

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighth Annual Report together with the Audited Accounts for the year ended March 31, 2004

FINANCIAL HIGHLIGHTS 2003-04

	(Rs in Million)	
	Year ended 31.3.2004	Year ended 31.3.2003
Toll Revenue	224.20	164.47
Other Income	34.43	22.88
Operating & Administration Expenses	82.37	82.29
Miscellaneous Expenditure written off	15.17	15.17
Profit before Interest & Depreciation	161.09	89.89
Interest & Finance charges	370.53	312.53
Depreciation	1.63	63.34
Net Loss carried to Balance Sheet	211.07	285.98

The Company has obtained an approval under Section 205 (2)(c) of the Companies Act, 1956, from the Department of Company Affairs vide its letter dated December 14, 2003 for not charging depreciation on the Delhi Noida Link Bridge for a period of three years commencing from the Financial Year 2003-04. Accordingly, depreciation on the bridge has not been provided for during the current Financial Year.

As per the Concession Agreement which the Company had entered into with New Okhla Industrial Development Authority (NOIDA) and Infrastructure Leasing & Financial Services Limited (IL&FS), the Company would be entitled to a designated rate of return on the Project Cost during the Concession Period. The Independent Auditor namely M/s. A F Ferguson & Company, Chartered Accountants, have determined accrued return as designated under the Concession Agreement and due to the Company till March 31, 2004. As per the Independent Auditors the total amount to be recovered upto March 31, 2004 under the Concession Agreement including the return on the project cost aggregates to Rs. 6956.81 million.

In order to determine its embedded value, the surplus land owned by the Company, located on the Noida side, was re-valued by a professional valuer during the year, on realisable value basis. An amount of Rs. 134.50 crores has been added to the original cost of the land due to such revaluation.

On obtaining approval from the Shareholders, Lenders and Trustees to the Debenture holders of the Company, a portion of the re-valued land was sold to the subsidiary of the Company, DND Flyway Ltd. Consequent to such sale, an amount equal to the sale value less the cost price has been transferred from the Revaluation Reserve to the General Reserve of the Company.

It is envisaged that consequent upon execution of the formal agreement towards realisation of development rights, suitable strategic partners with experience in real estate development will be inducted into the subsidiary for providing the necessary personnel, implementation and financial support. This will also insulate the Company from the business risks associated with the implementation of the development rights.

DEBT RESTRUCTURING

As reported in the previous Annual Report, the Company's debt restructuring package had been approved by the Corporate Debt Restructuring Empowered Group of Banks and Financial Institutions (CDR) with effect from April 1, 2002.

The Company approached the CDR, in November 2003, for a restructuring of its Deep Discount Bonds (DDBs) issued vide a Public Issue in November 1999 (54% of which were held by Members of the CDR). The CDR has conveyed their approval for the restructuring of these instruments. The Board of Directors of the Company have approved a Scheme of Financial Restructuring of the Company's Secured Debt (including the DDBs) under Section 391 of the Companies Act, 1956, which will be filed with the High Court of Judicature at Allahabad.

DIVIDEND

Since the Company has not begun making profits, the Directors do not recommend any dividend for the year.

OPERATIONS

Traffic Growth

The traffic has shown a positive growth rate of 24% p.a during 2003-2004 over the previous year. The average daily traffic (ADT) during the year was 47,547 vehicles as against 38,474 vehicles in the previous year. The month-wise traffic and revenue data is presented in the Table below:

Traffic and Toll Revenue on DND Flyway (April 2003 –March 2004)

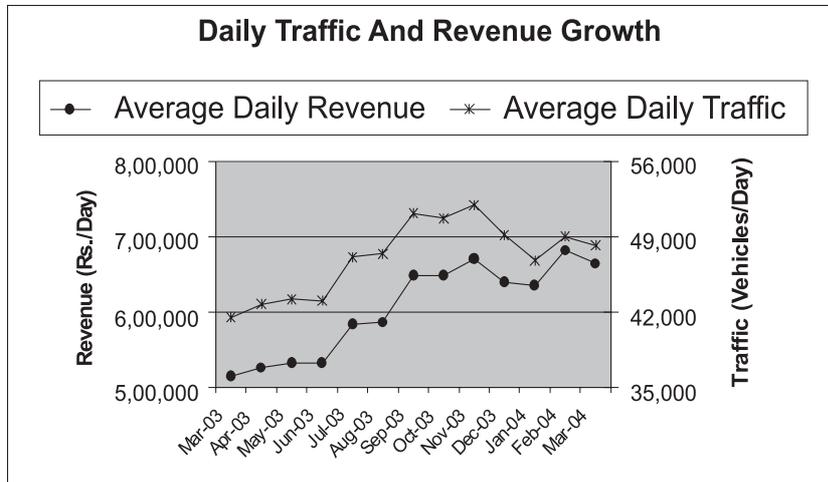
Month	Commercial	2 Wheelers	Cars	Total	Growth*	Revenue	Growth*
Mar-03	961	11376	29138	41474	40%	514894	55%
Apr-03	961	12116	29744	42821	29%	526909	42%
May-03	1031	12186	29960	43177	28%	533183	43%
Jun-03	1027	12110	29922	43059	29%	532642	44%
Jul-03	1086	12852	33193	47130	31%	584136	47%
Aug-03	1129	13313	32941	47383	27%	587568	35%
Sep-03	1116	14786	35326	51228	32%	648560	45%
Oct-03	1121	14099	35490	50710	25%	648227	38%
Nov-03	1233	13941	36826	52000	22%	670654	34%
Dec-03	1210	12358	35543	49111	21%	639197	29%
Jan-04	1153	11297	34306	46755	17%	634967	29%
Feb-04	1258	12728	34998	48984	11%	683061	23%
Mar-04	1214	13440	33548	48202	16%	664596	29%
Average	1128	12935	33483	47547	23.6%	612808	36%

*over the same period in previous year.

The Average Daily Traffic (ADT) in the month of March 2003 was 41,474 vehicles and the corresponding Average Daily Toll Collection (ADTC) was Rs 5.15 lacs. The ADT and ADTC increased to 48,202 vehicles and Rs. 6.65 lacs/day by March 2004 i.e. an annual growth of 16% in traffic and 29% in toll revenue.

The traffic and revenue growth is depicted in Chart 1 below :

Chart 1



The traffic mainly comprised of Cars (71%) and Two Wheelers (27%). Whereas Cars contributed to 78% of the total revenue, 2-wheelers and Commercial vehicles accounted for 16% and 6% respectively. The vehicle class-wise distribution of traffic/revenue is shown below in Chart 2-1 and Chart 2-2.

Chart 2-1

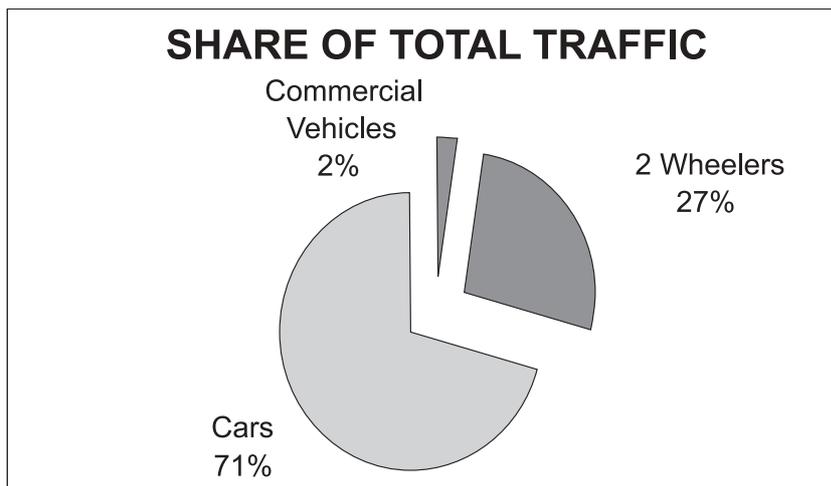
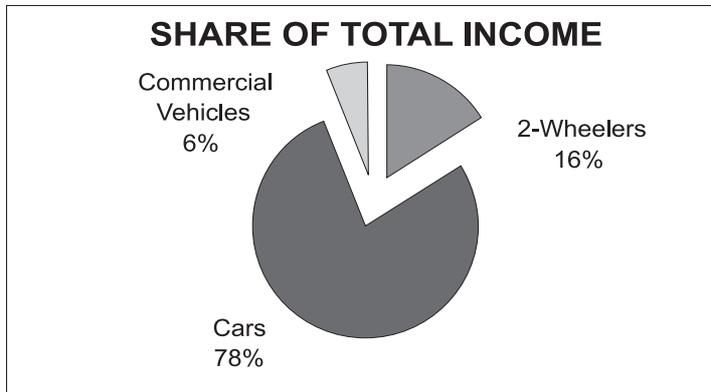
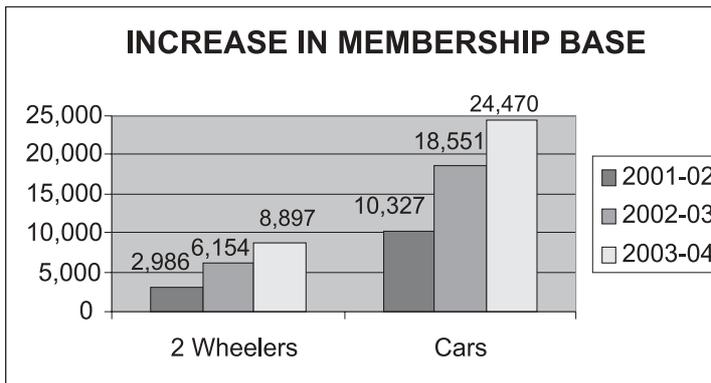


Chart-2-2



The Company has been focusing on converting occasional cash users to pre-paid regular users. In March 2004, 32.5% of the total traffic was pre-paid, accounting for 31.9% of revenue. The total member base has steadily increased despite gradual withdrawal of discounts given to members as can be seen from the chart 3 below.

Chart 3



Development Rights

As reported in the previous Annual Report, due to the revenue shortfall, the Company had invoked Development Rights under the Concession Agreement for implementing development projects that would provide required liquidity support to the Company. The Company is in possession of land around the facility, located in Noida and Delhi, which could be used for development purposes. NOIDA has already conveyed its in-principle approval to grant development rights.

The Company has set up a 100% subsidiary, DND Flyway Ltd., for the implementation of development rights and a part of the surplus land on the Noida side has been transferred to the subsidiary.

In the event that the development rights accrue to the Company, the income is proposed to be utilised towards de-leveraging the Company.

New Links

As had been mentioned in the last Annual Report, the Company had initiated formalities for construction of a Mayur Vihar Link to the Project.

In the first phase, a 2 lane one way link in the Delhi to Mayur Vihar direction is proposed to be implemented, which would be followed by a parallel link in the Mayur Vihar to Delhi direction, based on the traffic response. The Company has awarded the contract for the Mayur Vihar Link Project – Phase-I to M/s K R Anand on a competitive bidding basis. The project received clearances from the DDA Technical Committee

and the Yamuna Standing Committee and is now awaiting the lease of lands required for the project from the Uttar Pradesh Irrigation Department.

The link when completed, would result in further saving in travel time and distance, inducing Mayur Vihar residents to use the DND Flyway as their preferred route to South Delhi. The initial traffic on the Mayur Vihar Link Project was expected to be approximately 10,000 vehicles per day, which was expected to increase substantially once the Kalindi Bypass and its link to DND Flyway were in place.

CREDIT RATING

CARE has, during their last review, retained the rating of CARE AAA (SO) (Triple A – Structured Obligation) for the Secured Deep Discount Bonds (DDB) of the Company. The rating for the DDB is based on the credit enhancement in the form of an irrevocable repurchase guarantee available to the DDB holders for selling the DDBs to Infrastructure Development Finance Company Ltd. (IDFC) and Infrastructure Leasing & Financial Services Ltd. (IL&FS) in the 5th and 9th years.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management Discussion & Analysis Report is attached to this report.

SHARE CAPITAL

Pursuant to the approval of the shareholders, at the previous Annual General Meeting, the Authorised Capital of the Company has been increased from Rs. 125 crores to Rs. 150 crores (an increase of Rs. 25 crores).

As mentioned in the Directors' Report for the Financial Year 2002- 2003 the Company had filed an Offer Document for a Rights Issue of Equity Shares aggregating to Rs. 10.2 crores with the Securities & Exchange Board of India (SEBI), for financing Phase I of the Mayur Vihar Link. The Company received the approval from SEBI on August 6, 2003, valid for 365 days. Pending the lease of land for the project, however, the Rights Issue is being held in abeyance.

There has been no change in the issued, subscribed and paid up capital of the Company during the year.

SUBSIDIARY

The audited accounts of the Company's subsidiary- DND Flyway Limited together with the Reports of the Directors and the Auditors, as required under Section 212 of the Companies Act, 1956 are attached.

The Company has not made any loans and advances in the nature of loans, to its subsidiary, or companies in which its Directors are interested.

DIRECTORS

Dr. Om Prakash, CEO, New Okhla Industrial Development Authority (NOIDA), was appointed in his ex-officio capacity, as an Additional Director at the Meeting of the Board of Directors of the Company held on February 28, 2003. He was due for re-appointment at the last Annual General Meeting. Due to a change in his portfolio, however, the resolution for his re-appointment was dropped at the Annual General Meeting.

Mr. T. T. Joseph, Principal Secretary, Public Works Department, was appointed in his ex-officio capacity as an Additional Director at the Meeting of the Board of Directors of the Company held on May 27, 2003. Due to a change in his portfolio, his resignation was taken on record at the Meeting of the Board of Directors of the Company held on June 28, 2004.

Mr. Brijesh Kumar, Chairman & CEO, NOIDA, was appointed in his ex-officio capacity as an Additional Director at the Meeting of the Board of Directors of the Company held on, October 30, 2003. Due to a change in his portfolio, his resignation was taken on record at the Meeting of the Board of Directors of the Company held on January 30, 2004.

Mr. Mohd. Haleem Khan, Additional CEO, NOIDA, was appointed in his ex-officio capacity as an Additional Director at the Meeting of the Board of Directors of the Company held on, October 30, 2003. Due to a

change in his portfolio, his resignation was taken on record at the Meeting of the Board of Directors of the Company held on April 30, 2004.

Mr. Vinod Malhotra, Chairman & CEO, NOIDA, was appointed in his ex- officio capacity as an Additional Director at the Meeting of the Board of Directors of the Company held on, January 30, 2004. Due to a change in his portfolio, his resignation was taken on record at the Meeting of the Board of Directors of the Company held on June 28, 2004.

Mr. Deo Datta, Chairman & CEO, NOIDA, was appointed in his ex- officio capacity as an Additional Director at the Meeting of the Board of Directors of the Company held on, June 28, 2004 and vacates his office at the forthcoming Annual General Meeting of the Company. The Company has received a proposal from a Member of the Company under Section 257 of the Companies Act, 1956, for the appointment of Mr. Deo Datta as Director.

Mr. Prabil Raj was appointed as a Nominee Director, representing IFCI Limited on September 6, 2002. Due to IFCI's withdrawal of his nomination, Mr. Prabil Raj resigned from the Board with effect from June 8, 2004.

Mr. Ronald Ross attended the Board Meeting held on June 12, 2004 (in continuation of the meeting adjourned on May 27, 2004) as Alternate Director to Mr. Timothy Woodhead, representing the O&M Operator, Intertoll.

Mr. Julian Thomas attended Board Meetings held on October 30, 2003, January 30, 2004, April 30, 2004 and June 28, 2004 as Alternate Director to Mr. Timothy Woodhead, representing the O&M Operator, Intertoll.

Dr. Archana Hingorani attended Board Meetings held on September 16, 2003 and October 30, 2003 as Alternate Director to Mr. Stephen Temple representing Asian Infrastructure Mezzanine Capital Fund (AIMCF) and Board Meetings held on January 30, 2004 and April 30, 2004 as Alternate Director to Mr. Shahzaad Dalal representing IL&FS Trust Company Limited.

In accordance with the requirements of the Companies Act, 1956 one third of the Directors are liable to retire by rotation. Mr. Gopi Arora, Mr. Shahzaad Dalal, Mr. Santosh Senapati and Mr. Timothy Woodhead, Directors, are due to retire by rotation at this eighth Annual General Meeting. They are eligible for re-appointment.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 274 of the Companies Act, 1956.

FIXED DEPOSITS

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

PROJECTED VERSUS ACTUAL PROFITABILITY

As required under the Listing Agreement, a statement showing the utilisation of the entire public issue proceeds was provided in the Directors' Report for FY 2000-01.

The comparative figures for projected profit as per the public issue prospectus dated September 27, 1999 and the actual profit after tax (PAT) for the year 2003-04 are as under:

Projected PAT	212 million
Actual PAT	(211) million

The variation from the projections is mainly due to the actual traffic on the Bridge being lower than the projections.

EMPLOYEES STOCK OPTION PLAN

At the Extraordinary General Meeting of the Shareholders of the Company, held on March 25, 2004, approval of the shareholders was obtained for the launch of the Employees Stock Option Plan 2004 (ESOP) for the issue of stock options in respect of 15,00,000 Equity Shares of Rs. 10 each, to the Directors and Employees of the Company.

Out of the said 15,00,000 stock options, 13,35,000 options were granted on April 12, 2004 and 1,00,000 options were granted on May 5, 2004 therefore 14,35,000 options are in force. The vesting period for these options is 15 months from the grant date hence no options have been vested or exercised till date and no money has been realised. Therefore, no new shares have arisen pursuant to exercise of options. Further, no options have lapsed so far and there has been no change in the terms of the options.

Pursuant to the provisions of the approved ESOP, the stock options were granted at the face value of the shares i.e. Rs 10/- each, as the Exercise Price for the options (price based on the average of weekly highs and lows in the six months preceding the month of Grant, quoted at the Stock Exchange, Mumbai, where the volume of trading was the highest) worked out to Rs. 7.22, being below par.

