

**ITNL TOLL MANAGEMENT SERVICES LIMITED**

**FINANCIAL STATEMENT**

**2014-15**



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## INDEPENDENT AUDITOR'S REPORT

To The Members of  
 ITNL Toll Management Services Limited

### Report on the Financial Statements

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

### 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 of 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 31<sup>st</sup> March, 2015, and its loss and its 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, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 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 accounts
  - d) 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.



**LUTHRA & LUTHRA**  
CHARTERED ACCOUNTANTS

- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 statement- Refer note 23 to financial statements.
  - 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 Luthra & Luthra  
Chartered Accountants  
FRN: 002081N



Amit Luthra  
Partner  
M.No: 85847



Place: Noida  
Date: April 30, 2015



### ANNEXURE TO THE AUDITORS' REPORT

(Statement on the matters specified in Companies (Auditor's Report) Order, 2015)

- i.
  - a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
- ii.
  - a. As per the information and explanations given to us, inventories have been physically verified at reasonable interval during the year by the Management
  - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. On the basis of our examination, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records are not material and have been properly dealt with in the books of accounts
- iii. In our opinion and according to the information and explanation 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 189 of the Companies Act 2013. Consequently, requirement of clauses (iiia) and (iiib) of the paragraph 3 of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of services. We have not observed any continuing failure on the part of the company to correct major weakness in internal control system.
- v. According to the information and explanations given to us the company has not accepted deposits.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of services carried by the Company.
- vii.
  - a. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year.





There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of dispute other than as given below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending
Income tax	Income tax	183,740	2011-12	Income Tax Officer
Income tax	Income tax	28,380	2012-13	Deputy Commissioner of Income tax

- c. According to the information and explanation given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- viii. Company's accumulated losses at the end of the financial year are not less than fifty percent of its net worth. The Company has incurred the cash losses during financial year as well as immediately preceding financial year.
- ix. Clause (ix) of the order is not applicable to the Company.
- x. As per the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. Clause (xi) of the order is not applicable to the Company.
- xii. Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.

For Luthra & Luthra  
Chartered Accountants  
FRN: 002081N

Amit Luthra  
Partner  
M.No: 85847



Place: Noida  
Date: April 30, 2015

**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Balance Sheet as on March 31, 2015**

	Notes	As on March 31, 2015		As on March 31, 2014	
		Rupees	Rupees	Rupees	Rupees
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
(a) Share Capital	3	500,000		500,000	
(b) Reserves & Surplus	4	(22,514,457)	(22,014,457)	(11,875,406)	(11,375,406)
<b>Non Current Liabilities</b>					
Long Term Provisions	5		5,603,309		3,684,972
<b>Current Liabilities</b>					
(a) Trade Payables	6	4,851,245		3,472,965	
(b) Other Current Liabilities	7	55,304,959		39,995,240	
(c) Short Term Provisions	8	3,763,528	63,919,732	3,468,733	46,936,938
<b>TOTAL</b>			<b>47,508,584</b>		<b>39,246,504</b>
<b>II. ASSETS</b>					
<b>Non Current Assets</b>					
a) Fixed Asset	9		1,837,507		1,479,262
b) Long Term Loan & Advances	10		746,354		
<b>Current Assets</b>					
(a) Inventories	11	1,555,184		1,738,762	
(b) Cash & Bank Balances	12	9,783,819		7,685,167	
(c) Short Term Loans & Advances	13	33,585,720	44,924,723	28,343,313	37,767,242
<b>TOTAL</b>			<b>47,508,584</b>		<b>39,246,504</b>

Summary of significant accounting policies 2

Accompanying notes are an Integral part of the financial statements

As per our separate report of even date attached

For Luthra & Luthra  
Chartered Accountants  
Reg. No. 002081N

Amit Luthra  
Partner  
(M. No. 85847)

Place: Noida  
Date: 30.04.2015



For and on behalf of the Board of Directors

Director

Director

General Manager



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Statement of Profit & Loss for the year ended March 31, 2015**

