upto the end of concession period) | 3,724,408,079 | 3,780,147,723 |

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

| Particulars (Name of party & description) | | | Amount in ₹ | |
|--|---------------------------------------|--|----------------------|----------------------|
| | | | As at March 31, 2015 | As at March 31, 2014 |
| Sr. No. | Name of Party | Description | | |
| 1 | IL&FS Transportation Networks Limited | Estimated amount of contracts to be executed on capital account and not provided for net of capital advances of Rs.592,679,432/- (Previous Year Rs. 607,501,738/-) | 6,892,289,901 | 7,167,951,300 |

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 22: Related Party Statement

1. List of Related Parties

| Nature of Relationship | Name of Entity | Acronym used |
|---------------------------|--|-------------------------|
| Ultimate Holding Company | Infrastructure Leasing & Financial Services Limited | IL&FS |
| Holding Company | IL&FS Transportation Networks Limited | ITNL |
| Fellow Subsidiaries | IL&FS Trust Company Limited | ITCL |
| | IL&FS Financial Services Limited | IFIN |
| | IL&FS Securities Services Limited | ISSL |
| Associates | NIL | NIL |
| Co - Venture | NIL | NIL |
| Key Management personnel: | Mr. Ashutosh Chandwar (resign w.e.f. January 21, 2015) | Managing Director |
| | Mr. Umesh Mathur (w.e.f. January 21, 2015) | Manager |
| | Mrs. Preeti Jain (w.e.f. January 21, 2015) | Chief Financial Officer |
| | Mrs. Anita Renuse (w.e.f. March 30, 2015) | Company Secretary |

2. Details of balances and transactions during the year with related parties

| Account head | Name of Entity | Amount in ₹ | |
|--|-------------------|--|--|
| | | As at March 31, 2015 | As at March 31, 2014 |
| Balances: | | | |
| Retention Money - Payable | ITNL | 6,29,60,568 | 5,56,98,474 |
| Sundry Creditors | ITNL | 3,01,50,15,668 | 2,99,04,75,162 |
| Mobilisation Advance | ITNL | 59,26,79,432 | 60,75,01,738 |
| Long Term Unsecured Loan | ITNL | 96,34,00,000 | 36,80,00,000 |
| Unsecured Loan - Short Term Loan | ITNL | 1,20,25,00,000 | 42,50,00,000 |
| Sundry Creditors | IFIN | - | 2,67,714 |
| | | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
| Transactions: | | | |
| Construction Cost | ITNL | 29,04,83,705 | 2,03,75,91,712 |
| Project Development Fees | ITNL | 25,00,00,000 | 28,45,00,000 |
| Operation & Maintenance Charges | ITNL | 7,43,19,528 | 7,07,80,500 |
| Interest on Loan (Charged to Profit & Loss) | ITNL | 11,83,27,595 | 8,43,78,868 |
| Interest on Loan Capitalised | ITNL | 6,12,07,225 | 21,18,185 |
| Unsecured long term Loan Taken | ITNL | 59,54,00,000 | 15,50,00,000 |
| Unsecured Short term Loan Taken | ITNL | 77,75,00,000 | 56,50,00,000 |
| Deputation Cost (Charged to Profit & Loss) Reimbursement | ITNL | 5,64,993 | 6,05,324 |
| Deputation Cost (Capitalised) Reimbursement | ITNL | 5,64,996 | 6,05,327 |
| Guarantee Commission (Reimbursement) | ITNL | 24,61,829 | 20,51,525 |
| Legal & Professional fee | ISSL | 18,972 | 22,972 |
| Security Trustee Fees paid | ITCL | 5,61,800 | 12,35,962 |
| Director Sitting Fees | Managing Director | 20,000 | 20,000 |

ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 23:

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

Note 24:

The Company had entered into a Concession Agreement (CA) on April 1, 2009 with The President of India, represented by Special Secretary and Director General (Road Development), to Construct, Operate and Maintain the Project for a period of 30 years commencing from the Appointed date (October 28, 2009) , 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.

Initially, Company had opted for two laning. In the meeting with Ministry of Road Transport & Highways (MoRTH) of 17th February 2012, It was mutually agreed to do four laning of the project and the same was approved by Board of the Company during the financial year 2012-13. Pursuant to this, Company has started constructing four lanning for the project

Note 25:

The Company has incurred net losses of Rs.249,950,803/- during the year from 1st April 2014 to 31st March 2015 and has a negative working capital as at 31st March, 2015. The Management believes that the Company will be able to operate as a going concern in the foreseeable future and meet all its obligations as they fall due for payment as the Company has already commenced the construction of four laning project which will have consequential increase in revenues and profits over the extended concession period. Based on the above and the financial support from the promoters of the Company, the Financial Statements are prepared on a going

Note 26:

Loans and Advances have a value on realization in ordinary course of business at least equal to amount at which they are stated in the Balance sheet and no provision is required.

Note 27: Deferred Tax

In accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), deferred tax assets and liability should be recognised for all timing differences in accordance with the said standard. However considering the present financial position and requirement of the said Accounting Standard-22 regarding 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 virtual certainty in accordance with the aforesaid Accounting Standard.

Note 28: Segment Information

As the Company operates in a single business as well as geographical segment, the disclosures required under the Accounting Standard on "Segment Reporting" (AS-17) notified under the Companies Accounting Standards Rules, 2006 is not applicable.

Note 29: Previous year

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

For D. R. Mohnot & Co.

Chartered Accountants
Firm Registration No.001228C

Ann
D. R. Mohnot
Partner

Membership Number : 070679

Place: Mumbai

Date:



For and on behalf of the Board

[Signature]
Director

[Signature]
Chief Financial Officer

Place: Mumbai

Date:

[Signature]
Director

A. P. Ramesh
Company Secretary