Amongst the Senior Managerial Personnel, the Company granted 2,50,000 stock options to Mr. Pradeep Puri, President & CEO, 50,000 stock options to Ms. Monisha Macedo, Vice President & Company Secretary and 50,000 stock options each to Mr. Ajai Mathur & Mr. T.K.Banerjee, Vice Presidents.

Mr. Pradeep Puri, President & CEO, was the only employee who was granted stock options exceeding 5% of the total options granted during the year. Mr. Gopi Arora, Mr. Hari Sankaran, Mr. K. Ramchand and Mr. Arun K. Saha, Directors, were also granted stock options exceeding 5% of the total options granted during the year being 1,00,000, 2,50,000, 1,00,000 and 1,00,000 stock options respectively. None of the employees were granted Stock Options equal to or exceeding 1% of the issued capital of the Company at the time of grant.

The Company has calculated the employee compensation cost, using the Intrinsic Value of the Stock Options. Thus, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the Fair Value of the Options, is required to be disclosed in the Directors' Report alongwith the impact of this difference on profits and on the Earning Per Share (EPS) of the Company.

The employee compensation cost computed on the intrinsic value of the options is Nil. If the employee compensation cost was computed on the fair value of the options, it would also have been Nil, amounting to no difference in cost between the two methods. The impact of this difference on Profits and on the EPS of the Company is hence Nil.

The weighted average Exercise Price and weighted average Fair Value of the Option is Rs. 10 and Rs. 6.26 respectively.

The Fair Value of Options has been computed using the Black Scholes method on the following assumptions:-

(1) Risk Free Interest Rate	6%
(2) Expected Life	4 Years
(3) Expected Volatility	20.29
(4) Expected Dividends	Nil
(5) Market Price of the Share at the date of grant of Option*	Rs. 7.225

* For the purpose of calculations the date of grant of options has been taken as April 12, 2004
Auditors Certificate on compliance with SEBI (ESOS & ESPS) Guidelines forms a part of this Annual Report.

LISTING

The Company's Equity Shares aggregating to Rs. 1224 million and secured Deep Discount Bonds aggregating to Rs. 500 million are listed on the following three Stock Exchanges:

The U P Stock Exchange Assn. Ltd.
Padam Towers, 14/113 Civil Lines, Kanpur

The Stock Exchange, Mumbai
1st Floor, New Trading Ring Rotunda Building ,
P J Towers, Dalal Street, Fort
Mumbai – 400 001

The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

The Annual Listing Fees for Financial Year 2004- 2005 have been paid to all three of the aforementioned Stock Exchanges.

PARTICULARS OF EMPLOYEES

One employee, employed throughout the year was in receipt of remuneration of Rs. 24 lacs or more per annum. In accordance with the provisions of Section 217 of the Companies Act, 1956 and the rules framed thereunder, the name and other particulars of the employee is set out in the annex to the Directors' Report. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the annex. Any shareholder interested in obtaining a copy of the said annex may write to the Company Secretary at the Registered Office of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not own any manufacturing facilities hence particulars with regard to energy conservation and technology absorption are not applicable.

The Company had the following foreign exchange outgo :-

	<u>As at March 31, 2004(Rs.)</u>	<u>Previous Year (Rs)</u>
Travel	3,42,800	21,560
Payment to Contractors	Nil	26,09,250

The Company does not have any foreign exchange earnings.

CORPORATE GOVERNANCE

A report on Corporate Governance pursuant to the provisions of Clause 49 of the Listing Agreement is annexed to this report.

AUDITORS' REPORT

The Auditors of the Company in their Report on the accounts for the year ended March 31, 2003, had expressed their opinion that the consideration for the issue of Series B, Zero Coupon Bonds (ZCBs) being the present value of the reduced interest should be amortised over the period of the ZCBs and a corresponding equivalent amount should be brought into the books as Secured Loans. If the foregoing had been carried out, loss for the year and Secured Loans would have been higher by Rs 4.54 Crore.

The Audit Committee of the Board after consideration of the above qualification reconsidered the aspect of provisioning based on professional advice received in this regard. Based on the deliberations of the Audit Committee, the Board of Directors of the Company decided to create a provision on a year to year basis on the principle of Sinking Fund, by applying the weighted average interest rate on outstanding borrowings prior to restructuring as the discount rate and thereby arriving at the amount of yearly charge. The Company has obtained confirmation from professional experts with respect to appropriateness of the Sinking Fund Method as well as the adequacy of the charge on a year to year basis to account for the ZCB liability in the books. Accordingly the Profit & Loss Account has been debited with Rs 5.16 Crore during the year being the required amount of provision and the corresponding liability has been created under Secured Loans.

The Company has redeemed ZCBs (Series B) aggregating to Rs 2.78 crores during the year and the same has been adjusted against the value of the Bonds accounted by the Company in its books .

DIRECTORS' RESPONSIBILITY STATEMENT

Section 217 (2AA) of the Companies Act, 1956 as amended in December 2000, requires the Board of Directors to provide a statement to the members of the Company in connection with maintenance of books, records, preparation of Annual Accounts in conformity with the accepted accounting standards and past practices followed by the Company. Pursuant to the foregoing, and on the basis of representations received from the operating management, and after due enquiry, it is confirmed that:

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
2. The Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

STATUTORY AUDITORS

M/s Luthra & Luthra, Chartered Accountants, the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue as Auditors, if re-appointed.

ACKNOWLEDGEMENTS

The Board of Directors place on record the continued support extended to them by the various Government authorities, Banks, Financial Institutions and Investors of the Company.

The Directors would also like to place on record their appreciation for the hard work and dedication of the employees of the Company at all levels.

By order of the Board
For NOIDA TOLL BRIDGE COMPANY LIMITED

Mr. Gopi Arora
Chairman

Noida (Uttar Pradesh)
Date: June 28, 2004

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Noida Toll Bridge Co. Ltd. is a special purpose vehicle set up to implement the Delhi-Noida Bridge Project on a Build Own Operate and Transfer (BOOT) basis. The Delhi-Noida Bridge is a tolled facility connecting Noida to Maharani Bagh in South Delhi across the river Yamuna. The other bridges in the influence area are the Nizamuddin Bridge approximately 3 km upstream of the Delhi-Noida Bridge and the Okhla Barrage, which is about 1 km downstream. The Nizamuddin Bridge and Okhla Barrage cater to about 135,000 and 85,000 PCUs per day respectively. The Delhi Noida Bridge, which has been named DND Flyway, is the only tolled facility.

Opportunities

Noida has seen the emergence of major shopping activity/cinema goers with the opening of the Centre Stage Mall/Multiplex which has contributed some incremental traffic to the DND Flyway. Also in the pipeline is an Entertainment Complex spread over 100 acres which will become partly operational in 2005. The Ministry of Environment and Forests has commissioned in Noida a National Botanical garden spread over 200 acres which should also augment traffic in the future. The commissioning of the Noida – Greater Noida Expressway has given impetus to the development of Greater Noida and opened up new sectors in Noida for commercial growth. The reduced travel time from Delhi has made Noida/Greater Noida attractive destinations and the area is likely to see exponential growth particularly in respect of entertainment infrastructure (multiplexes, shopping malls, amusement parks) and mini townships (Medical City, Biotech City, IT Parks etc). The Company is likely to benefit from this growth. However, the impact on traffic on the DND Flyway will be discernible over time.

The Company also sees opportunities for augmenting traffic by road corridor improvements in the influence area, primarily designed to improve the accessibility of the Delhi-Noida Bridge and accentuate time and distance savings. Network improvements and better connectivity are necessary for increasing traffic on the bridge in the long run, for which Government support is crucial to the Company. In fact, the commissioning of the Srinivaspuri Flyover will have a major positive impact on the traffic on the DND Flyway since it will decongest the approaches to DND Flyway.

The development of the Mayur Vihar District Centre which is on the anvil, will also add to the traffic, combined with the construction of the Mayur Vihar Link Road on the DND Flyway.

Competition/ Threats

The major competition to the Company is from the parallel bridges viz: Nizamuddin Bridge and Okhla Barrage, primarily because these are free to use. The Company had reported last year that the commissioning of the Flyovers at the junctions of UP Link Road and NH 24, Nizamuddin Bridge and Ring Road are likely to improve throughput on Nizamuddin Bridge which may adversely impact traffic on DND Flyway. This has not happened and the traffic growth on the Flyway has been robust.

The Concession Agreement provides for traffic risk mitigation measures by allowing for New Okhla Industrial Development Authority (NOIDA) to grant Development Rights. The Company has in their possession land around the DND Flyway both in Noida and Delhi, which will be developed in phases, subject to grant of Development Rights by NOIDA/Govt. of UP/ Govt. of Delhi, which are under process. The denial of Development Rights or conditional grant of the same will also pose a financial threat to the Company.

Segment-wise and Product-wise Performance

Revised traffic projections were approved by the Senior Lenders to the Company during the process of approval of the Company's debt restructuring by the Corporate Debt Restructuring Empowered Group of Banks and Financial Institutions (CDR) w.e.f. April 1, 2002. Accordingly, the comparison of traffic is given based on the revised projections.

Class	2 Wheelers	Cars	Trucks/Buses	Total
Projected	13572	25628	1428	40628
Actual	12936	33483	1128	47547
Achievement	(5%)	31%	(21%)	17%

Outlook

Pursuant to the approval of the Company's debt restructuring package by the CDR, the interest payment and repayment of loans has now been linked to the revised traffic projections made by M/s Wilbur Smith Associates in April 2002. Consequently, the Company has been able to achieve cash break-even during the financial years 2002-03 and 2003-04. The actual traffic and income for the year 2003-04 has outperformed the projections adopted pursuant to the CDR approved debt- restructuring plan, by 17% and 40% respectively. The average daily traffic and income increased by 23.6% and 38% respectively during the year. This has been achieved through optimisation of the pricing and discount strategy, which has favorably impacted the average toll realisation per vehicle. In the last one year, the average toll per vehicle has improved from Rs. 12.50 to Rs. 13.80 i.e. by 10%.

The Company is liaising with various Government authorities and real estate developers for implementation of the development rights. The Company is of the view that the association of a leading real estate developer will provide impetus to the process of procuring development rights. The Company is confident of generating Rs 100 crores of development income in the near term and implementing the road network improvement plans.

The traffic has shown a buoyancy which augurs well for the future and the Company is confident that with the planned measures, as outlined above, it will be able to meet its commitments to lenders and subsequently other stakeholders.

Internal Control Systems and their Adequacy

The Company has a well-defined Internal Control System for all areas of operation under the supervision of the HRD Committee, Audit Committee, Investor Grievance and Marketing Committee of Directors.

The Toll Collection and Management System has inbuilt self audit capabilities. The Company has independently conducted both system and financial audits on the toll operations.

The Company has introduced internal control systems to monitor business and operational performance, which are aimed at ensuring business integrity and promoting operational efficiency. The Company has appointed M/s. Patel & Deodhar, Chartered Accountants as Internal Auditors to ensure that the company's systems and practices are designed with adequate internal controls to match the size and nature of operations of the Company.

The Internal Auditors conduct a periodic audit and review covering all operations, based on an audit programme. The reports of the auditors along-with the management response are placed before the Audit Committee for discussion and further action. The Committee also reviews the annual accounts of the Company before they are submitted to the Board for their approval and adoption.

Financial and Operational Performance

(1) The comparison of actual and projected financial performance based on the CDR figures is given below:

Projected	:	Rs. 435 million
Actual	:	Rs. 258 million
Achievement	:	59.3%

The above projections assume Rs. 250 million of non-operational income i.e. development income, realisation of which has been delayed and is expected to begin in the next financial year. If the development income is excluded from the projections, then the achievement level is 140%.

- (2) The traffic during the year 2003-04 has been more than the CDR projections. The year- to -year growth has also been impressive; from 38,474 vehicle/day in 2002-03 the traffic has gone up to about 47,547 vehicle/day in 2003-04 i.e. an increase of 24%. This is an encouraging trend and indicates buoyancy in traffic which augurs well for the future.

Human Resources

The Company has a lean organization with a total staff strength of 14. Qualified personnel reporting to the President & CEO, head the key functions such as Finance, Secretarial, Marketing and Operations.

Cautionary Statement

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, estimates and expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors, which could make a difference to the Company's operations include traffic, government concessions, network improvements, changes in government regulations and other incidental factors.

Annexure to the Directors' Report
REPORT ON CORPORATE GOVERNANCE
(1) Corporate Governance

Corporate Governance calls for the affairs of a Company to be controlled and regulated in a manner that is transparent, ethical and accountable. In this pursuit, your Company is committed to transparency in all its dealings and places uncompromising emphasis on integrity and regulatory compliances.

Your Company continues to follow procedures and practices in conformity with the code of Corporate Governance as enunciated in the Listing Agreement.

The Company believes that emphasis on corporate governance is an important instrument of investor protection besides being indispensable for healthy business growth and resilient and vibrant capital markets. Good corporate governance provides an appropriate framework for the Board and the Management to carry out the objectives that are in the interests of the Company, its shareholders and investors.

(2) Board of Directors
(a) Composition of the Board

The Board of Directors comprises of eleven members. As on date all the Directors on the Board are non- executive. The Board comprises of an independent Chairman and nine Independent Directors (which includes 3 Nominee Directors representing the Institutional Promoter and 4 Nominee Directors representing large institutional shareholders, who as decided by the Board of Directors and as per the clarification received from The Stock Exchange, Mumbai, are considered to be independent in their judgement and hence termed as Independent Directors) who, bring a wide range of skills and experience to the Board.

The composition of the Board of Directors as on June 28, 2004 is as given below:

Sl. No.	Name	Executive/ Non-Executive	Independent/ others	Representing/Nominee
1	Mr. Gopi Arora, Chairman	Non- Executive	Independent	-
2.	Mr. RK Bhargava	Non- Executive	Independent	-
3.	Mr. Deo Datta	Non- Executive	Nominee Director – Independent	New Okhla Industrial Development Authority
4.	Mr. P K Sethi	Non- Executive	Nominee Director – Independent	Industrial Development Bank of India- Lenders
5.	Mr. Ravi Parthasarathy	Non- Executive	Promoter Director – Independent	Infrastructure Leasing & Financial Services (IL&FS)
6.	Mr. Hari Sankaran	Non- Executive	Promoter Director– Independent	IL&FS
7.	Mr. K. Ramchand	Non- Executive	Promoter Director – Independent	IL&FS
8.	Mr. Stephen Temple	Non- Executive	Nominee Director – Independent	Asian Infrastructure Mezzanine Capital Fund
9.	Mr. Shahzaad Dalal	Non- Executive	Nominee Director – Independent	AIG Indian Sectoral Equity Trust
10.	Mr. Santosh Senapati	Non- Executive	Nominee Director – Independent	AIG Indian Sectoral Equity Trust
11.	Mr. Timothy Woodhead	Non- Executive	Nominee Director	O&M Operator / Shareholder

Notes :

- (i) During the course of the year Mr. Brijesh Kumar, Mr. Mohd. Haleem Khan, Mr. Vinod Malhotra, Mr. Prabil Raj and Mr. TT Joseph resigned from the Board of Directors.
- (ii) Dr. Om Prakash, CEO, NOIDA, who was appointed in his ex-officio capacity at the Meeting of the Board of Directors held on February 28, 2003, was due for re-appointment at the last Annual General Meeting. Due to a change in his portfolio, however, the resolution for his re-appointment was dropped at the Annual General Meeting.

(iii) The composition of the Board is in conformity with the Listing Agreement.

(iv) The Company had sought a clarification from The Stock Exchange, Mumbai, (BSE) on the independent status of Directors representing IL&FS as an Institutional Promoter as well as Directors representing other large institutional shareholders. The status as given hereinabove is in conformity with the response received from the BSE.

(b) Directorships / Committee Memberships / Chairmanships

Details of the Directorships/ Committee Memberships/Chairmanships on Committees of public companies (including Noida Toll Bridge Company Limited) held by all the Directors on the Board as specified in their annual disclosures submitted to the Company, are as provided below:

Sl. No.	Board of Directors	No. of Directorships	No. of Memberships of Committees	No. of Chairmanships of Committees
1.	Mr. Gopi Arora(Chairman)	11	7	2
2.	Mr. R K Bhargava	8	8	3
3.	Mr. T. T. Joseph*	1	-	-
4.	Dr. Om Prakash *	1	-	-
5.	Mr. Brijesh Kumar #	1	-	-
6.	Mr. Vinod Malhotra#	1	-	-
7.	Mr. Mohd. Haleem Khan#	1	-	-
8.	Mr. Deo Datta	1	-	-
9.	Mr. Prabil Raj*	1	1	-
10.	Mr. P K Sethi	3	2	-
11.	Mr. Ravi Parthasarathy	14	10	2
12.	Mr. Hari Sankaran	14	10	2
13.	Mr. K Ramchand	13	4	-
14.	Mr. Stephen Temple	2	-	-
15.	Mr. Shahzaad Dalal	14	10	4
16.	Mr. Santosh Senapati	5	4	-
17.	Mr. Timothy James Woodhead	2	-	-

* Resigned during the year

Appointed and Resigned during the year

Notes :

- (i) For the purpose of considering the total number of Directorships, all public limited companies, whether listed or not, have been considered. Private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956, however, have not been included. Further only the Audit Committee, the Shareholders'/Investor Grievance Committee and the Remuneration Committee have been considered for calculating the total number of Committee memberships held by a Director.
- (ii) Directorships do not include the Alternate Directorships.
- (iii) Mr. Brijesh Kumar (January 30, 2004), Mr. Mohd. Haleem Khan (April 30, 2004), Mr. Vinod Malhotra (June 28, 2004), Mr. Prabil Raj (June 8, 2004) and Mr. TT Joseph (June 28, 2004) have resigned from the Board during the course of the year. Resignation dates are in brackets. The re-appointment of Dr. Om Prakash, CEO, NOIDA, was dropped from the agenda of the last Annual General Meeting due to a change in his portfolio.