	Notes	Year Ended March 31, 2015 Rupees	Year Ended March 31, 2014 Rupees
<b>INCOME</b>			
Income From Operations	14	94,579,067	82,532,850
Other Income	15	568,678	378,560
		<u>95,147,745</u>	<u>82,911,410</u>
<b>EXPENDITURE</b>			
Operating Expenses	16	33,018,896	25,624,336
Employee Cost	17	64,720,834	55,855,638
Finance Cost	18	700,507	343,781
Depreciation and Amortisation Expense	9	895,898	954,050
Other Expenses	19	6,450,661	8,385,585
		<u>105,786,796</u>	<u>91,163,390</u>
<b>Profit / (Loss) before Tax</b>		<b>(10,639,051)</b>	<b>(8,251,980)</b>
<b>Provision for Tax</b>			<b>(193,452)</b>
<b>Profit / (Loss) After Tax</b>		<b>(10,639,051)</b>	<b>(8,445,432)</b>
<b>Basic &amp; Diluted Profit / (Loss) per Equity Share (in Rs.)</b>	20	<b>(212.78)</b>	<b>(168.91)</b>
Summary of significant accounting policies	2		

Accompanying notes are an integral part of the financial statements

As per our separate report of even date attached

For Luthra & Luthra  
Chartered Accountants  
Reg. No. 002081N

  
Amit Luthra  
Partner  
(M. No. 85847)



Place: Noida  
Date: 30.04.2015

For and on behalf of the Board of Directors

  
Director

  
Director

  
General Manager



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Cash Flow Statement for the year ended March 31, 2015**

	Year Ended March 31, 2015 Rupees	Year Ended March 31, 2014 Rupees
<b>(A) Cash Flows from Operating Activities</b>		
Profit/(Loss) before taxes	(10,639,051)	(8,251,980)
Adjustment for :		
- Depreciation	895,898	954,050
- Loss on Sale of Fixed Assets	193,802	51,827
- Provision for Employee Benefits	2,213,132	(1,084,284)
	<u>(7,336,219)</u>	<u>(8,330,387)</u>
<b>Operating Profit before working capital changes</b>		
Adjustments for Change in		
Decrease/(Increase) in Trade Receivables & Other Current Assets	4,466,200	1,672,179
Increase/(Decrease) in Trade payables & Other Current Liabilities	16,687,999	11,882,628
	<u>13,817,980</u>	<u>5,224,420</u>
<b>Cash Flow from Operating Activities</b>		
Payment of Taxes	(10,271,383)	(4,029,107)
	<u>3,546,597</u>	<u>1,195,313</u>
<b>Net Cash Generated / (Used) in Operating Activities</b>		
<b>(B) Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,448,445)	(383,317)
Sale of Fixed Assets	500	24,003
	<u>(1,447,945)</u>	<u>(359,314)</u>
<b>Net Cash (Used in) / Generated from Investing Activities</b>		
<b>(C) Cash Flow from Financing Activities</b>		
<b>Net Cash Generated from Financing Activities</b>		
	<u>2,098,652</u>	<u>835,999</u>
<b>(D) Net Decrease in Cash &amp; Cash Equivalents</b>		
Cash & Cash equivalent at the beginning of the period	7,685,167	6,849,168
Cash & Cash equivalent at end of the period	9,783,819	7,685,167
	<u>2,098,652</u>	<u>835,999</u>

For Luthra & Luthra  
Chartered Accountants  
Reg. No. 002081N

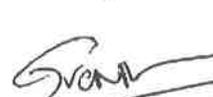
  
Amit Luthra  
Partner  
(M. No. 85847)

Place: Noida  
Date: 30.04.2015

For ITNL Toll Management Services Limited

  
Director

  
Director

  
General Manager



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Notes to financial statements for the year ended March 31, 2015**

3. Share Capital	As at	As at
	March 31, 2015	March 31, 2014
	Rupees	Rupees
<u>Authorised</u> 50,000 Equity Shares of Rs. 10/- each	500,000	500,000
<u>Issued, Subscribed &amp; Paid up</u> 50,000 Equity Shares of Rs. 10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

**a. Reconciliation of the share outstanding at beginning and at end of the period/year**

	As at March 31, 2015		As at March 31, 2014	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the period/year	50,000	500,000	50,000	500,000
Shares Issued during the period/year	-	-	-	-
Shares outstanding at the end of the period/year	50,000	500,000	50,000	500,000

**b. Terms/Rights attached to Equity Shares**

The company has only one class of ordinary equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

**c. Shares held by Holding Company**

25,500 Equity Shares (Previous year 25,500) are held by Nolda Toll Bridge Co. Limited, the holding company.

**d. Details of the Shareholders holding more than 5 % in shares of the company**

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Nolda Toll Bridge Company Limited	25,500	51%	25,500	51%
IL&FS Transportation Networks Limited	24,500	49%	24,500	49%

**4. Reserve And Surplus**

Statement of Profit & Loss	As at	As at
	March 31, 2015	March 31, 2014
	Rupees	Rupees
Opening balance	(11,875,406)	(3,429,974)
Loss for the year	(10,639,051)	(8,445,432)
	<u>(22,514,457)</u>	<u>(11,875,406)</u>

**5. Long Term Provisions**

- Provision for employee benefits	As at	As at
	March 31, 2015	March 31, 2014
	Rupees	Rupees
	5,603,309	3,684,972
	<u>5,603,309</u>	<u>3,684,972</u>



**ITNL TOLL MANAGEMENT SERVICES LIMITED****Notes to financial statements for the year ended March 31, 2015****6. Trade Payable**

Based on information received by the Company from its vendors, the amount of principal outstanding in respect of Micro and Small Enterprises as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is Rs. 42,944. There were no delays in the payment of dues to Micro and Small Enterprises.

**7. Other Current Liabilities**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Statutory dues	762,367	799,870
Expenses payables	4,106,549	3,765,586
Other Liabilities	50,436,043	35,429,784
	<b>55,304,959</b>	<b>39,995,240</b>

**8. Short Terms Provisions**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Employee benefits	3,763,528	3,468,733
	<b>3,763,528</b>	<b>3,468,733</b>



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
Notes to financial statements for the year ended March 31, 2015

**9. Fixed Assets**

(Amount in INR)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 01.04.2014	Additions	Deletion	As on 31.03.2015	As on 01.04.2014	For the year	Deletion	As on 31.03.2015	As on 31.03.2014
Office Equipment	2,864,774	1,018,936	1,150,000	2,733,710	2,033,798	455,638	968,556	1,212,830	830,976
Furniture & Fixtures	1,097,798	314,325	41,958	1,370,165	817,098	165,795	41,740	429,012	280,700
Computers	2,492,359	115,184	604,690	2,002,853	2,124,773	274,465	592,050	1,807,188	367,586
<b>TOTAL</b>	<b>6,454,931</b>	<b>1,448,445</b>	<b>1,796,648</b>	<b>6,106,728</b>	<b>4,975,669</b>	<b>895,898</b>	<b>1,602,346</b>	<b>4,269,221</b>	<b>1,837,507</b>
Previous Year (Rs.)	6,335,155	383,317	263,541	6,454,931	4,209,330	954,050	187,711	1,479,262	2,125,825



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Notes to financial statements for the year ended March 31, 2015**

	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>10. Long Term Loan &amp; Advances</b>		
Loan to Staff	746,354	-
	<u>746,354</u>	<u>-</u>
<b>11. Inventories</b>		
Stores and spares	1,555,184	1,738,762
	<u>1,555,184</u>	<u>1,738,762</u>
<b>12. Cash and Bank Balances</b>		
Balances with banks	843,473	684,757
- In Current Account	8,940,346	7,000,410
Cash on hand	<u>9,783,819</u>	<u>7,685,167</u>
<b>13. Short Terms Loans &amp; Advances</b>		
Loan and Advance to Staff	350,497	362,680
Prepaid expenses	1,340,538	1,189,593
Advance tax (net of provision for tax)	27,127,731	16,856,349
Others	4,766,954	9,934,691
	<u>33,585,720</u>	<u>28,343,313</u>
<b>14. Income From Operations</b>		
Operation & Maintenance Fees	91,200,000	79,200,000
Service Fee	3,379,067	3,332,850
	<u>94,579,067</u>	<u>82,532,850</u>
<b>15. Other Income</b>		
Interest Received	7,744	292,270
Profit on Sale of Fixed Asset	560,934	86,290
Other Misc	<u>568,678</u>	<u>378,560</u>
<b>16. Operating Expenses</b>		
Power & Fuel Exps	1,408,588	1,905,679
Security Charges	13,385,840	8,657,305
Stores & Spares Expenses	5,354,530	4,492,341
Vehicle Running & Maint. (Patrolling & Maint.)	1,819,182	1,667,274
Bridge Repair & Maintenance	11,050,756	8,901,737
	<u>33,018,896</u>	<u>25,624,336</u>