(c) Meetings Held

Five meetings of the Board of Directors were held in the financial year 2003- 2004 on the following dates:

1. May 27, 2003 adjourned and reconvened on June 12, 2003
2. July 28, 2003
3. September 16, 2003
4. October 30, 2003
5. January 30, 2004

(d) Attendance

Attendance of each Director at the Board of Director meetings held during the Financial Year 2003- 2004 (April 1, 2003 to March 31, 2004) and at the last Annual General Meeting (AGM) :

SI. No.	Board of Directors	No. of Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM held on September 16, 2003
1.	Mr. Gopi Arora(Chairman)	5	5	✓
2.	Mr. R K Bhargava	5	5	✓
3.	Mr. T. T. Joseph*	5	1	-
4.	Dr. Om Prakash*	1	1	-
5.	Mr. Brijesh Kumar #	1	-	-
6.	Mr. Vinod Malhotra #	1	-	-
7.	Mr. Mohd. Haleem#	2	-	-
8.	Mr. Prabil Raj*	5	5	✓
9.	Mr. P K Sethi	5	3	-
10.	Mr. Ravi Parthasarathy	5	5	-
11.	Mr. Hari Sankaran	5	2	-
12.	Mr. K Ramchand	5	4	-

13.	Mr. Stephen Temple/ Alternate Director: Dr. Archana Hingorani	5	1	–
			3	✓
14.	Mr. Shahzaad Dalal/ Alternate Director: Dr. Archana Hingorani	5	3	✓
			1	–
15.	Mr. Santosh Senapati	5	1	✓
16.	Mr. Timothy James Woodhead Alternate Director: Mr. Ross Ronald George Mr. Julian Thomas	5	–	–
			1	–
			2	–

* Resignations during the course of the year.

Appointed and Resigned during the year.

(e) Disclosure of Remuneration to Directors/ pecuniary transactions of Non-Executive Directors of the Company

The Company has not made any payment or reimbursement of expenses to its Non- Executive Directors, other than sitting fees, travel and lodging expenses for attending Board/ Committee Meetings, other than as given below:

(i) The Company currently has a car and driver, which is used for Board Meetings and other official work. This car has been given to Mr. RK Bhargava, Non-Executive Director, from time to time, for attending meetings on behalf of the Company. Mr. Bhargava has, on a continuous basis provided professional support and advice to the Company and his inputs and representations on behalf of the Company, with various government authorities/departments have been of tremendous help to the Company. As approved by the Board of Directors and thereafter the Shareholders at the 7th Annual General Meeting of the Company held on September 16, 2003, the Company has applied to the Department of Company Affairs (DCA) seeking permission for providing Mr. Bhargava with a chauffeur driven car on a full time basis. Pending a response from the DCA the car is currently being provided with the driver, to Mr. Bhargava from time to time, for official use.

(ii) Details of expenses incurred on the Chairman's office are given separately.

(3) **Audit Committee**

(a) Terms of Reference / Composition

The members of the Audit Committee are Mr Gopi Arora (Non-Executive/ Independent Chairman), Mr. R K Bhargava and Mr. Santosh Senapati. The Audit Committee has been constituted in accordance with the provisions of the Listing Agreement. All the members of the Committee are independent and non- executive. Mr. Santosh Senapati has financial and accounting knowledge. The Company Secretary acts as the Secretary to the Committee. The Audit Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee.

The terms of reference of the Audit Committee are in conformity with the provisions of the Listing Agreement and inter alia include overseeing the Company's financial reporting process and the disclosure of it's financial information to ensure that the financial statements are correct, sufficient

and credible. This Committee also, oversees appointment of auditors, reviews the Company's internal audit reports. The Committee met five times during the year under review. The Audit Committee met on June 18, 2004, prior to the finalisation of the Accounts for the year ended March 31, 2004.

(b) Meetings held

Five meetings of the Audit Committee were held in the financial year 2003- 2004 on the following dates:

1. May 23, 2003
2. July 28, 2003
3. September 16, 2003
4. October 30, 2003
5. January 21, 2004

(c) Attendance

Sl. No.	Director	No. of Meetings Held during tenure	No. of Meetings Attended
1.	Mr. Gopi Arora	5	5
2.	Mr. R K Bhargava	5	5
3.	Mr. Santosh Senapati	5	-
4.	Mr. Prabil Raj *	5	5

* Resigned with effect from June 8, 2004.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 16, 2003, to answer shareholder queries.

(4) **Remuneration Committee- Termed HRD Committee of Directors**

(a) Composition / Terms of Reference/ Remuneration Policy

The HRD Committee comprises of 3 Members - an Independent Chairman, Mr. Gopi Arora and two Independent Directors, Mr. Ravi Parthasarathy and Mr. Hari Sankaran. Currently the Committee consists of all non- executive Directors. The Committee is constituted in accordance with the provisions of the Listing Agreement.

The Committee's scope of work includes formulation of an HRD policy, formulation of an appropriate compensation policy relating to salary, performance related pay, increments, promotions, allowances, perquisites, loan facilities and other compensation for the employees of the Company. The scope of the Committee has been extended to include administration and superintendence of the Employee Stock Option Plan of the Company.

The Company's remuneration Policy has been spelt out in it's Employee Handbook which has been approved by the HRD Committee of Directors. Any amendments to the same are also approved by the HRD Committee of Directors.

The Committee met three times during the financial year.

(b) Meetings held

Three Meetings of the HRD Committee were held in the financial year 2003- 2004 on the following dates:

1. May 27, 2003
2. November 28, 2003
3. March 4, 2004

(c) Attendance

SI. No.	Director	No. of Meetings held during tenure	No. of Meetings Attended
1.	Mr. Gopi Arora	3	3
2.	Mr. Ravi Parthasarathy	3	3
3.	Mr. Hari Sankaran	3	2

The Chairman of the HRD Committee was present at the last Annual General Meeting held on September 16, 2003, to answer shareholder queries.

(5) **Investor Grievance Committee**

(a) Composition / Terms of Reference / Status of Complaints

The Members of the Committee are Mr R K Bhargava (Non- Executive Director, Chairman of the Committee), Mr. Gopi Arora and Mr. Timothy Woodhead (appointed on the Committee on June 28, 2004). Mr. R. K. Bhargava and Mr. Gopi Arora are independent and non-executive Directors. The Committee has been constituted in accordance with the provisions of the Listing Agreement. The Committee looks into the status of redressal of Shareholders and Debentureholders complaints and suggests measures to improve investor relations. The Committee is also the authority for issue of duplicate certificates. Due to a very low level of Investor Complaints, the Committee met only once during the year on October 30, 2003 and was attended by Mr. R. K. Bhargava and Mr. Gopi Arora.

In order to expedite the process of transfers, the Board has delegated the authority to approve debenture as well as share transfers and transmissions to Mr Pradeep Puri, President & CEO, Ms Monisha Macedo, Company Secretary and Mr T K Banerjee, Financial Controller. The transfer/ transmission formalities are processed as and when they are received and transfers are never retained for more than a fortnight.

The Investor Grievance Committee of Directors is also the approving authority under the Code of Conduct for Prevention of Insider Trading formulated by the Company in accordance with the SEBI (Prevention of Insider Trading) Regulations, 1992. The Committee is also authorised to accept any modifications/ alterations in the said code.

Ms Monisha Macedo, Vice President & Company Secretary, has been designated the Compliance Officer for the Stock Exchanges as well as Investor queries/complaints.

During the year April 1, 2003 to March 31, 2004, the Company received 61 Investor complaints, of which all were resolved within a reasonable time period. There were no pending Complaints at the end of the Year. 275 documents are lying in Postal Returns with the Registrars. The Registrars have sent the letters to the investors informing them that the documents have been returned. No investor has, however, claimed these documents so far.

At the end of the Financial Year 2003- 2004, the Company had only one pending investor request for issue of a duplicate interest warrant. The Registrars are however of the opinion that the duplicate warrant being asked for has already been encashed and are corresponding with the investor. The Company has not received any complaints from the Stock Exchanges or SEBI since the last Report. There are no pending debenture or share transfers.

(b) Investor Grievance / Requests received during the year

The investor grievances/requests received during the financial year and the status thereon is provided below :

Subject	Grievances/ Requests Received	Redressed	Pending
Non-receipt of Refund	04	04	-
Non-receipt of Interest	39	39	-
Non-receipt of Debenture Certificate	18	18	-
Change of Address	231	231	-
Receipt of 15H Forms	-	-	-
Correction of Bank Mandates	85	85	-
Postal Return Documents	282	07	275
Revalidation of Interest Warrant	107	107	-
Loss of Securities and Request of Issue of Duplicate	05	05	-
Transfer Requests	159	159	-
IB for Issue of Duplicate I/W	17	16	01
Correction Name on Certificate	05	05	-
Demat Requests	1335	1335	-
Registration of Power of Attorney	-	-	-
IB for Duplicate R/O	03	03	-
Total	2290	2014	276

(6) Remuneration paid to Non-Executive Directors/ Executive Directors

The Non- Executive Directors are only paid Sitting Fees @ Rs 2000/- per meeting and in some cases, travel/lodging expenses to attend Board Meetings have also been reimbursed to the Directors.

(a) Details of sittings fees paid :-.

Sl. No.	Director/Institution	Sitting Fees paid for attendance at Board and Committee Meetings for the period April 1, 2003 to March 31, 2004 (Rupees)
1.	Mr. Gopi Arora	38,000
2.	Mr. R K Bhargava	32,000
3.	Mr. T T Joseph	2,000
4.	Dr. Om Prakash	2,000
5.	Mr. Brijesh Kumar	-
6.	Mr. Mohd. Haleem Khan	-
7.	Mr. Vinod Malhotra	-
8.	IFCI Limited	20,000
9.	IDBI Limited	6,000

10.	Mr. Ravi Parthasarathy	14,000
11.	Mr. Hari Sankaran	8,000
12.	Mr. K Ramchand	8,000
13.	Mr. Timothy James Woodhead	-
14.	Mr. Shahzaad Dalal	6,000
15.	Mr. Stephen Temple	2,000
16.	Dr. Archana Hingorani	8,000
17.	Mr. Ronald George Ross	2,000
18.	Mr. Julian Thomas	4,000

(b) Chairman's Office

During the year, the Company has provided its non-executive Chairman with an office. The Company incurred expenses of Rs. 7,11,696/- towards the Chairman's office for the period April 1, 2003 to March 31, 2004.

With effect from April 1, 2004, the Chairman's office has been shifted to the Registered Office of the Company.

(c) Remuneration paid to Executive Directors

There are no Executive Directors on the Board of the Company.

(7) **General Body Meetings**

(a) Annual General Meetings: Date, time and venue

Year	Location	Date and Time
AGM held for the financial year 2002- 2003	Marwah Films & Video Studio, FC-14/15, Film City, Sector 16A, Noida 201 301	September 16, 2003 at 10.30 am
AGM held for the financial year 2001- 2002	Registered Office of the Company, at Toll Plaza, DND Flyway, Opposite Sector 15 A, Near Apeejay School, Noida 201 301	June 21, 2002 at 2:00 pm
AGM held for the financial year 2000- 2001	Registered Office of the Company, at Toll Plaza, DND Flyway, opposite Sector 15 A, Near Apeejay School, Noida 201 301	April 26, 2001 at 2:00 pm

Three special resolutions were passed at the last three Annual General Meetings. No resolutions have been passed by postal ballot.

(b) Extraordinary General Meetings for the last three years: Date, time and Venue

Date and Time	Location
March 25, 2004 at 10:00 am	Power Management Institute (N.T.P.C.), Plot 5-14, Sector 16 A, Noida 201 301, Uttar Pradesh
July 25, 2001 at 4:00 pm	Registered Office of the Company, at Toll Plaza, DND Flyway, Opposite Sector 15 A, Near Apeejay School, Noida 201 301
July 3, 2000 at 11:30 am	The Board Room, 64 Jorbagh, New Delhi 110 003

Four Special Resolutions were passed at the last three Extraordinary General Meetings of the Shareholders of the Company.

One Item in the Notice for the Extraordinary General Meeting of the Shareholders of the Company held on March 25, 2004 was put to vote through Postal Ballot, in accordance with Section 293 (1)(a) of the Companies Act, 1956 read with Section 192A of the Companies (Passing of Resolutions through Postal Ballot) Rules, 2001. The Company had appointed Mr. B. K. Sethi, Practising Company Secretary as a Scrutiniser for conducting the aforesaid Postal Ballot. Postal Ballot forms were forwarded, with the Notice of the meeting to the Shareholders within the prescribed time alongwith pre-postage paid, self addressed envelopes.

The Item was approved by 99.91% of the votes in favour of the total number of votes received. Details of the Vote were as follows:

Total No. of Ballots Received	735
Total No. of votes exercised	9,70,78,587
Total No. of Ballots cast against	93
No. of Votes cast against	54,650
Total No. of Ballots in favour	594
No. of Votes cast in favour	9,69,95,975
No. of Invalid Ballots	48
No. of Invalid votes	27,962

Number of votes correspond to the number of shares held by an investor

(8) **Disclosures**

(a) **Related party transactions**

There were no materially significant related party transactions with the Promoters, Directors, the management, subsidiaries or relatives that have a potential conflict with the interest of the Company at large. Details of related party transactions are disclosed in the Notes to Accounts.

(b) **Non Compliances**

The Company has complied with all the statutory requirements and hence has not paid any penalties nor have any strictures been imposed by the Stock Exchanges or SEBI or any other statutory authority, for non-compliance on any matter related to the Capital Markets, since the Company was incorporated.

(9) **Means of Communication**

The Company has not issued any half yearly reports as yet.

Unaudited quarterly results/Audited annual results are being published in 1 English and 1 Hindi daily, usually Jansatta (Hindi) and Financial Express (English).

The Company's website address is www.dndflyway.com. Quarterly results and the shareholding pattern of the Company are available on the website. In terms of the Listing Agreement, information on investor related issues (Record Dates/ Book Closures/Board Meetings/price sensitive information) are communicated to the Stock Exchanges.

A Management Discussion and Analysis Report is annexed to the Directors' Report

(10) **General Shareholder Information**

(a) Registered Office	:	Toll Plaza, DND Flyway, Opposite Sector 15A, Noida 201 301, Uttar Pradesh(with effect from April 1, 2004)
(b) Location of Facility	:	DND Flyway, Noida 201 301, Uttar Pradesh
(c) Correspondence Address	:	C/o IL&FS, India Habitat Centre, East Court, Zone VI, 4 th Floor, Lodhi Road, New Delhi 110 003
(d) Dates of Book Closure	:	Book Closure dates were declared for the purpose of the Annual General Meeting of the Company. <u>Book Closure Dates</u> September 11, 2003 to September 15, 2003 <u>Book Closure Dates (Ensuing)</u> September 09, 2004 to September 13, 2004
(e) Date, Time and Venue of the Annual General Meeting	:	AGM 7 : September 16, 2003 at 10 :15 am at Marwah Films & Video Studio, FC-14/15, Film City, Sector 16A, Noida 201 301 AGM 6 : June 21, 2002 at 2:00 p.m. at Toll Plaza, DND Flyway, Opposite, Sector 15A, Noida 201 301, Uttar Pradesh AGM 5 : April 26, 2001 at 2:00 p.m. at Toll Plaza, DND Flyway, Opposite Sector 15A, Noida 201 301, Uttar Pradesh
(f) Financial Calendar	:	April 01 to March 31
(g) Dividend Payment Date	:	No Dividend has been declared so far
(h) Listing on Stock Exchanges and Stock Code The Deep Discount Bonds and Equity Shares of the Company are listed	:	The Uttar Pradesh Stock Exchange Assn. Ltd. Padam Towers, 14/113 Civil Lines, Kanpur Tel : 0512 – 2338115 / 2338074 Fax : 0512 – 2338175 / 2338220 No Stock Code has been provided by the Uttar Pradesh Stock Exchange The Stock Exchange, Mumbai 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001 Tel : 022- 2272 1233 / 2272 1234 Fax : 022- 2272 1552 Stock Code: 532481 and 112453 The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 Tel : 022 – 2659 8100 Fax : 022 – 2659 8237 / 38 Stock Code: EQ and N1
(i) Depository ISIN Nos.	:	<ul style="list-style-type: none">• Deep Discount Bonds-INE781B11014• Equity Shares -INE781B01015
(j) Listing Fees	:	Paid for all the above stock exchanges for 2002-2003, 2003-2004 and 2004-2005

(k) Investor Correspondence Address :	<p>The investor can write to Ms. Monisha Macedo, Company Secretary, at the following address :</p> <p>Noida Toll Bridge Company Limited, C/o. IL&FS Limited, India Habitat Centre, East Court, Zone VI, 4th Floor, Lodhi Road, New Delhi – 110 003 Phone : 0120-2516438 Fax : 0120-2516440 E-mail : ntbc@ntbc.com Website : www.dndflyway.com</p> <p>Or to the Registrars at the address given below, mentioning Unit: Noida Toll Bridge Company Limited.</p>
(l) Address of the Company's Depository as well as Physical Registrar	<p>Karvy Computershare Pvt. Limited, "Karvy House", 46, Avenue 4, Street #1, Banjara Hills, Hyderabad 500 034 Tel : 040-23326591 / 23320751 /23320752 /23320753 Fax : 040 – 23311968</p>
(m) Auditors of the Company	<p>Luthra & Luthra, Chartered Accountants A-16/9, Vasant Vihar, New Delhi</p>
(n) Bankers of the Company	<p>Canara Bank <u>Head Office Address:</u> Canara Bank Building, 2nd and 3rd Floor, Adi Marzban Path Ballard Estate, Mumbai 400 038</p> <p><u>Branch Office Address:</u> Canara Bank C 3, Sector 1, Noida 201 301 Uttar Pradesh</p>
(o) Share/Debenture Transfer System :	<p>Transfers of the listed instruments are handled by the Registrar and Transfer Agents – Karvy Computershare Pvt. Ltd. and processed within the stipulated time.</p> <p>To expedite share transfers in the physical segment, the authority for approving transfers/transmissions of the Company's securities has been delegated to specific senior management personnel of the Company.</p>

(p) Employee Stock Option Plan :

At the Extraordinary General Meeting of the Shareholders of the Company, held on March 25, 2004, approval of the shareholders was obtained for the launch of the Employees Stock Option Plan 2004 (ESOP) for the issue of stock options in respect of 15,00,000 Equity Shares of Rs. 10 each, to the Directors and Employees of the Company.

Out of the said 15,00,000 stock options, 13,35,000 options were granted on April 12, 2004 and 1,00,000 options were granted on May 5, 2004. The vesting period for these options is 15 months from the grant date.

Pursuant to the provisions of the approved ESOP, the stock options were granted at the face value of the shares i.e. Rs 10/- each, as the Exercise Price for the Options (price based on the average of weekly highs and lows in the six months preceding the month of Grant, quoted at the Stock Exchange, Mumbai, where the volume of trading was the highest) worked out to Rs. 7.22 being below par.

(q) Dematerialisation of Securities and liquidity

The Company shares and Deep Discount Bonds are compulsorily tradable on the Stock Exchanges, in electronic form. The Company's Deep Discount Bonds as well as the shares are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Numbers (ISIN), as allotted by NSDL and CDSL are:

- Deep Discount Bonds (DDBs)-INE781B11014
- Equity Shares INE781B01015

Shares/ Debentures dematerialised upto March 31, 2004:

Type of Security	No of Shares/ DDBs	% of Shares/ DDBs	No of Shareholders/ DDB holders	% of Shareholders/ DDB holders
Shares	7,97,58,846	65.16%	2922	44.81%
DDBs	77,810	77.81%	146	4.36%

(r) Distribution of Shareholding

The Distribution Schedule of Shareholding as on March 31, 2004 is as follows :-

Sl. No.	Holding (No. of Shares)		No. of Holders	% of Holders	Amount (Rs.)	% of Amount
	From	To				
1.	1	5000	3812	58.46%	9,744,350.00	0.80%
2.	5001	10000	1659	25.44%	12,185,900.00	1.00%
3.	10001	20000	667	10.23%	9,166,820.00	0.75%
4.	20001	30000	160	2.45%	3,969,380.00	0.32%
5.	30001	40000	102	1.56%	3,578,740.00	0.29%
6.	40001	50000	27	0.41%	1,298,420.00	0.11%
7.	50001	100000	48	0.74%	3,576,340.00	0.29%
8.	100001	Above	46	0.71%	1,180,480,120.00	96.44%
		Totals	6521	100.00%	1,224,000,070.00	100.00 %

(s) Shareholding Pattern of the Company as on March 31, 2004 was as follows:

Category	No. of Shares held	Percentage Shareholding
Promoter's holding:		
Infrastructure Leasing & Financial Services Limited	3,60,00,007	29.41%
Non Promoter's holding :		
Banks	971,296	0.79%
Financial Institutions	1,47,07,500	12.02%
Insurance Companies	14,200	0.01%
IFCI Limited	50,00,000	4.08%
FIs		
DAI (India) Limited	2,00,00,000	16.34%
Intertoll Management Services BV	14,77,060	1.21%
Others		
Private Corporate Bodies	4,13,535	0.34%
Indian Public	46,73,469	3.81%
New Okhla Industrial Development Authority	1,00,00,000	08.17%
IL&FS Trust Company Limited	2,00,00,000	16.34%
Intertoll India Consultants Private Limited	91, 42, 940	07.47%
Grand Total	12,24,00,007	100%

(t) Movement of the Company's Equity Shares due to Surveillance Action

Subsequent to the listing of the Company's shares in December 2002, the shares were being traded under the category 'B-2'. In a joint surveillance action taken by The Stock Exchange, Mumbai (BSE) and The National Stock Exchange of India (NSE), 690 scrips, including Noida Toll Bridge Co. Ltd.'s (NTBCL) Equity Shares, were shifted to the "Z" category on September 12, 2003. Traditionally, the Z Category is a group created by the BSE for transferring errant companies who have not paid listing fees or not complied with the listing agreement. The Company wrote to the BSE and the NSE to determine the reasons for this shift. A clarification was received stating that this shift was on account of surveillance action and not a compliance issue. Z category shares have to be traded on a "trade to trade basis", which implies that for every trade the investor has to take and give delivery of shares. The "Z" group was subsequently divided into a "Z" group and a "T" or trade by trade group. The Company's shares were shifted to the "T" group on December 8, 2003 and subsequently back to the B1 group on December 30, 2003. The shares of your Company were, on March 9, 2004, once again, as a part of the joint surveillance action of BSE/ NSE, transferred to the "T" group along with 24 other scrips. The BSE/ NSE moved the NTBCL Equity Shares back to the "B2" category with effect from March 25, 2004.

(u) Stock Market Data

The Stock Market Data of the Company for the Financial Year 2003- 2004 is given below:

NTBCL share price on BSE & BSE Sensex

Month	BSE			BSE Sensex	
	High (Rs)	Low (Rs)	No. of Shares	High	Low
April 2003	7.00	5.25	4293	3221.90	2904.44
May 2003	8.40	6.00	15406	3200.48	2934.78
June 2003	10.08	6.00	45277	3632.84	3170.38
July 2003	8.40	6.00	264630	3835.75	3534.06
August 2003	8.50	6.00	705625	4277.64	3722.08
September 2003	8.00	5.25	186583	4473.57	4097.55
October 2003	6.90	5.00	47871	4951.11	4432.93
November 2003	6.24	5.01	59399	5135.00	4736.70
December 2003	9.00	5.70	143457	5920.76	5082.82
January 2004	12.54	6.50	2742077	6249.60	5567.68
February 2004	9.50	6.80	136987	6082.80	5550.17
March 2004	10.25	6.00	85566	5951.03	5324.78

(11) Code of Conduct for dealing in Securities of the Company

The SEBI (Prevention of Insider Trading) Regulations, 1992 had made it mandatory for all listed companies to frame a Code of Conduct and Internal Procedures, based on the model Code of Conduct for Prevention of Insider Trading issued by SEBI, which prohibits a person having access to Price Sensitive Information about a company, to deal in securities of that company, either himself or through others. Accordingly, the Company has in place a code of conduct, applicable to all its Employees and Directors for dealing in the securities of the Company, with effect from November 15, 2003.

In terms of the said code, the Directors and employees have to inter alia, disclose to the Compliance Officer, once a year, a declaration of their dependants, the number of securities held by them or their Declared Dependents and details of their Transactions in Securities as well as the Securities Transactions of their Declared Dependents. Any change, however, is to be declared promptly.

In addition to the above none of the parties to whom the code is applicable are allowed to deal in the securities of the Company during the Non- Trading period, as defined in the code i.e. prior to Price Sensitive information being made public.

(12) **Adoption of Non-Mandatory Requirements**

The Non-Mandatory requirements being followed by the Company are maintenance of a Chairman's office, provisions relating to the Remuneration (HRD) Committee and it endeavours to adhere to norms relating to postal ballot, as and when applicable.

(13) **Accounting Standards**

The Company confirms that it has complied with all applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) from time to time.

All details on Directors are for the period starting from May 27, 2003 (Date of the Notice of the previous Annual General Meeting), except at places where it is specifically mentioned otherwise.

Date: June 28, 2004

CERTIFICATE

TO THE MEMBERS OF NOIDA TOLL BRIDGE COMPANY LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Noida Toll Bridge Company Limited (the Company), for the year ended 31st March, 2004, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Luthra & Luthra**
Chartered Accountants

New Delhi
28th June, 2004

VISHAL GUPTA
Partner

CERTIFICATE

TO THE MEMBERS OF NOIDA TOLL BRIDGE COMPANY LIMITED

This is to certify that Noida Toll Bridge Company Limited has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Special Resolution passed at the Extraordinary General Meeting of the Company held on March 25, 2004, with respect to their Employees Stock Option Plan 2004.

This Certificate is issued on the basis of information and explanation given and documents produced before us.

For Luthra & Luthra
Chartered Accountants

New Delhi
8th June, 2004

Vishal Gupta
Partner

AUDITORS' REPORT

**TO THE MEMBERS OF
NOIDA TOLL BRIDGE COMPANY LIMITED
Noida (U.P.)**

1. We have audited the attached Balance Sheet of Noida Toll Bridge Company Limited as at 31 March, 2004, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies' Auditors Report Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said Order, to the extent applicable to the company.
4. We draw the attention of the shareholders to the following:
 - (a) Note number 3 (d) of schedule 15 'Notes to Accounts' regarding provisioning for the liability of Zero Coupon Bonds (ZCBs, Series – B) on the principles of Sinking Fund.
 - (b) Note number 3 (a) (ii) of schedule 15 'Notes to Accounts' regarding revaluation of leased land, wherein the formal agreement for grant of development rights, is pending execution.
5. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors, as at 31 March, 2004, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31 March, 2004, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) in our opinion and according to the information and explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2004;
 - ii. In the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **LUTHRA & LUTHRA**
Chartered Accountants

AMIT LUTHRA
Partner
(Membership No. 85847)

Place: New Delhi
Date : 28th June 2004

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

1. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and discrepancies (if any) noticed on verification during the year have been properly adjusted in the books of accounts.
3. The company has sub leased 30.493 acres of its leased Noida land for Rs. 103.48 crores to its wholly owned subsidiary i.e. DND Flyway Limited. In our opinion such sale of land would not affect the going concern status of the company.
4. As per the information and explanations given to us, inventories have been physically verified at reasonable interval during the year by the Management.
5. 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.
6. 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.
7. The Company has not taken / granted any secured or unsecured loan from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
8. In our opinion the rate of interest and other terms and conditions of loans taken by the company, secured or unsecured, are prima facie not prejudicial to the interest of the company.
9. In respect of loans and advances, the payment of principal amount and interest has been made as per the revised repayment schedule approved by the CDR.
10. There is no overdue amount of loans taken or granted as referred in point number 7 & 8 above.
11. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets. During the course of audit no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the company to correct major weakness in internal control. There are no transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
12. According to the information and explanations given to us the company has not accepted deposit from the public.
13. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
14. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund; employees state insurance, income tax, sales tax, wealth tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues outstanding as at 31 March, 2004 for a period of more than six months from the date they became payable.

15. The company has been in existence for a period of less than 5 years and its accumulated losses at the end of the financial year are less than 50% of its net worth.
16. As per the information and explanations given to us, the company has not defaulted in the repayment of dues to a financial institution or bank or debenture holders in accordance with the terms and conditions of the CDR approval for debt restructuring.
17. The company has maintained adequate documents and records in cases where the company have been granted secured loans and advances to the employees.
18. The company is dealing in securities (units of mutual funds), proper records of transactions and contracts have been maintained and timely entries have been made therein. Shares, securities, debentures and other securities have been held by the company in its own name except to the extent of the exemption granted under section 49 of the Act.
19. The company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
20. Term loans taken by the company were applied for the purpose for which they were obtained.
21. Fund raised on short- term basis has not been used for long-term investment or vice versa.
22. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies' Act 1956.
23. The company has created securities in respect of debentures issued.
24. The company has not raised money by public issue during the year.
25. Based upon the audit procedures performed and information and explanations given by the management we report that no fraud on or by the company has been noticed or reported during the course of our audit.
26. Other clauses of the order are not applicable to the Company.

For **LUTHRA & LUTHRA**
Chartered Accountants

AMIT LUTHRA
Partner
(Membership No. 85847)

Place: New Delhi
Date: 28th June 2004

**NOIDA TOLL BRIDGE COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31, 2004**

SOURCES OF FUNDS	Schedule	As At March 31,2004 Rupees	As At March 31,2004 Rupees	As At March 31,2003 Rupees
SHAREHOLDERS' FUNDS				
Equity Share Capital	1	1,224,000,070		1,224,000,070
Reserve & Surplus	2	<u>342,403,324</u>		<u>(791,576,042)</u>
			1,566,403,394	432,424,028
LOAN FUNDS				
Secured Loans	3		<u>3,520,143,552</u>	<u>3,289,240,381</u>
			<u>5,086,546,946</u>	<u>3,721,664,409</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	4,114,519,221		3,802,485,806
Less: Depreciation		<u>133,461,949</u>		<u>133,589,378</u>
Net Block			3,981,057,272	3,668,896,428
CAPITAL WORK IN PROGRESS				
			13,412,287	7,303,608
INVESTMENTS				
	5		123,545,702	99,513,665
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	6	444,396		1,995,528
Sundry Debtors	7	1,037,161,837		3,220,062
Cash and Bank balances	8	9,660,714		2,016,715
Loans & Advances	9	<u>22,074,455</u>		<u>31,446,353</u>
		1,069,341,402		38,678,658
LESS: CURRENT LIABILITIES & PROVISIONS				
	10	<u>128,947,954</u>		<u>136,036,730</u>
NET CURRENT ASSETS				
			940,393,448	(97,358,072)
MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)	11		28,138,237	43,308,780
			<u>5,086,546,946</u>	<u>3,721,664,409</u>

For Notes forming part of the Accounts, refer to Schedule 15

The schedules referred to above form an integral part of the

Balance sheet and Profit and Loss Account

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Amit Luthra
Partner

Director

Director

Pradeep Puri
President & CEO

New Delhi
28th June 2004

T. K. Banerjee
Vice-President
New Delhi
28th June 2004

Monisha Macedo
Manager and
Company Secretary

**NOIDA TOLL BRIDGE COMPANY LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004**

	<u>Schedule</u>	<u>For the Year ended March 31,2004 Rupees</u>	<u>For the Year ended March 31,2003 Rupees</u>
INCOME			
Toll Revenue		224,204,286	164,467,341
Other Income	12	34,433,333	22,878,424
		<u>258,637,619</u>	<u>187,345,765</u>
EXPENDITURE			
Operating and Administration Expenses	13	82,371,860	82,289,204
Finance Charges	14	370,527,696	312,528,422
Depreciation		1,632,161	63,338,524
Miscellaneous Expenditure Written Off		15,170,543	15,170,543
		<u>469,702,260</u>	<u>473,326,693</u>
PROFIT / (LOSS) FOR THE PERIOD		<u>(211,064,641)</u>	<u>(285,980,928)</u>
Balance Brought Forward from the Previous Year		(791,576,042)	(505,595,114)
Loss Carried to Balance Sheet		<u>(1,002,640,683)</u>	<u>(791,576,042)</u>
Basic Loss per Equity Share (in Rs.)		(1.72)	(2.59)
Diluted Loss per Equity Share (in Rs.)		(1.72)	(2.59)

For Notes forming part of the Accounts, refer to Schedule **15**

The schedules referred to above form an integral part of the
Balance sheet and Profit and Loss Account

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Amit Luthra
Partner

Director

Director

Pradeep Puri
President & CEO

New Delhi
28th June 2004

T. K. Banerjee
Vice-President
New Delhi
28th June 2004

Monisha Macedo
Manager and
Company Secretary

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2003 Rupees</u>
<u>SCHEDULE 1</u>			
SHARE CAPITAL			
Authorised			
125,000,000 (Previous Year 125,000,000) Equity			
Shares of Rs.10 each		1,250,000,000	1,250,000,000
Issued, Subscribed and Paid up		<u>1,250,000,000</u>	<u>1,250,000,000</u>
122,400,007 (Previous Year 122,400,007) Equity			
Shares of Rs.10 each Fully Paid up		1,224,000,070	1,224,000,070
		<u>1,224,000,070</u>	<u>1,224,000,070</u>
<u>SCHEDULE 2</u>			
RESERVES & SURPLUS			
Revaluation Reserve			
Created during the year	1,345,044,007		
Less : Transfer to General Reserve on sale	<u>1,029,950,327</u>		
General Reserve		315,093,680	
Created during the year	1,029,950,327		
Less : Debit balance in Profit and Loss Account	<u>1,002,640,683</u>		
		27,309,644	(791,576,042)
		<u>342,403,324</u>	<u>(791,576,042)</u>

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2003 Rupees</u>
SCHEDULE 3			
LOAN FUNDS			
Secured Loans			
a. Debentures and Bonds			
100,000, Deep Discount Bonds of face value of Rs.45,000 each (See Note 3(f) (i) and 3(k) of Schedule 15)	4,500,000,000		4,500,000,000
Less:Unexpired Discount	<u>3,582,783,283</u>		<u>3,700,458,080</u>
		917,216,717	799,541,920
5,138,500 Series A Zero Coupon Bond of Rs. 100 each. (See Note 3(d) and 3(f) (ii) of Schedule 15)		513,850,000	513,850,000
Accumulated Liability of ZCB (Series B) (See Note 3(d) and 3(f) (iii) of Schedule 15)			
Accumulated Liability	51,601,434		
Less:Repayment during the year	<u>27,771,100</u>	23,830,334	
b. Term Loans (See Note 3(f) (iv) of Schedule 15)			
Banks	1,483,618,740		1,418,415,891
Financial Institutions	213,850,000		213,850,000
Others	<u>300,000,000</u>		<u>300,000,000</u>
		1,997,468,740	1,932,265,891
c. Funded Interest			
		66,531,843	43,582,570
d. Lease Finance (See Note 3(q) of Schedule 15)			
		1,245,918	-
		<u>3,520,143,552</u>	<u>3,289,240,381</u>

NOTES:

1. Deep Discount Bonds issued at Rs.5000 each would be redeemed at Rs.45,000 at the end of the 16th year from the date of allotment i.e November 3, 1999.
2. Series A Zero Coupon Bonds of Rs 100 each issued to Financial Institutions and Others against conversion of 50% of Term Loan as per terms of Restructuring approved by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions would be repaid in two equal instalments by March 31,2005 and March 31,2006.
3. Series B Zero Coupon Bonds of Rs 100 each issued to Banks, Financial Institutions and Others would be redeemed not later than March 31,2014.