## ITNL TOLL MANAGEMENT SERVICES LIMITED

Notes to financial statements for the year ended March 31, 2015

## 17. Employee Cost

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rupees	Rupees
Salaries, Wages & Bonus	54,408,250	47,000,644
Contribution to Provident Fund & others	5,618,887	4,783,292
Staff Welfare Expenses	4,693,697	4,071,702
	<b>64,720,834</b>	<b>55,855,638</b>

## 18. Finance Cost

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rupees	Rupees
Bank Charges	700,507	343,781
	<b>700,507</b>	<b>343,781</b>

## 19. Other Expenses

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rupees	Rupees
Legal & Professional Charges*	1,219,191	3,058,101
Insurance	363,718	267,139
Travelling & Conveyance	330,390	472,158
Telephone, Internet & Postage	686,297	690,987
Printing & Stationery	693,849	775,759
Repair & Maintenance Expenses	251,074	246,269
Rates & Taxes	-	4,513
Loss on Sale of Fixed Assets	193,802	51,827
Other Expenses	2,712,340	2,818,832
	<b>6,450,661</b>	<b>8,385,585</b>

\*Legal &amp; Professional charges includes payment to auditors as

	Year Ended March 31, 2015	Year Ended March 31, 2014
	Rupees	Rupees
As Auditors	630,000	525,000
Taxation matters	120,000	100,000
Out of Pocket expenses	30,000	25,000
	<b>780,000</b>	<b>650,000</b>

## 20. Earning/ (Loss) Per Share

	Year Ended March 31, 2015	Year Ended March 31, 2014
A. Number of Equity shares of Rs. 10 each fully paid up at the beginning of the period	50,000	50,000
B. Number of Equity shares of Rs. 10 each fully paid up at the period end	50,000	50,000
C. Weighted Average number of Equity Shares outstanding during the period	50,000	50,000
D Net Profit for the year (Rs.)	(10,639,051)	(8,445,432)
E Basic / Diluted Profit per Share (Rs.)	(212.78)	(168.91)
F Nominal value of Equity Share (Rs.)	10	10

21. Accumulated losses of the Company have exceeded its net worth. The Company is economically dependent on its parent company for necessary financial and other assistance. The continuity of the Company as a going concern is further subject to continuation of O&M agreement with its parent company. The promoter of the Company has assured to provide necessary financial and other assistance to help running its operations smoothly in the ensuing years. Therefore the accounts of the Company have been prepared under going concern assumptions.



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Notes to financial statements for the year ended March 31, 2015**

22. Contingent Liabilities	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
	Rupees	Rupees
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
(ii) Claims not acknowledged as debt by the Company	Nil	Nil

**23. Pending Litigation**

a) For collecting MCD toll on behalf of SMS AAMW Tollways Private Limited, the Company is deducting service charges @ 13.5% of MCD toll as against 3% as directed by MCD. MCD has send a legal notice to take coercive action against withholding such amount. The Company has filed suit for injunction from such notice. The court has passed an Interim order restraining the defendants from taking any coercive action. On prudence basis, till settlement of dispute, service charges has been recognised as income @ 3% of MCD toll. Necessary adjustment, if any, will be recognised on finalisation of matter. The management does not expect any impact on financial position of the Company on this account.

b) Income tax demand of Rs. 212,120/- against which the Company has filed rectification application u/s 154 of the Income Tax Act, 1961.

**24. Employees Benefit Obligation**

**A. Defined-contribution plans**

(i) The company offers its employees defined contribution benefits in the form of provident fund. Provident fund cover substantially all regular employees. Both the employees and the Company pay predetermined contributions into the provident fund.

A sum of Rs. 32,71,782 (previous year Rs. 26,11,622 ) has been charged to the Statement of Profit and Loss in this respect.

**B. Defined-benefit plans:**

Gratuity is computed as 15 days salary, for every completed year of service or part there of in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme and the Company makes provision of such gratuity asset/ liability in the books of accounts on the basis of actuarial valuation.

The following table summarises the components of net expense recognised in the statement of profit & loss and amounts recognised in the balance sheet for gratuity.