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

SCHEDULE 4

FIXED ASSETS

(See note 2(b) and 3(O) of Schedule 15)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As At 1.04.2003	Additions	Deletions / Adjustment	As At 31.03.2004	As At 1.04.2003	For the Year	Deletions / Adjustment	As At 31.03.2004	As At 31.03.2004	As At 31.03.2003	
Delhi Noida Link Bridge (Refer note(A) below and 2(b) and (c) of Schedule 15)	3,794,233,352	1,345,834,492	1,035,019,355	4,105,048,489	130,447,985		177,474	130,270,511	3,974,777,978	3,663,785,367	
Plant & Machinery - Data Processing Equipment - Office Equipment	1,658,086 2,583,091	112,699 619,030	188,668 627,573	1,582,117 2,574,548	915,613 639,030	304,310 320,893	150,017 229,762	1,069,906 730,161	512,211 1,844,387	742,473 1,944,061	
Vehicles (Refer Note (B) below)	2,645,613	3,592,150	1,656,945	4,580,818	1,127,907	836,918	888,995	1,075,830	3,504,988	1,517,706	
Furniture & Fixtures	1,365,664	42,229	674,644	733,249	458,843	170,040	313,342	315,541	417,708	906,821	
	3,802,485,806	1,350,200,600	1,038,167,185	4,114,519,221	133,589,378	1,632,161	1,759,590	133,461,949	3,981,057,272	3,668,896,428	
Previous Year	3,798,523,156	5,066,763	1,104,113	3,802,485,806	70,567,944	63,338,524	317,090	133,589,378	3,668,896,428	3,727,955,212	

Notes :

(A) Delhi Noida Link Bridge includes value of Land appurtenant to the Bridge on both sides of Delhi and Noida (Original Cost Rs131,680,824 and Written Down Value Rs 127,070,480). Addition to Bridge includes revaluation of Land on Noida side of 34 acres, (Original Cost Rs 5,719,841 and Written down value Rs 5,519,581 as on April 1,2003) carried out during the year for Rs 1,345,044,007. Deletion represents sale of revalued land to its Wholly owned Subsidiary of the Company. Revaluation amount pertaining to land sold has been transferred to the General Reserve from the Revaluation Reserve.

(B) Vehicles include Rs. 1,646,334 (previous year NIL) for assets acquired under Finance Lease.

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	As At March 31,2004 Rupees	As At March 31,2003 Rupees
SCHEDULE 5		
INVESTMENTS (At Cost)		
A. Current and Quoted, other than Trade Investments		
Prudential ICICI Liquid Plan - 1,595,396.60 (Previous Year 1,575,204.84) units of face value of Rs.10 each	24,814,179	23,352,097
IL&FS Liquid Account Growth Plan - 2,617,532.56 (Previous Year 4,223,251.38) units of face value of Rs.10 each	30,794,573	47,257,447
Templeton India Treasury Management Account Growth Plan 36,001.34 (Previous Year 19,262.42) units of face value of Rs.1000 each	56,831,232	28,904,121
SBI Mutual Fund Magnum Insta Cash Fund Account 745,113.68 (Previous Year NIL) units of face value of Rs.10 each	10,605,718	-
Note: The Net Asset Value of quoted investments as at the year end - Rs. 123,238,463 (Previous Year Rs. 99,835,837)		
B. Long Term and Unquoted, other than Trade Investments		
Investments in Equity Shares of Subsidiary Company DND		
Flyway Limited- 50,000 Equity Shares of face value of Rs 10 each	500,000	-
	123,545,702	99,513,665
SCHEDULE 6		
INVENTORIES (At Cost)		
Electronic Cards and 'On Board Units'	444,396	1,995,528
SCHEDULE 7		
SUNDRY DEBTORS (Unsecured, Considered Good)		
Debts Outstanding for less than six months	1,037,161,837	3,220,062

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	As At March 31,2004 Rupees	As At March 31,2003 Rupees
<u>SCHEDULE 8</u>		
CASH AND BANK BALANCES		
Cash in Hand	136,919	40,377
Balances with Scheduled Banks		
- In Current Accounts	9,523,795	1,976,338
	9,660,714	2,016,715

SCHEDULE 9

**LOANS AND ADVANCES
(Unsecured, Considered good)**

a. Advances / Income Recoverable in Cash or in Kind or for Value to be Received	19,589,890	29,665,710
b. Advance Payment against Taxes	927,855	186,933
c. Deposits	1,556,710	1,593,710
	22,074,455	31,446,353
Amounts due from Directors	NIL	NIL
Maximum amount due from Directors during the year	NIL	NIL

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2003 Rupees</u>
SCHEDULE 10			
CURRENT LIABILITIES AND PROVISIONS			
a. Current Liabilities			
Sundry Creditors	117,737,442		124,863,341
Advance Payments and Unexpired Discounts	8,046,545		8,495,094
Interest Accrued but not Due on Secured Loans	764,991		305,395
Other Liabilities	1,366,104		1,276,051
Investor Education and Protection Fund			
– Unpaid application money for allotment of Fully Convertible Debentures and Deep Discount Bond	<u>84,855</u>		<u>97,855</u>
		127,999,937	<u>135,037,736</u>
b. Provisions			
Provision for Taxes	9,395		6,132
Provision for Retirement Benefits (See note 2(g) of Schedule 15)	<u>938,622</u>		992,862
		948,017	
		<u>128,947,954</u>	<u>136,036,730</u>

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2003 Rupees</u>
<u>SCHEDULE 11</u>			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
a. Preliminary Expenses			
Balance brought forward	2,163,452		2,921,283
Less: Amount charged to Profit & Loss Account	<u>757,831</u>		<u>757,831</u>
		1,405,621	<u>2,163,452</u>
b. Expenses Incurred on Public issue of Fully Convertible Debentures and Deep Discount Bonds			
Balance brought forward	23,435,294		31,644,394
Less: Amount charged to Profit & Loss Account	<u>8,209,100</u>		<u>8,209,100</u>
		15,226,194	<u>23,435,294</u>
c. Deferred Revenue Expenses (See Note 3(n) of Schedule 15)			
Balance brought forward	17,710,034		23,913,646
Less: Amount charged to Profit & Loss Account	<u>6,203,612</u>		<u>6,203,612</u>
		<u>11,506,422</u>	<u>17,710,034</u>
		<u>28,138,237</u>	<u>43,308,780</u>

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	For the Year ended March 31,2004 Rupees	For the Year ended March 31,2003 Rupees
<u>SCHEDULE 12</u>		
OTHER INCOME		
Advertisement Revenue from the Project	19,605,046	13,625,287
Profit on Sale of Units of Mutual Fund	5,776,296	5,110,192
Service Fee	1,594,225	1,606,325
Miscellaneous Income	7,457,766	2,536,620
	<u>34,433,333</u>	<u>22,878,424</u>

**NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	For the Year ended March 31,2004 Rupees	For the Year ended March 31,2003 Rupees
SCHEDULE 13		
OPERATING AND ADMINISTRATION EXPENSES		
Salaries, Wages and Bonus	13,921,905	13,336,301
Contribution to Provident and Other Funds	968,533	1,178,826
Staff Welfare Expenses	672,319	717,478
Fees Paid to O & M Contractor	24,685,751	18,110,268
Consumption of Cards and On Board Unit	2,235,029	2,573,189
Legal & Professional Charges (See Note 3(j) of Schedule 15)	9,141,056	15,852,184
Agency Fees	2,583,222	3,473,263
Insurance Expenses	6,599,548	6,395,443
Travelling and Conveyance	3,227,757	2,554,361
Advertisement and Business Promotion Expenses	8,181,130	5,717,409
Rent	2,433,000	2,726,791
Repair & Maintenance - Building	694,651	824,041
Repair & Maintenance - Others	1,728,324	1,572,285
Telephone, Fax and Postage	839,105	841,137
Electricity Expenses	534,965	678,683
Rates and Taxes	1,595,635	352,422
Director's Sitting Fees	152,000	156,000
Loss on Sale of Fixed Assets	698,473	397,603
Development Right Expenses	366,860	3,332,977
Other Expenses	1,112,597	1,498,543
	82,371,860	82,289,204

SCHEDULE 14

FINANCE CHARGES

Interest on Fully Convertible Debentures	-	17,217,007
Interest on Deep Discount Bonds	117,674,797	102,333,265
Interest on Term Loan	187,174,990	180,045,126
Amortisation of Zero Coupon Bond Series B	51,601,434	-
Other Finance Charges (Includes Lease Finance Charges Rs 72927)	14,076,475	12,933,024
	370,527,696	312,528,422

SCHEDULE 15 : NOTES FORMING PART OF THE ACCOUNTS

(1) Background

Noida Toll Bridge Company Limited (the Company) has been set up to develop, establish, construct, operate and maintain a project relating to the construction of the Delhi Noida Link Bridge under the "Build-Own-Operate-Transfer" (BOOT) basis. The Delhi Noida Link Bridge comprises the Delhi Noida Link Bridge, adjoining roads and other related facilities and the Ashram flyover which has been constructed at the landfall of the Delhi Noida Link Bridge.

A 'Concession Agreement' entered into between the Company, Infrastructure Leasing and Financial Services Limited and the New Okhla Industrial Development Authority, Government of Uttar Pradesh, conferred the right to the Company to implement the project and recover the project cost (through the levy of fees/ toll revenue) with a designated rate of return over the 30 year concession period commencing December 30, 1998 the date of Certificate of Commencement, or till such time the designated return is recovered, whichever is earlier. The Concession Agreement further provides that in the event the project cost with the designated return is not recovered at the end of 30 years, the concession period shall be extended by 2 years at a time until the project cost and the return thereon is recovered. The rate of return is computed with reference to the project costs, cost of major repairs and the shortfall in the recovery of the assured returns in the previous year(s).

The independent auditors of the Project appointed in terms of the Concession Agreement have ascertained the cost of the Delhi Noida Link Bridge incurred till March 31, 2001 on provisional basis pending certain payments, which would be effected on issue of the Defect Liability Certificate. The independent auditors have also determined the accrued return as designated under the Concession Agreement and due to the company till March 31, 2004. As per a draft report given by the independent auditors which is based on the unaudited financial statements as at 31 March, 2004, the total amount to be recovered up to 31 March, 2004 under the Concession Agreement including 20% return on project cost aggregates to Rs. 6956.81 million.

(2) Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting in accordance with the provisions of the Companies Act 1956 and comply with the mandatory Accounting Standards issued by The Institute of Chartered Accountants of India. The Accounting policies have been consistently applied by the Company.

(b) Fixed Assets

Fixed assets include the Delhi Noida Link Bridge which is stated at original cost of acquisition including incidental expenses relating to the acquisition and installation of the assets.

Expenses incurred on the Delhi Noida Link Bridge include direct and indirect expenses incurred for procurement/construction of land and buildings, roads, bridges, culverts, plant and machinery including toll plazas and other equipment and related expenses. (See also Note 3(a) below)

(c) Revaluation of Fixed Assets

Revalued assets are recorded at revalued amounts and the incremental values are shown as Revaluation Reserve. Revaluation Reserve is transferred to the General Reserve to the extent relatable to the assets disposed off.

(d) Depreciation

Depreciation on fixed assets (other than the Delhi Noida Link Bridge) is provided on the written down value method using rates prescribed under Schedule XIV to the Companies Act, 1956. Depreciation on the Delhi Noida Link Bridge other than chain link fencing is provided on the Straight Line Method using rates prescribed under schedule XIV to the Companies Act, 1956.

(e) Revenue Recognition

The Company's revenue comprises toll revenues collected at the Delhi Noida Link Bridge and advertisement revenue, which are recognised, on accrual basis.

(f) Inventories

Inventories have been valued at cost or net realizable value whichever is lower. Cost is recognised on First In First Out basis.

(g) Retirement Benefits

The provision for gratuity as at the year end has been made based on an actuarial valuation funded by the Life Insurance Corporation of India.

The money value of unutilised leave due to the employees in terms of the service conditions is included under retirement benefits and is calculated on the basis of leave due to an employee as at the end of the year multiplied by salary as on 31st March.

(h) Investments

Investments are valued at cost.

(i) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on that date. In case of forward contracts for foreign exchange, the difference between the forward rate and the exchange rate at the date of the transaction are recognised over the life of the contract.

In case of liabilities incurred for acquisition of fixed assets, the loss or gain on conversion, at the rates prevailing at the year end is adjusted to the carrying amount of related fixed assets.

(j) Miscellaneous Expenditure

Miscellaneous expenditure is amortised over a period of five years from the date of commencement of commercial operations.

(k) Borrowing Costs

Borrowing costs related to the acquisition / construction of the qualifying fixed assets for the period upto the completion of their acquisition / construction are included in the book value of the assets. All other borrowing costs are recognised as an expense and are charged to revenue in the year in which these are incurred.

(l) **Deferred Taxation**

The Company has carried out its tax computation in accordance with AS 22 – Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. In accordance with the same no deferred tax asset / liability was required to be created at the year end.

(m) **Earnings Per Share**

The earnings considered in ascertaining the Company's EPS comprises of the net loss after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

(n) **Financial Lease**

Finance leases which effectively transfer to the company substantial risks and benefits incidental to ownership of the leased item, are capitalized and disclosed as leased assets. Finance charges payable on assets taken on financial lease are charged off to Profit & Loss Account.

(3) **NOTES ON ACCOUNTS:**

(a) **Fixed Assets:**

i) **Depreciation**

The Company has obtained approval from the Department of Company Affairs vide its letter dated December 14, 2003 for not charging depreciation on the Delhi Noida Link Bridge for a three year period commencing from Financial Year 2003-04. Accordingly, depreciation on the Bridge has not been provided for during the current financial year.

ii) **Revaluation of Fixed Assets:**

- Delhi Noida Link Bridge includes the consideration paid for leasehold land on both sides of Delhi and Noida. The cost price and written down value of such land as on April 1, 2003 in the books of the company was Rs 13,16,80,824 and Rs 12,70,70,480 respectively. The Company has during the year revalued it's land pertaining to Noida side by a professional valuer on realisable value basis. Accordingly, an amount of Rs. 1,345,044,007 has been added to the original cost and written down value on account of such revaluation. The terms and conditions of the formal agreement may impact land valuation.
- New Okhla Industrial Development Authority (NOIDA) has accorded in principle approval to grant Development Rights to the Company and formal agreement in this regard is pending execution.

(b) **Sale of Revalued Land :**

After obtaining approval from the Shareholders and the Lenders a portion of the revalued land has been sold to the wholly owned subsidiary of the company. Consequent to such sale, a proportionate transfer has been made from Revaluation Reserve to General Reserve to the extent of such sale.

(c) Creation of Wholly Owned Subsidiary:

The Company has created a Wholly Owned Subsidiary Company, namely, DND Flyway Ltd during the year after obtaining the approval of the Lenders as well as Trustees to the Debentureholders and the Shareholders of the Company. Six Equity shares of face value of Rs 10 each of the DND Flyway Ltd are held jointly with individuals (with the company as first named Shareholder)

(d) Debt Restructuring:

Pursuant to the approved Debt Restructuring package, the Company has issued

- (i) Zero Coupon Bonds (Series A) of face value of Rs 100 each aggregating to Rs 51.385 crores to Financial Institutions and others towards conversion of Term Loan.
- (ii) Zero Coupon Bonds (Series B) of face value of Rs 100 each aggregating to Rs 55.5422 crores to Banks, Financial Institutions and others repayable no later than March 31, 2014 towards the Net Present Value of the sacrifice made by them by way of reduction of interest rates from the contracted terms. The Company has decided to create provision on a year to year basis on the principle of Sinking Fund by applying the weighted average interest rate on outstanding borrowings prior to restructuring as the discount rate and thereby arrive at the amount of the yearly charge. The Company has obtained confirmation from professional experts with respect to appropriateness of the Sinking Fund Method as well as the adequacy of the charge on a year to year basis to account for the liability towards the ZCBs in the books. Accordingly, the Profit and Loss account has been debited with Rs. 5,16,01,434 being the required amount towards provision and the corresponding liability has been created under the head Secured Loans.

The company has redeemed ZCBs (Series B) aggregating to Rs. 2,77,71,100/- during the year and the same has been adjusted against the face value of the Zero Coupon Bonds (Series B) issued by the Company.

(e) Capitalisation of the Delhi Noida Link Bridge :

Pending receipt of the final bill from the EPC contractor, for expenses incurred on the project, Company had, based on an estimate of balance work done as certified by the Project Engineer, capitalised the same at an estimated cost of Rs 37.12 million.

Both parties to the contract have referred some of the disputes to arbitration. Cost of the project will be revised based on receipt of the contractor's final bill, and on settlement of arbitration proceedings. The extent of such adjustments, if any cannot be determined at this stage. (See also Note 3(g)(iii)).

(f) Secured Loans :

- (i) Deep Discount Bonds are secured by a pari passu first charge in favour of the trustees along with the other senior lenders of the Company on all the project assets which include the Delhi Noida Link Bridge and all tangible and intangible assets including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds etc. (See note 3(k))
- (ii) The Company has issued Series A Zero Coupon Bonds of Rs 100 each for an aggregate amount of Rs 513,850,000 as per terms of Restructuring approved by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions on October

29,2002. These Zero Coupon Bonds are secured by pari passu first charge on the Company's assets both present and future.

- (iii) The Company has issued Series B Zero Coupon Bonds of Rs 100 each for an aggregate amount of Rs 55,54,22,000 to Banks and Financial Institutions against the sacrifice made by them by way of reduction of interest rates from the contracted terms pursuant to the approval of the Companies debt restructuring package by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions. These Zero Coupon Bonds are secured by pari passu first charge on the Company's assets both present and future.
- (iv) Term loans from banks, financial institutions and others are secured by a charge on:
- Immovable properties of the Company situated in the states of Delhi and Uttar Pradesh.
 - The whole of the movable properties of the Company, both present and future.
 - All the Company's book debts, receivables, revenues of whatsoever nature and wheresoever arising, both present and future.
 - All the rights, titles, interest, benefits, claims and demands whatsoever of the Company under any agreements entered into by the Company in relation to the project including consents, agreements or any other documents entered into or to be entered into by the Company pertaining to the project, as amended, varied or supplemented from time to time.
 - All the rights, titles, interest of the Company in and relation to the Trust & Retention account proceeds, being the bank account established by the Company for crediting all the revenues from the project including but not limited to toll collections from the project.
 - All the rights, titles, interest benefits, claims and demands whatsoever of the Company in the Government permits, authorizations, approvals, no objections, licenses pertaining to the project and to any claims or proceeds arising in relation to or under the insurance policies taken out by the Company pertaining to the assets of the projects of the Company.