Net Benefit Expenses	Year Ended	Year Ended
	March 31, 2015	March 31, 2014
	Rs.	Rs.
Current service cost	969,141	791,267
Interest cost on benefit obligation	310,491	252,087
Expected return on plan assets	(249,327)	(108,021)
Net actuarial(gain)/loss recognised	17,671	36,333
Expenses for the period	<b>1,047,976</b>	<b>971,666</b>
<b>Benefit Asset/ (Liability)</b>	<b>As at</b>	<b>As at</b>
	March 31, 2015	March 31, 2014
Defined benefit obligation	5,008,386	3,763,530
Fair value of plan assets	3,872,507	3,561,809
Benefit Asset/ (Liability)	<b>(1,135,879)</b>	<b>(201,721)</b>



**ITNL TOLL MANAGEMENT SERVICES LIMITED**

Notes to financial statements for the year ended March 31, 2015

**Changes in the present value of the defined benefit obligation:**

Opening defined benefit obligation		3,763,530	3,055,603
Interest cost		310,491	252,087
Current service cost		969,141	791,267
Benefits Paid		(113,818)	(465,125)
Net actuarial(gain)/loss recognised in year		79,042	129,698
Closing defined benefit obligation		<u>5,008,386</u>	<u>3,763,530</u>

**Changes in the fair value of plan assets:**

Opening fair value of plan assets		3,561,809	2,160,423
Expected return		249,327	108,021
Contributions		-	1,200,000
Actuarial gains/(losses) on fund		61,371	93,365
Closing fair value of plan assets		<u>3,872,507</u>	<u>3,561,809</u>

**Amounts for the current year and previous annual periods:**

	31-Mar-2015	31-Mar-2014	31-Mar-2013	31-Mar-2012	31-Mar-2011
Defined benefit obligation	5,008,386	3,763,530	3,055,603	2,108,210	1,542,317
Defined benefit Assets	3,872,507	3,561,809	2,160,423	1,533,711	1,028,299
Surplus/(Deficit)	(1,135,879)	(201,721)	(895,180)	(574,499)	(514,018)
Experience adjustment on plan liabilities	(79,042)	(132,333)	(192,330)	168,422	NIL
Experience adjustment on plan assets	132,608	93,365	50,026	(46,003)	NIL

Company's best estimate of contribution during next year is Rs. 16,28,464 (PY Rs. 14,20,323/-)

The principal assumptions used in determining pension and post-employment benefit obligations for the Company's plans are shown below:

	Year Ended March 31, 2015	Year Ended March 31, 2014
Discount rate	8.25%	8.25%
Future salary increases	6.50%	6.50%
Expected rate of return on plan assets	7.00%	5.00%

**25. Expenditure in Foreign Currency:**

	Year Ended March 31, 2015 Rupees	Year Ended March 31, 2014 Rupees
Stores & Spares	772,445	38,775
	<u>772,445</u>	<u>38,775</u>

**26. List of Related parties and Transactions / Outstanding Balances:**

(i) Holding Company  
Noida Toll Bridge Co. Ltd

**Transactions/Outstanding balances**

	Year Ended March 31, 2015	Year Ended March 31, 2014
Service fees	91,200,000	79,200,000
Payables as at the period end	8,647,759	96,601
Equity as at the period end	255,000	255,000



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Notes to financial statements for the year ended March 31, 2015**

ii) Company holding substantial interest in voting power of the company  
(L&FS Transportation Network Limited)

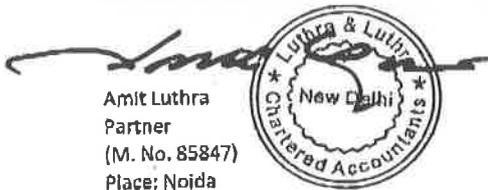
Transactions/Outstanding balances	Year Ended March 31, 2015	Year Ended March 31, 2014
Reimbursement of Expense	-	150,000
Equity as at the year end	245,000	245,000

27. Deferred tax asset has not been recognised in view of uncertainty of reversal of the same in the near future.

**28. Previous Year's Comparatives:**

Figures for the previous year have been regrouped / reclassified to conform to current period's presentation. Figures in brackets represent negative balance except otherwise stated.