(g) Contingent Liabilities :

Contingent Liabilities in respect of:

	As at March 31, 2004 Rs./Million	As at March 31, 2003 Rs./Million
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid against such contracts Rs. 5.79 million (Previous year Rs. Nil)	3.50	Nil

- (ii) Based on an environment and social assessment, compensation for rehabilitation and resettlement of project-affected persons has been estimated and considered as part of the project cost and provided for based on estimates made by the Company.
- (iii) Claims made by the Contractor aggregating to Rs. 251.26 million (Previous year Rs 251.26 million) have not been accepted by the Company and both parties have referred the matter to arbitration in accordance with the contractual arrangements.

(h) Expenditure in Foreign Currency :

	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
(i) Travel	3,42,800	21,560
(ii) Payments to Contractors	Nil	26,09,250

(i) Managerial Remuneration :

Remuneration paid / payable to Manager.

	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
(i) Salaries	12,42,000	10,71,284
(ii) Contribution to Provident and other funds	50,688	49,548
(iii) Monetary value of perquisites	2,47,421	4,20,696
	15,40,109	15,41,528

(j) Auditor's Remuneration :

Legal and Professional charges include remuneration paid to Auditors as follows:

	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
(i) As Auditors	1,50,000	1,50,000
(ii) Limited review of half yearly accounts	1,75,000	50,000
(iii) For taxation matters	60,000	50,000
(iv) For Other Services	87,000	78,000
(v) Reimbursement of out of pocket expenses	12,000	26,735
(vi) Service Tax	31,700	13,900
	5,15,700*	3,68,635

* (Includes Rs 91980 paid to M/s S.B.Billimoria & Company)

(k) Deep Discount Bonds :

The Company has issued Deep Discount bonds for Rs. 5,000 each at a face value of Rs. 45,000 to be redeemed at the expiry of 16 years from the date of allotment. The interest on these bonds compounded @ 14.67% p.a. results in the redemption value of Rs. 45,000 over the period of the bond. Necessary provision has been made in the Profit and Loss Account towards interest accrued during the Year.

(l) Investments in Mutual Fund :

During the year, the Company acquired and sold units of Mutual Funds on various dates as under:

	Purchases		Sales	
	Units	Amount Rupees	Units	Amount Rupees
Templeton India –	87,354	135,637,266	51,353	80,424,243
Treasury Management Account Growth*	(24,476)	(36,404,121)	(5,214)	(7,728,848)
Templeton India –Short	8,412	9,500,000	8,412	9,704,671
Term Income Plan Growth	(15,923)	(17,228,848)	(15,923)	(17,404,121)
Templeton Floating Rate Income Fund – Short Term Plan – Growth	5,940,529	67,324,243	5,940,529	67,528,475
Prudential ICICI Liquid Plan*	3,859,158	58,742,915	2,263,761	34,994,348
	(37,128,776)	(53,854,988)	(2,153,571)	(31,202,562)
Prudential ICICI Short Term Plan – Cumulative	2,386,102	28,308,933	2,386,102	28,390,818
	(2,478,336)	(27,146,249)	(2,478,336)	(27,734,312)
Birla Cash Plus Retail Plan -Growth	299,140	5,000,000	299,140	5,053,008
IL&FS Liquid Account- Growth*	10,087,350	115,730,597	7,469,817	86,671,609
	(13,062,728)	(140,823,710)	(8,839,477)	(95,943,404)
IL&FS Bond Fund-Short Term - Growth	2,566,562	29,771,609	2,566,562	29,773,149
	(5,357,101)	(5,357,101)	(5,357,101)	(58,323,710)
SBI Mutual Fund- Magnum Insta Cash Fund –Cash Plan.	2,333,498	32,980,715	1,588,385	22,576,778
SBI Mutual Fund- Magnum Insta Cash Fund –Short Term Plan.	1,514,055	16,576,778	1,514,055	16,580,715
	(345,283)	(3,500,000)	(345,283)	(3,549,272)
Standard Chartered Mutual Fund –Short Term Growth	1,299,171	16,000,000	1,299,171	16,426,200
HSBC Mutual Fund - Cash Fund – Growth	976,146	10,300,000	976,146	10,422,601
JM Mutual Fund Liquidity Fund – Growth	288,500	5,000,000	288,500	5,057,037

* Includes balance brought forward from previous year

Of the above, 4,994,044.18 units remained unsold as on 31 March, 2004 and have been shown under Investment (See Schedule 5)

Profit from sale of the above units of Rs. 5,776,296 (previous year Rs.51,10,192) is included in other income (See Schedule 12).

Figures in bracket are the previous year figures.

(m) Outstanding Balance with Small-Scale Industrial Unit :

There are no amounts outstanding as payable to any small-scale industrial units as on March 31, 2004.

(n) Miscellaneous Expenditures ;

Deferred revenue expenses includes expenses not relating to the construction of the bridge during the preoperative period and include marketing expenses, expenses on secretarial matters, etc.

(o) Effect of change in Foreign Exchange Rates :

Net foreign exchange loss of Rs. 41,831 (Previous year Rs 668,795) has been adjusted against capitalisation of Fixed Assets during the year.

(p) List of Related parties and Transactions / Outstanding Balances :

(i) Company holding substantial interest in voting power of the Company :

Infrastructure Leasing & Financial Services Ltd.

Transactions/ Outstanding balances	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
Expenditure on other service	290,654	124,683
Agency Fees	5,400,680	4,558,488
Interest on Term Loan	37,602,740	37,500,000
Recoverable as at the year end	225,972	-
Current Account Balance	83,033	30,301
Equity as at the year end	360,000,070	360,000,020
Term Loan as at the year end	300,000,000	300,000,000
Zero Coupon Bonds (Series A)	300,000,000	300,000,000
Zero Coupon Bonds (Series B)	171,000,000	171,000,000
Funded Interest	39,036,986	25,500,000

(ii) Enterprise which is controlled by the Company

DND Flyway Ltd.

Transactions/ Outstanding balances	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
Sale of Land	1,034,841,881	Nil
Investment in Equity Shares.	500,000	Nil
Receivable as at the year end	1,034,846,881	Nil

(iii) Associates with whom transactions have taken place during the year or have balances at the year end :

- Consolidated Toll Network India Ltd.
- IL & FS Investsmart Ltd.
- IL&FS Infrastructure Development Corporation Ltd.
- IL&FS Trust Company Ltd.
- IL&FS Asset Management Company Ltd.
- Kampsax India Pvt Ltd.
- ORIX Auto & Business Solutions Ltd.
- Schoolnet India Ltd.
- Ecosmart India Ltd.
- Wilbur Smith Associate Private Limited.
- Vadodara Halol Toll Road Company Ltd.
- Learnet India Pvt Ltd

Transactions/ Outstanding balances	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
Services & Other Income	1,000,000	50,863
Expenditure on Technical & Consultancy services	2,425,350	7,562,213
Lease Rentals	-	33,000
Purchase of units of Mutual Fund	68,473,149	198,167,114
Sale of units of Mutual Fund	86,671,609	154,267,114
Units of Mutual Fund as at year end	30,794,573	47,257,447
Receivable as at the year end	1,731,642	458,974
Payable as at the year end	400,000	3,352,099
Equity as at the year end	200,000,000	200,000,000

(iv) Key Management Personnel :

Mr. Pradeep Puri (President & CEO)

Ms. Monisha Macedo (Manager)

Transactions/ Outstanding balances	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
Vehicle Loan as at the year end	133,169	175,217
House Loan as at the year end	4,958,511	-
House Renovation Loan at the year end	200,000	-
Remuneration paid	8,716,179	6,109,290

(q) **Lease obligations:**

The company had taken one vehicle under finance lease, reconciliation of minimum lease payments and their present value is as under:

	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount paid upto 31/3/2004	406,098	333,171	72,927
Amount payable not later than one year	541,464	470,517	70,947
Amount payable later than one year but not later than five years	819,739	775,401	44,338
Total	17,67,301	15,79,089	188,212
Previous Year	Nil	Nil	Nil

The total cost of the vehicle and its carrying amount as at 31.3.2004 is Rs. 1,646,334(Previous Year Nil) and Rs 1,350,888 respectively

(r) **Earning/ (Loss) Per Share :**

	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
(i) <u>BASIC LOSS PER SHARE</u>		
• Number of Equity shares of Rs. 10 each fully paid up at the year beginning	122,400,007	101,620,007
• Number of Equity shares of Rs. 10 each fully paid up at the year end	122,400,007	122,400,007
• Weighted Average number of Equity Shares outstanding during the period	122,400,007	110,278,340
• Net Loss for the Period	Rs. (211,064,641)	Rs. (285,980,928)
Basic Loss per Share	(1.72)	(2.59)
(ii) <u>DILUTED LOSS PER SHARE</u>		
• Weighted Average of Equity Shares of Rs. 10 each fully paid up outstanding during the period	122,400,007	110,278,340
• Total number of potential Equity Shares	122,400,007	110,278,340
• Net Loss for the Period	Rs. (211,064,641)	Rs. (285,980,928)
• Add: Savings on account of FCD Interest on dilution	-	-
• Diluted Loss	Rs. (211,064,641)	Rs. (285,980,928)
Diluted Loss per Share	(1.72)	(2.59)
Nominal value of Equity Share	10.00	10.00

(s) **Previous Year's Comparatives :**

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

**For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED**

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
Vice President
New Delhi

Monisha Macedo
Manager and
Company Secretary

Date :28th June, 2004

**NOIDA TOLL BRIDGE COMPANY LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(In terms of amendment to Schedule VI Part IV)

I Registration Details

Registration No.	:	20-19759	State Code	:	20
Balance Sheet Date	:	31 March, 2004			

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

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

Total Liabilities	:	5086547	Total Assets	:	5086547
Source of Funds					
Paid-up Capital	:	1224000	Reserve and Surplus:	:	342403
Secured Loans	:	3520144	Unsecured Loans	:	NIL
Application of Funds					
Net Fixed Assets (including Capital Work- in-progress)	:	3994470	Investments	:	123545
Net Current Assets	:	940394	Misc. Expenditure	:	28138
Accumulated Losses	:	NIL			

IV Performance of the Company (Amount in Rs. Thousands)

Turnover & Other Income	:	258638	Total Expenditure	:	469703
Profit/Loss before Tax	:	211065	Profit/Loss after Tax	:	211065
Earning per Share in Rs.	:	(1.72)	Dividend rate %	:	N/A

V Generic Names of three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	:	NIL
Product Description	:	The Company has been set up for the purpose of construction & operation of Delhi Noida Link Bridge Project on Build, Operate, Own & Transfer (BOOT) system.

**For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED**

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
Vice President

Monisha Macedo
Manager &
Company Secretary

New Delhi,
28th June 2004

NOIDA TOLL BRIDGE COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2004

	Year ended March 31, 2004 Rupees	Year ended March 31, 2003 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Loss for the year	(211,064,641)	(285,980,928)
Adjustments For :		
Depreciation	1,632,161	63,338,524
Miscellaneous Expenditure Written off	14,412,712	14,412,712
Preliminary Expenses Written off	757,831	757,831
Finance Charges	370,527,696	312,528,422
Loss on Sale of Assets	698,473	397,603
Other Income	(5,776,296)	(5,110,192)
	<u>171,187,936</u>	<u>100,343,972</u>
Adjustments for Movement in Working Capital:		
Decrease / (Increase) in Sundry Debtors	900,106	(2,326,001)
Decrease / (Increase) in Inventories	1,551,132	1,348,843
Decrease / (Increase) in Loans and Advances	9,371,898	6,328,756
Increase / (Decrease) in Current Liabilities	(7,548,372)	(41,726,681)
Cash From/(Used In) Operating activities	<u>175,462,700</u>	<u>63,968,889</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
(Purchase) / Addition to Fixed Assets	(10,019,354)	(7,227,135)
Proceeds from Sale of Fixed Assets	867,241	389,420
Purchase of Shares (Unquoted Investments)	(500,000)	
Gain/(Loss) on Sale of Units of Mutual Funds	5,776,296	5,110,192
Cash From/(Used In) Investing Activities	<u>(3,875,817)</u>	<u>(1,727,523)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Term Loans from Banks and Financial Institutions		94,261,096
Interest and Finance Charges Paid	(140,410,847)	(79,610,569)
Cash From/(Used In) Financing Activities	<u>(140,410,847)</u>	<u>14,650,527</u>
Net Increase /Decrease in Cash and Cash Equivalents	31,176,036	76,891,893
Cash and Cash Equivalents as at 1 April, 2003	101,530,380	24,638,487
Cash and Cash Equivalents as at 31 March, 2004	<u>132,706,416</u>	<u>101,530,380</u>
Components of Cash and Cash Equivalents as at:		
	31 March, 2004	31 March, 2003
Cash in hand	136,919	40,377
Balances with the scheduled banks:		
- In Current accounts	9,523,795	1,976,338
- In Deposit accounts		
Short Term Investments (Maturity less than 3 months)	123,045,702	99,513,665
	<u>132,706,416</u>	<u>101,530,380</u>

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director

T. K. Banerjee
Vice President
New Delhi,

28th June 2004

Director

Monisha Macedo
Manager and
Company Secretary

Pradeep Puri
President & CEO

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of Noida Toll Bridge Company Limited derived from the audited financial statements of the Company for the year ended 31 March, 2004 and found the statement to be in accordance therewith and also with the requirements of clause 32 of the listing agreement with the Stock exchanges.

For LUTHRA & LUTHRA
Chartered Accountants

New Delhi
28th June 2004

Amit Luthra
Partner

DIRECTORS' REPORT

Your Directors have pleasure in presenting the First Annual Report together with the Audited Accounts and the Auditors' Report for the period February 17, 2004- March 31, 2004. (The Company was incorporated on February 17, 2004, the accounts have been drawn up from the date of incorporation till March 31, 2004).

OPERATIONS

DND Flyway Limited is a Wholly Owned Subsidiary of Noida Toll Bridge Company Limited (NTBCL) and was incorporated with one of its objects being to carry out development activities on the surplus land around the Delhi Noida Bridge (DND Flyway). The surplus land, from NTBCL is proposed to be transferred to the Company in one or more tranches. In the first tranche the Company has taken on sub-lease 30.493 acres of land in Noida for a consideration of Rs 103,48,41,881 (Rupees one hundred three crores, forty eight lacs forty one thousand eight hundred and eighty one only) vide Sub Lease Deed dated March 31, 2004.

The land has been sub-leased with an existing pari passu first charge in favour of the Senior Lenders and Deep Discount Bondholders of NTBCL. Further, the Company is required to recreate this charge once the land is registered in the name of the Company, in accordance with the provisions of Section 125 of the Companies Act, 1956.

FINANCIAL RESULTS

The Company has incurred a loss of Rs. 84,350 during the period which comprises of preliminary expenses incurred for the formation of the Company and the Auditors' Fees.

DIVIDEND

Since the Company has not earned any profits, the Directors do not recommend any dividend for the year.

PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the year under review.

PARTICULARS OF EMPLOYEES

During the year under review, the Company had no employees drawing remuneration as set out under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company does not own any manufacturing facilities hence particulars with regard to the above are not applicable. The Company has no foreign exchange earnings and outgo.

STATUTORY AUDITORS

M/s Luthra & Luthra, Chartered Accountants, the first Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue as Auditors, if reappointed.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956, Mr. Gopi Arora, Mr. Pradeep Puri and Mr. Ajai Mathur being the first Directors, vacate office at the first Annual General Meeting of the Company. The Company has received proposals from the members for the appointment of Mr. Gopi Arora, Mr. Pradeep Puri and Mr. Ajai Mathur.

DIRECTORS' RESPONSIBILITY STATEMENT

Section 217 (2AA) of the Companies Act, 1956 as amended in December 2000 required the Board of Directors to provide a statement to the members of the Company in connection with maintenance of books, records, preparation of Annual Accounts in conformity with the accepted accounting standards and past practices followed by the Company. Pursuant to the foregoing, and on the basis of representation received from the Operating Management, and after due enquiry, it is confirmed that:

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
2. The Directors have selected such Accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

**By order of the Board
For DND Flyway Limited**

Mr. Pradeep Puri
Director

Mr. Ajai Mathur
Director

Place : New Delhi
Dated : May 18, 2004

AUDITORS' REPORT

**TO THE MEMBERS OF
DND FLYWAY LIMITED
New Delhi.**

1. We have audited the attached Balance Sheet of DND Flyway Limited as at 31 March 2004, the Profit and Loss Account and the Cash Flow Statement for the period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report Order), 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraph 4 of the said Order.
4. We draw your attention to the fact that New Okhla Industrial Development Authority (NOIDA) has conveyed its in principle approval to grant development rights on land acquired on a sub lease basis from Noida Toll Bridge Company Limited. (Refer to note No. 1 of Notes to accounts in schedule – 5)
5. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - (c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31 March, 2004, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

For **LUTHRA & LUTHRA**
Chartered Accountants

Vishal Gupta
Partner
(Membership No 98796)

Place: New Delhi
Date : 18th May, 2004

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

1. The nature of the company's business /activities during the year is such that clauses (i), (iii), (vi), (vii), (viii), (xi), (xii), (xiii), (xiv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable for the period ended 31 March 2004.
2. The stock in trade consists only of land and the management is of the opinion that physical verification is not required. Hence stock has not been physically verified. Hence clauses 4 (ii)(b) and (c) are not applicable.
3. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and for the sale of goods.
4. There are no transactions that need to be entered into a register in pursuance of section 301 of the Act. Hence clauses 4 (v) (b) of the order is not applicable.
5. The provident fund and employees' state insurance act is not applicable. Further, the company is regular in depositing undisputed statutory dues including investor education and protection fund, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities.
6. There are no dues of sales tax/income tax/custom tax/wealth tax/excise duty/cess on account of any dispute.
7. The company has been registered for a period less than five years and its accumulated losses at the end of the financial year are less than fifty per cent of its net worth.
8. As per the information and explanations given to us the company has acquired the land with charge of all secured lenders of NTBCL. In our opinion the terms and conditions of such charge are not prejudicial to the interest of the company.
9. As per the information and explanation given to us the funds raised on short-term basis have not been used for long-term investment and vice versa.
10. As per the information and explanation given to us no fraud on or by the company has been noticed or reported during the year.