For Luthra & Luthra  
Chartered Accountants  
Reg. No. 002081N



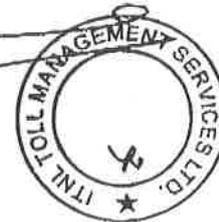
Amit Luthra  
Partner  
(M. No. 85847)  
Place: Noida  
Date: 30.04.2015

For and on behalf of the Board of Directors

*[Handwritten Signature]*  
Director

*[Handwritten Signature]*  
Director

*[Handwritten Signature]*  
General Manager



**ITNL TOLL MANAGEMENT SERVICES LIMITED****Notes to financial statement for the year ended March 31, 2015****1. Background**

ITNL Toll Management Services Limited (ITMSL) is a public limited company incorporated and domiciled in India on 22<sup>nd</sup> June, 2007 with its registered office at Toll Plaza, DND Flyway, Noida - 201301, Uttar Pradesh, India. The financial statements of ITMSL are the responsibility of the management of the company.

ITMSL has been incorporated to provide services and consultancy in the areas of operations, toll collections, routine and procedure maintenance, engineering, design, supply, Installation, commissioning of toll and traffic management system. ITMSL has started operations and management of Noida Toll Bridge Project w.e.f. 1<sup>st</sup> August, 2007.

**2. Significant Accounting Policies****a) Basis of Preparation**

The financial statements of ITMSL have been prepared on accrual basis of accounting and comply with the Accounting Standards as per section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014.

These financial statements have been drawn up in accordance with the going-concern principle and on a historical cost basis. The presentation and grouping of individual items in the balance sheet, the statement of Profit & Loss and the cash flow statement are based on the principle of materiality.

**b) Significant accounting judgments and estimates**

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

**c) Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the currency rate ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currency are retranslated at the exchange rate ruling at the Balance Sheet date and resulted differences are taken to Statement of Profit & Loss.

**d) Fixed Assets**

Fixed assets have been stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Notes to financial statement for the year ended March 31, 2015**

between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period the asset is derecognized.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

**e) Depreciation**

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Group has adopted the useful life prescribed under the Schedule II of the Companies Act 2013.

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

Furniture & Fixtures	7 years
Mobile	2 years

**f) Impairment**

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the management makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

**g) Inventories**

Inventories are valued at the lower of cost or net realizable value. Cost is recognised on First in First Out basis.

**h) Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Notes to financial statement for the year ended March 31, 2015**

**i) Employee costs**

Wages, salaries, bonuses, social security contributions, paid annual leave and other benefits are accrued in the period in which the associated services are rendered by employees of the company.

The leave balance is classified as short term and long term based on the best estimates after considering the past trends. The short term leave encashment liability for the expected leave to be encashed has been measured on actual components eligible for leave encashment and expected short term leave to be availed is valued at total cost to the Group. Long term leave has been valued on actuarial basis

The company has two retirement benefit plans in operation viz. Gratuity and Provident Fund. Provident Fund is defined contribution plans whereby the company has to deposit a fixed amount to the fund every month.

The Gratuity plan for the company is a defined benefit plan. The cost of providing benefits under gratuity is determined using the projected unit credit actuarial valuation method at each reporting date. Actuarial gains and losses are recognised in full in the period in which they occur.

**j) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue comprises:

**Operation & Maintenance Fees**

Operation & Maintenance Fees is recognised on accrual basis in accordance with contractual rights.

**Service Charges**

Service charges are recognized on accrual basis, in respect of revenue recovered for the various business auxiliary services provided to the parties.

**k) Expenditure**

Expenditures have been accounted for on the accrual basis and provisions have been made for all known losses and liabilities.

**l) Taxes**

Current tax represents the amount that would be payable based on computation of tax as per prevailing taxation laws. Current tax includes taxes on income and fringe benefit tax.

Current tax is determined based on the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing differences; being the difference between the taxable income and accounting income that originate in one accounting period and are capable of reversal in one or subsequent periods. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets arising on unabsorbed depreciation or carry forward of tax losses are recognised to the extent that there is virtual certainty



**ITNL TOLL MANAGEMENT SERVICES LIMITED**  
**Notes to financial statement for the year ended March 31, 2015**

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supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

**m) CENVAT Credit**

CENVAT (Central Value Added Tax) in respect of service Tax is accounted on accrual basis on eligible services. The balance of CENVAT Credit is reviewed at each reporting date and amount estimated to be unutilised is charged to the Statement of profit & loss for the period.

**n) Preliminary Expenditure**

Preliminary expenditures have been written off in the period in which incurred.

**o) Cash and Cash Equivalents:**

Cash comprises of Cash on Hand, Cheques on Hand and demand deposits with Banks. Cash Equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.

**p) Earnings per Share**

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