For **LUTHRA & LUTHRA**
Chartered Accountants

Vishal Gupta
Partner
(Membership No 98796)

Place: New Delhi
Date : 18th May,2004

DND Flyway Limited

DND FLYWAY LIMITED BALANCE SHEET AS AT 31 MARCH, 2004

	Schedule		Rupees
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Equity Share Capital	1		500,000
<u>APPLICATION OF FUNDS</u>			
CURRENT ASSETS, LOANS & ADVANCES			
Stock in Trade	2	1,034,841,881	
Cash and Bank balances	3	505,000	
LESS: CURRENT LIABILITIES & PROVISIONS	4	1,034,931,231	
NET CURRENT ASSETS			415,650
PROFIT AND LOSS ACCOUNT (Debit balance)			84,350
			500,000

For Notes forming part of the Accounts, refer to Schedule **5**

The schedules referred to above form an integral part of the Balance sheet and Profit and Loss Account

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

For and on behalf of
DND FLYWAY LIMITED

Vishal Gupta
Partner

Director

Director

New Delhi,
18th May 2004

New Delhi,
18th May 2004

DND FLYWAY LIMITED
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH, 2004

	<u>Schedule</u>	<u>Rupees</u>
INCOME		Nil
		Nil
EXPENDITURE		
Operating and Administration Expenses		
Auditors Remuneration		27,000
Miscellaneous Expenditure Written Off		57,350
		84,350
PROFIT / (LOSS) FOR THE PERIOD		(84,350)
Balance Brought Forward from the Previous Year		Nil
Loss Carried to Balance Sheet		(84,350)
Basic Loss per Equity Share (in Rs.)		(1.69)
Diluted Loss per Equity Share (in Rs.)		(1.69)

For Notes forming part of the Accounts, refer to Schedule **5**

The schedules referred to above form an integral part of the Balance Sheet and Profit and Loss Account

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

For and on behalf of
DND FLYWAY LIMITED

Vishal Gupta
Partner

Director

Director

New Delhi,
18th May 2004

New Delhi,
18th May 2004

**DND FLYWAY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	Rupees
<u>SCHEDULE 1</u>	
SHARE CAPITAL	
Authorised	
50,000 Equity Shares of Rs.10	500,000
Issued, Subscribed and Paid up	
50,000 Equity Shares of Rs.10 each fully paid up	500,000
<u>SCHEDULE 2</u>	
STOCK IN TRADE (At Cost)	
Land	1,034,841,881
<u>SCHEDULE 3</u>	
CASH AND BANK BALANCES	
Balances with Scheduled banks - In Current accounts	505,000
<u>SCHEDULE 4</u>	
CURRENT LIABILITIES AND PROVISIONS	
Current Liabilities	
Sundry Creditors (balance includes Rs 1,034,846,881 due to Noida Toll Bridge Company Limited, the holding Company)	1,034,927,697
Other Liabilities	3,534
	1,034,931,231
	1,034,931,231

DND FLYWAY LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE – 5

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(A) ACCOUNTING POLICIES:

(1) Basis of Accounting:

The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting in accordance with the Companies Act 1956 (to the extent applicable) and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

(2) Stock in Trade :

Stock in Trade has been valued at cost of acquisition.

(3) Miscellaneous Expenditure:

Preliminary expenses have been fully amortised during the year.

(B) NOTES TO ACCOUNTS:

- (1) The Company has acquired 30.493 acres of land for a consideration of Rs. 103,48,41,881 from its holding company Noida Toll Bridge Company Limited (NTBCL). The land is sub leased for a period of twenty four years commencing 31st March, 2004 with existing charge in favour of all Secured Lenders of NTBCL. This land pertains to the surplus land acquired for the construction of DND Toll Bridge in accordance with the terms of the Concession agreement entered into between NTBCL, New Okhla Industrial Development Authority (NOIDA) and Infrastructure Leasing & Financial Services Limited (IL&FS). NOIDA has conveyed its "in- principle" approval to grant development rights and execution of the formal agreement in this regard is pending.

Registration of the sub lease deed is in process. Charge in favour of all the Secured Lenders of NTBCL will be registered with the ROC on completion of the registration.

- (2) As the land is intended to be used for commercial development, the board has decided to consider the same as Stock in Trade. The sub leased land was valued by a professional valuer in February 2004 and management is of the opinion that since then there have been no material changes in the conditions of land, the same has been recorded in the books at its fair value.

- (3) Remuneration to Auditors includes :

Statutory Audit Fees	Rs. 25,000
Service Tax	Rs. 2,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	Rs. 27,000

DND Flyway Limited

(4) List of Related parties and Transactions / Outstanding Balances :

(i) Company holding substantial interest in voting power of the Company :

Noida Toll Bridge Company Limited

Transactions/ Outstanding balances

**Period ended
March 31, 2004
Rupees**

Purchase of Land	1,034,841,881
Current Account Balance	1,034,846,881
Equity as at the year end	500,000

(ii) Associates with whom no transactions have taken place during the period or have balances at the year end

- Infrastructure Leasing & Financial Services Ltd.
- Consolidated Toll Network India Limited
- IL & FS Investsmart Ltd.
- IL&FS Infrastructure Development Corporation Ltd.
- IL&FS Trust Company Ltd.
- IL&S Asset Management Company Ltd.
- Kampsax India Pvt Ltd.
- ORIX Auto & Business Solutions Ltd.
- Schoolnet India Ltd.
- Ecosmart India Ltd.
- Wilbur Smith Associate Private Limited
- Vadodara Halol Toll Road Company Ltd.

(iii) Key Managerial Personnel:

Mr. Gopi Arora	Director
Mr. Pradeep Puri	Director
Mr. Ajay Mathur	Director

(5) The Company has carried out it's deferred tax computation in accordance with AS 22. In accordance with the same, no provision for Deferred Tax Asset/ Liability is required to be created.

(6) The Company was incorporated on February 17, 2004 and accordingly the Financial Statement has been prepared for the period from February 17, 2004 to March 31, 2004. This being the first accounting period, no previous year informations / comparatives have been given.

(7) Earning/ (Loss) per share

	Period ended March 31, 2004 Rupees
(i) <u>BASIC LOSS PER SHARE</u>	
• Number of Equity shares at the beginning of the Period (Nominal value of Rs. 10 each, paid up in full)	50,000
• Number of Equity shares at the end of the Period (Nominal value of Rs. 10 each, paid up in full)	50,000
• Weighted Average number of Equity Shares outstanding during the period (Nominal value of Rs. 10 each, paid up in full)	50,000
• Net Loss for the Period	(84,350)
Basic Loss per Share	(1.69)
(ii) <u>DILUTED LOSS PER SHARE</u>	
• Weighted Average number of Equity Shares outstanding during the period (Nominal value of Rs. 10 each, paid up in full)	50,000
• Total number of potential Equity Shares	50,000
• Net Loss for the Period	(84,350)
• Add: Savings on account of FCD Interest on dilution	
• Diluted Loss	(84,350)
Diluted Loss per Share	(1.69)
Nominal value of Equity Share	10.00

**For and on behalf of
DND FLYWAY LIMITED**

Director

Director

New Delhi

Date : 18th May, 2004

**DND FLYWAY LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(In terms of amendment to Schedule VI Part IV)**

I Registration Details

Registration No.	: 55-124710	State Code	: 55
Balance Sheet Date	: 31 March, 2004		

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	: NIL	Right Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

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

Total Liabilities	: 500	Total Assets	: 500
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Source of Funds

Paid-up Capital	: 500	Reserve and Surplus	: NIL
Secured Loans	: NIL	Unsecured Loans	: NIL

Application of Funds

Net Fixed Assets (including Capital Work- in-progress)	: NIL	Investments	: NIL
--	-------	-------------	-------

Net Current Assets	: 416	Misc. Expenditure	: NIL
Accumulated Losses	: 84		

IV Performance of the Company (Amount in Rs. Thousands)

Turnover & Other Income	: NIL	Total Expenditure	: 84
Profit/Loss before Tax	: 84	Profit/Loss after Tax	: 84
Earning per Share in Rs.	: (1.69)	Dividend rate %	: N/A

V Generic Names of three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	: NIL		
Product Description	:	The Company has been set up to purchase, acquire, lease, hire, promote and improve land for commercial utilisation.	

**For and on behalf of
DND FLYWAY LIMITED**

Director	Director
----------	----------

New Delhi,
18th May 2004

DND FLYWAY LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2004

	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Loss for the period	(84,350)
Adjustments for Movement in Working Capital:	
Decrease / (Increase) in Inventories	(1,034,841,881)
Increase / (Decrease) in Current Liabilities	1,034,931,231
Cash From/(Used In) Operating activities	5,000
B. CASH FLOW FROM FINANCING ACTIVITIES:	
Share Capital	500,000
Term Loans from Banks and Financial Institutions	-
Interest and Finance Charges Paid	-
Public Issue Expenses	-
Cash From/(Used In) Financing Activities	500,000
Net Increase /Decrease in Cash and Cash Equivalents	505,000
Cash and Cash Equivalents as at 1 April, 2002	
Cash and Cash Equivalents as at 31 March, 2003	505,000
Components of Cash and Cash Equivalents as at:	31 March, 2004
Cash in hand	-
Balances with the scheduled banks:	
- In Current accounts	505,000
- In Deposit accounts	-
	505,000
For and on behalf of	
DND FLYWAY LIMITED	

Director

Director

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of DND Flyway Limited derived from the audited financial statements of the Company for the year ended 31 March, 2004 and found the statement to be in accordance therewith.

For LUTHRA & LUTHRA
Chartered Accountants

New Delhi
18th May 2004

Vishal Gupta
Partner
Membership No. 98796

AUDITORS' REPORT

**THE BOARD OF DIRECTORS
NOIDA TOLL BRIDGE COMPANY LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF "NOIDA TOLL BRIDGE COMPANY LIMITED" AND ITS
SUBSIDIARY "DND FLYWAY LIMITED"**

1. We have audited the attached Consolidated Balance Sheet of Noida Toll Bridge Company Limited and its subsidiary as at 31 March, 2004, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We draw the attention of the board to the following:
 - (a) Note number 2 (d) of schedule 15 'Notes to Accounts' regarding provisioning for the liability of Zero Coupon Bonds (ZCBs, Series – B) on the principles of Sinking Fund.
 - (b) Note number 2 (c) (ii) of schedule 15 'Notes to Accounts' regarding revaluation of leased land, wherein the formal agreement for grant of development rights, is pending execution.
4. We report that:
 - (a) The consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statement' issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Noida Toll Bridge Company Limited and its subsidiary .
 - (b) On the basis of the information and explanations given to us and on consideration of the separate audit reports on the individual audited financial statements of Noida Toll Bridge Company Limited and its subsidiary, we are of the opinion that:
 - i. The consolidated balance sheet gives a true and fair view of the consolidated state of affairs of Noida Toll Bridge Company Limited and its subsidiary,
 - ii. The consolidated profit and loss account gives true and fair view of the consolidated loss of Noida Toll Bridge Company Limited and its subsidiary,
 - iii. The consolidated cash flow statement gives a true and fair view of the consolidated cash flow of Noida Toll Bridge Company Limited and its subsidiary.

For LUTHRA & LUTHRA
Chartered Accountants

AMIT LUTHRA
Partner
(Membership no. 85847)

Place: New Delhi
Date : 28th June 2004

**NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2004**

	<u>Schedule</u>	<u>As At March 31, 2004 Rupees</u>	<u>As At March 31, 2004 Rupees</u>
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Equity Share Capital	1	1,224,000,070	
Reserve & Surplus	2	<u>1,345,044,007</u>	2,569,044,077
LOAN FUNDS			
Secured Loans	3		<u>3,520,143,552</u>
			<u>6,089,187,629</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	4	5,149,538,576	
Less: Depreciation		<u>133,639,423</u>	
Net Block			5,015,899,153
CAPITAL WORK IN PROGRESS			
			13,412,287
INVESTMENTS			
	5		123,045,702
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	444,396	
Sundry Debtors	7	2,319,956	
Cash and Bank balances	8	10,160,714	
Loans & Advances	9	<u>22,074,455</u>	
		34,999,521	
LESS: CURRENT LIABILITIES & PROVISIONS			
	10	<u>129,032,304</u>	
NET CURRENT ASSETS			
			(94,032,783)
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	11		28,138,237
PROFIT AND LOSS ACCOUNT (Debit balances)			
			1,002,725,033
			<u>6,089,187,629</u>

For Notes forming part of the Accounts, refer to Schedule 15

The schedules referred to above form an integral part of the Balance sheet and Profit and Loss Account

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

Amit Luthra
Partner

New Delhi
28th June 2004

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED

Director Director

T. K. Banerjee
Vice-President

New Delhi
28th June 2004

Pradeep Puri
President & CEO

Monisha Macedo
Manager and
Company Secretary

Consolidated Accounts

**NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2004**

	Schedule	For the Year ended March 31, 2004 Rupees
INCOME		
Toll Revenue		224,204,286
Other Income	12	34,433,333
		258,637,619
EXPENDITURE		
Operating and Administration Expenses	13	82,398,860
Finance Charges	14	370,527,696
Depreciation		1,632,161
Miscellaneous Expenditure Written Off		15,227,893
		469,786,610
PROFIT / (LOSS) FOR THE PERIOD		(211,148,991)
Balance Brought Forward from the Previous Year		(791,576,042)
Loss Carried to Balance Sheet		(1,002,725,033)
Basic Loss per Equity Share (in Rs.)		(1.73)
Diluted Loss per Equity Share (in Rs.)		(1.73)
For Notes forming part of the Accounts, refer to Schedule	15	

The schedules referred to above form an integral part of the Balance sheet and Profit and Loss Account

As per our report of even date attached.

For LUTHRA & LUTHRA
Chartered Accountants

**For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED**

Amit Luthra
Partner

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
Vice-President

Monisha Macedo
Manager and
Company Secretary

New Delhi
28th June 2004

New Delhi
28th June 2004

**NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS**

**As At
March 31,2004
Rupees**

SCHEDULE 1

SHARE CAPITAL

Authorised

125,000,000 Equity Shares of Rs.10 each

1,250,000,000

Issued, Subscribed and Paid up

122,400,007 Equity Shares of Rs.10 each Fully Paid up

1,224,000,070

SCHEDULE 2

RESERVES & SURPLUS

Revaluation Reserve
Created during the year

1,345,044,007

Consolidated Accounts

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2004 Rupees</u>
<u>SCHEDULE 3</u>		
LOAN FUNDS		
Secured Loans		
a. Debentures and Bonds		
100,000, Deep Discount Bonds of face value of Rs. 45,000 each. (See Note 2(f) (i) and 2(h) of Schedule 15)	4,500,000,000	
Less:Unexpired Discount	<u>3,582,783,283</u>	917,216,717
5,138,500 Series A Zero Coupon Bond of Rs. 100 each. (See Note 2(d) and 2(f) (ii) of Schedule 15)		513,850,000
Accumulated Liability of ZCB (Series B) (See Note 2(d) and 2(f) (iii) of Schedule 15)		
Accumulated Liability	51,601,434	
Less:Repayment during the year	<u>27,771,100</u>	23,830,334
b. Term Loans (See Note 2(f) (iv) of Schedule 15)		
Banks	1,483,618,740	
Financial Institutions	213,850,000	
Others	300,000,000	
		1,997,468,740
C. Funded Interest		
		66,531,843
d. Lease Finance (See Note 2(l) of Schedule 15)		
		1,245,918
		<u><u>3,520,143,552</u></u>

Notes :

1. Deep Discount Bonds issued at Rs.5000 each would be redeemed at Rs.45,000 at the end of the 16th year from the date of allotment i.e November 3, 1999.
2. Series A Zero Coupon Bonds of Rs 100 each issued to Financial Institutions and Others against conversion of 50% of Term Loan as per terms of Restructuring approved by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions would be repaid in two equal instalments by March 31,2005 and March 31,2006.
3. Series B Zero Coupon Bonds of Rs 100 each issued to Banks, Financial Institutions and Others would be redeemed not later than March 31,2014.

**NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS**

SCHEDULE 4

FIXED ASSETS

(See note 1(c) and 2 (j) of Schedule 15)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As At 1.04.2003	Additions	Deletions / Adjustment	As At 31.03.2004	As At 1.04.2003	For the Year	Deletions / Adjustment	As At 31.03.2004	As At 31.03.2003	
Delhi Noida Link Bridge (Refer note(A) below and 1(c) and 1(d) of Schedule 15)	3,794,233,352	1,345,834,492	-	5,140,067,844	130,447,985		-	130,447,985	5,009,619,859	3,663,785,367
Plant & Machinery - Data Processing Equipment - Office Equipment	1,658,086 2,583,091	112,699 619,030	188,668 627,573	1,582,117 2,574,548	915,613 639,030	304,310 320,893	150,017 229,762	1,069,906 730,161	512,211 1,844,387	742,473 1,944,061
Vehicles (Refer Note (B) below)	2,645,613	3,592,150	1,656,945	4,580,818	1,127,907	836,918	888,995	1,075,830	3,504,988	1,517,706
Furniture & Fixtures	1,365,664	42,229	674,644	733,249	458,843	170,040	313,342	315,541	417,708	906,821
	3,802,485,806	1,350,200,600	3,147,830	5,149,538,576	133,589,378	1,632,161	1,582,116	133,639,423	5,015,899,153	3,668,896,428

Notes :

(A) Delhi Noida Link Bridge includes value of Land appurtenant to the Bridge on both sides of Delhi and Noida (Original Cost Rs131,680,824 and Written Down Value Rs 127,070,480). Addition to Bridge includes revaluation of Land on Noida side of 34 acres. (Original Cost Rs 5,719,841 and Written down value Rs 5,519,581 as on April 1,2003) carried out during the year for Rs 1,345,044,007 .

(B) Vehicles include Rs. 1,646,334 for assets acquired under Finance Lease.

Consolidated Accounts

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY SCHEDULES FORMING PART OF THE ACCOUNTS

As At
March 31, 2004
Rupees

SCHEDULE 5

INVESTMENTS (At Cost)

Current and Quoted, other than Trade Investments

Prudential ICICI Liquid Plan - 1,595,396.60 units of face value of Rs.10 each	24,814,179
IL&FS Liquid Account Growth Plan - 2,617,532.56 units of face value of Rs.10 each	30,794,573
Templeton India Treasury Management Account Growth Plan 36,001.34 units of face value of Rs.1000 each	56,831,232
SBI Mutual Fund Magnum Insta Cash Fund Account 745,113.68 units of face value of Rs.10 each	10,605,718

Note: The Net Asset Value of quoted investments as at the year
end - Rs. 123,238,463

123,045,702

SCHEDULE 6

INVENTORIES (At Cost)

Electronic Cards and 'On Board Units'	444,396
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SCHEDULE 7

SUNDRY DEBTORS (Unsecured, Considered Good)

Debts Outstanding for less than six months	2,319,956
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NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

As At
March 31,2004
Rupees

SCHEDULE 8

CASH AND BANK BALANCES

Cash in Hand	136,919
Balances with Scheduled Banks - In Current Accounts	10,023,795
	<u>10,160,714</u>

SCHEDULE 9

**LOANS AND ADVANCES
(Unsecured, Considered good)**

a. Advances / Income Recoverable in Cash or in Kind or for Value to be Received	19,589,890
b. Advance Payment against Taxes	927,855
c. Deposits	1,556,710
	<u>22,074,455</u>
Amounts due from Directors	NIL
Maximum amount due from Directors during the year	NIL

Consolidated Accounts

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As At March 31,2004 Rupees</u>	<u>As At March 31,2004 Rupees</u>
<u>SCHEDULE 10</u>		
CURRENT LIABILITIES AND PROVISIONS		
a. Current Liabilities		
Sundry Creditors	117,818,258	
Advance Payments and Unexpired Discounts	8,046,545	
Interest Accrued but not Due on Secured Loans	764,991	
Other Liabilities	1,369,638	
Investor Education and Protection Fund		
Unpaid application money for allotment of Fully Convertible Debentures and Deep Discount Bond	<u>84,855</u>	
		128,084,287
b. Provisions		
Provision for Taxes	9,395	
Provision for Retirement Benefits (See note 1(h) of Schedule 15)	<u>938,622</u>	948,017
		<u><u>129,032,304</u></u>

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

	As At March 31, 2004 Rupees	As At March 31, 2004 Rupees
<u>SCHEDULE 11</u>		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
a. Preliminary Expenses		
Balance brought forward	2,163,452	
Add : Amount incurred during the year	57,350	
Less: Amount charged to Profit & Loss Account	815,181	
		1,405,621
 b. Expenses Incurred on Public issue of Fully Convertible		
Debentures and Deep Discount Bonds		
Balance brought forward	23,435,294	
Less: Amount charged to Profit & Loss Account	8,209,100	
		15,226,194
 c. Deferred Revenue Expenses (See Note 2(i) of Schedule 15)		
Balance brought forward	17,710,034	
Less: Amount charged to Profit & Loss Account	6,203,612	
		11,506,422
		28,138,237

Consolidated Accounts

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY SCHEDULES FORMING PART OF THE ACCOUNTS

For the
Year ended
March 31, 2004
Rupees

SCHEDULE 12

OTHER INCOME

Advertisement Revenue from the Project	19,605,046
Profit on Sale of Units of Mutual Fund	5,776,296
Service Fee	1,594,225
Miscellaneous Income	7,457,766
	<hr/>
	34,433,333
	<hr/>

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
SCHEDULES FORMING PART OF THE ACCOUNTS

**For the
Year ended
March 31, 2004
Rupees**

SCHEDULE 13

OPERATING AND ADMINISTRATION EXPENSES

Salaries, Wages and Bonus	13,921,905
Contribution to Provident and Other Funds	968,533
Staff Welfare Expenses	672,319
Fees Paid to O & M Contractor	24,685,751
Consumption of Cards and On Board Unit	2,235,029
Legal & Professional Charges	9,168,056
Agency Fees	2,583,222
Insurance Expenses	6,599,548
Travelling and Conveyance	3,227,757
Advertisement and Business Promotion Expenses	8,181,130
Rent	2,433,000
Repair & Maintenance - Building	694,651
Repair & Maintenance - Others	1,728,324
Telephone, Fax and Postage	839,105
Electricity Expenses	534,965
Rates and Taxes	1,595,635
Director's Sitting Fees	152,000
Loss on Sale of Fixed Assets	698,473
Development Right Expenses	366,860
Other Expenses	1,112,597
	82,398,860

SCHEDULE 14

FINANCE CHARGES

Interest on Fully Convertible Debentures	-
Interest on Deep Discount Bonds	117,674,797
Interest on Term Loan	187,174,990
Amortisation of Zero Coupon Bond Series B	51,601,434
Other Finance Charges (Includes Lease Finance Charges Rs 72927)	14,076,475
	370,527,696

Consolidated Accounts

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 15 : NOTES FORMING PART OF THE ACCOUNTS

(1) **Significant Accounting Policies**

(a) **Principles of Consolidation**

- (i) The Consolidated Financial Statements present the Consolidated Accounts of Noida Toll Bridge Co Ltd (Company) and its wholly owned Subsidiary DND Flyway Ltd (the "Group".)
- (ii) The financial statements of the Group have been consolidated on a line-by-line basis to the extent possible after eliminating intra-group balances, intra-group transactions and unrealized profits in accordance with Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- (iii) The land subleased for DND Flyway Limited by Noida Toll Bridge Company Limited have been classified as fixed assets in the consolidated financial statements.

(b) **Basis of Accounting**

The financial statements of the Group have been prepared under the historical cost convention, on the accrual basis of accounting.

(c) **Fixed Assets**

Fixed assets include the Delhi Noida Link Bridge which is stated at original cost of acquisition including incidental expenses relating to the acquisition and installation of the assets.

Expenses incurred on the Delhi Noida Link Bridge include direct and indirect expenses incurred for procurement/ construction of land and buildings, roads, bridges, culverts, plant and machinery including toll plazas and other equipment and related expenses.

(d) **Revaluation of Fixed Assets**

Revalued assets are recorded at revalued amounts and the incremental values are shown as Revaluation Reserve. Revaluation Reserve is transferred to the General Reserve to the extent relatable to the assets disposed off.

(e) **Depreciation**

Depreciation on fixed assets (other than the Delhi Noida Link Bridge) is provided on the written down value method using rates prescribed under Schedule XIV to the Companies Act, 1956. Depreciation on the Delhi Noida Link Bridge other than chain link fencing is provided on the Straight Line Method using rates prescribed under schedule XIV to the Companies Act, 1956.

(f) **Revenue Recognition**

The Company's revenue comprises toll revenues collected at the Delhi Noida Link Bridge and advertisement revenue, which are recognised, on accrual basis.

(g) **Inventories**

Inventories have been valued at cost or net realizable value whichever is lower. Cost is recognised on First In First Out basis.

(h) **Retirement Benefits**

The provision for gratuity as at the year end has been made based on an actuarial valuation funded by the Life Insurance Corporation of India.

The money value of unutilised leave due to the employees in terms of the service conditions is included under retirement benefits and is calculated on the basis of leave due to an employee as at the end of the year multiplied by salary as on 31st March.

(i) **Investments**

Investments are valued at cost.

(j) **Foreign Currency Transactions**

Assets and liabilities in foreign currencies are converted at the rates of exchange prevailing at year end.

(k) **Miscellaneous Expenditure**

Miscellaneous expenditure is amortised over a period of five years from the date of commencement of commercial operations.

(l) **Borrowing Costs**

Borrowing costs related to the acquisition / construction of the qualifying fixed assets for the period upto the completion of their acquisition / construction are included in the book value of the assets. All other borrowing costs are recognised as an expense and are charged to revenue in the year in which these are incurred.

(m) **Deferred Taxation**

The accounting treatment for Income tax is based on Accounting Standard 22 – Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. In accordance with the same no deferred tax asset / liability was required to be created at the year end.

(n) **Earnings Per Share**

The earnings considered in ascertaining the Group's EPS comprises of the net loss after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

(o) **Financial Lease**

Finance leases which effectively transfer to the company substantial risks and benefits incidental to ownership of the leased item, are capitalized and disclosed as leased assets. Finance charges payable on assets taken on financial lease are charged off to Profit & Loss Account.

(2) **NOTES ON ACCOUNTS:**

- (a) The financial Statements of the following Subsidiary Company have been consolidated as per Accounting Standard 21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India

Name of Subsidiary	Proportion of Ownership Interest
DND Flyway Limited	100%

DND Flyway Limited (Subsidiary) is incorporated in India

- (b) Being the first year of operations, the financial statements of the subsidiary are for the period February 17, 2004 to March 31, 2004

(c) **Fixed Assets:**

(i) **Depreciation**

The Company has obtained approval from the Department of Company affairs vide its letter dated December 14, 2003 for not charging depreciation on the Delhi Noida Link Bridge for a three year period commencing from financial year 2003-04. Accordingly, depreciation on the Bridge has not been provided for during the current financial year.

(ii) **Revaluation of Fixed Assets:**

- Delhi Noida Link Bridge includes the consideration paid for leasehold land on both sides of Delhi and Noida. The cost price and written down value of such land as on April 1, 2003 in the books of the Company was Rs 13,16,80,824 and Rs 12,70,70,480 respectively. The Company has during the year revalued it's land pertaining to Noida side by a professional valuer on realisable value basis. Accordingly, an amount of Rs. 1,345,044,007 has been added to the original cost and written down value on account of such revaluation.
- New Okhla Industrial Development Authority (NOIDA) has accorded in principle approval to grant Development Rights to the Company and formal agreement in this regard is pending execution. The terms and conditions of the formal agreement may impact land valuation.

Consolidated Accounts

(d) Debt Restructuring:

Pursuant to the approved Debt Restructuring package, the Company has issued

- (i) Zero Coupon Bonds (Series A) of face value of Rs 100 each aggregating to Rs 51.385 crores to Financial Institutions and others towards conversion of Term Loan.
- (ii) Zero Coupon Bonds (Series B) of face value of Rs 100 each aggregating to Rs 55.5422 crores to Banks, Financial Institutions and others repayable no later than March 31, 2014 towards the Net Present Value of the sacrifice made by them by way of reduction of interest rates from the contracted terms. The Company has decided to create provision on a year to year basis on the principle of Sinking Fund by applying the weighted average interest rate on outstanding borrowings prior to restructuring as the discount rate and thereby arrive at the amount of the yearly charge. The Company has obtained confirmation from professional experts with respect to appropriateness of the Sinking Fund Method as well as the adequacy of the charge on a year to year basis to account for the liability towards the ZCBs in the books. Accordingly, the Profit and Loss account has been debited with Rs 51,601,434 being the required amount towards provision and the corresponding liability has been created under the head Secured Loans.

The company has redeemed ZCBs (Series B) aggregating to Rs. 2,77,71,100/- during the year and the same has been adjusted against the face value of the Zero Coupon Bonds (Series B) issued by the Company.

(e) Capitalisation of the Delhi Noida Link Bridge :

Pending receipt of the final bill from the EPC contractor, for expenses incurred on the project, Company had, based on an estimate of balance work done as certified by the Project Engineer, capitalised the same at an estimated cost of Rs 37.12 million.

Both parties to the contract have referred some of the disputes to arbitration. Cost of the project will be revised based on receipt of the contractor's final bill, and on settlement of arbitration proceedings. The extent of such adjustments, if any cannot be determined at this stage.

(f) Secured Loans :

- (i) Deep Discount Bonds are secured by a pari passu first charge in favour of the trustees along with the other senior lenders of the Company on all the project assets which include the Delhi Noida Link Bridge and all tangible and intangible assets including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds etc. (See note 2(g))
- (ii) The Company has issued Series A Zero Coupon Bonds of Rs 100 each for an aggregate amount of Rs 513,850,000 as per terms of Restructuring approved by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions on October 29, 2002. These Zero Coupon Bonds are secured by pari passu first charge on the Company's assets both present and future.
- (iii) The Company has issued Series B Zero Coupon Bonds of Rs 100 each for an aggregate amount of Rs 55,54,22,000 to Banks and Financial Institutions against the sacrifice made by them by way of reduction of interest rates from the contracted terms pursuant to the approval of the Companies debt restructuring package by the Corporate Debt Restructuring Empowered Group of the Banks and Financial Institutions. These Zero Coupon Bonds are secured by pari passu first charge on the Company's assets both present and future.
- (iv) Term loans from banks, financial institutions and others are secured by a charge on:
 - Immovable properties of the Company situated in the states of Delhi and Uttar Pradesh.
 - The whole of the movable properties of the Company, both present and future.
 - All the Company's book debts, receivables, revenues of whatsoever nature and wheresoever arising, both present and future.
 - All the rights, titles, interest, benefits, claims and demands whatsoever of the Company under any agreements entered into by the Company in relation to the project including consents, agreements or any other documents entered into or to be entered into by the Company pertaining to the project, as amended, varied or supplemented from time to time.
 - All the rights, titles, interest of the Company in and relation to the Trust & Retention account proceeds, being the bank account established by the Company for crediting all the revenues from the project including but not limited to toll collections from the project.

- All the rights, titles, interest benefits, claims and demands whatsoever of the Company in the Government permits, authorizations, approvals, no objections, licenses pertaining to the project and to any claims or proceeds arising in relation to or under the insurance policies taken out by the Company pertaining to the assets of the projects of the Company.

(g) Contingent Liabilities :

(a) Contingent Liabilities in respect of:

	As at March 31, 2004 <u>Rs./Million</u>
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid against such contracts Rs. 5.79 million)	3.50
(ii) Based on an environment and social assessment, compensation for rehabilitation and resettlement of project-affected persons has been estimated and considered as part of the project cost and provided for based on estimates made by the Company.	
(iii) Claims made by the Contractor aggregating to Rs. 251.26 million have not been accepted by the Company and both parties have referred the matter to arbitration in accordance with the contractual arrangements.	

(h) Deep Discount Bonds :

The Company has issued Deep Discount bonds for Rs. 5,000 each at a face value of Rs. 45,000 to be redeemed at the expiry of 16 years from the date of allotment. The interest on these bonds compounded @ 14.67% p.a. results in the redemption value of Rs. 45,000 over the period of the bond. Necessary provision has been made in the Profit and Loss Account towards interest accrued during the Year.

(i) Miscellaneous Expenditures ;

Deferred revenue expenses include expenses not relating to the construction of the bridge during the preoperative period and include marketing expenses, expenses on secretarial matters, etc.

(j) Effect of change in Foreign Exchange Rates :

Net foreign exchange loss of Rs. 41,831 has been adjusted against capitalisation of Fixed Assets during the year.

(k) List of Related parties and Transactions / Outstanding Balances :

(i) Company holding substantial interest in voting power of the Company :

Infrastructure Leasing & Financial Services Ltd.

Transactions/ Outstanding balances

	<u>Year ended March 31, 2004 Rupees</u>
Expenditure on other service	290,654
Agency Fees	5,400,680
Interest on Term Loan	37,602,740
Recoverable as at the year end	225,972
Current Account Balance	83,033
Equity as at the year end	360,000,070
Term Loan as at the year end	300,000,000
Zero Coupon Bonds (Series A)	300,000,000
Zero Coupon Bonds (Series B)	171,000,000
Funded Interest	39,036,986

(ii) Associates with whom transactions have taken place during the year or have balances at the year end :

- Consolidated Toll Network India Ltd.
- IL & FS Investsmart Ltd.
- IL&FS Infrastructure Development Corporation Ltd.
- IL&FS Trust Company Ltd.
- IL&FS Asset Management Company Ltd.
- Kampsax India Pvt Ltd.
- ORIX Auto & Business Solutions Ltd.
- Schoolnet India Ltd.
- Ecosmart India Ltd.
- Wilbur Smith Associate Private Limited.
- Vadodara Halol Toll Road Company Ltd.
- Learnet India Pvt Ltd

Transactions/ Outstanding balances	Year ended March 31, 2004 Rupees
Services & Other Income	1,000,000
Expenditure on Technical & Consultancy services	2,425,350
Lease Rentals	-
Purchase of units of Mutual Fund	68,473,149
Sale of units of Mutual Fund	86,671,609
Units of Mutual Fund as at year end	30,794,573
Receivable as at the year end	1,731,642
Payable as at the year end	400,000
Equity as at the year end	200,000,000

(iii) Key Management Personnel :

Mr. Pradeep Puri (President & CEO)

Ms Monisha Macedo (Manager)

Transactions/ Outstanding balances	Year ended March 31, 2004 Rupees
Vehicle Loan as at the year end	133,169
House Loan as at the year end	4,958,511
House Renovation Loan at the year end	200,000
Remuneration paid	8,716,179

(I) Lease obligations:

The company had taken one vehicle under finance lease, reconciliation of minimum lease payments and their present value is as under:

	Minimum Lease Payment	Present value of minimum lease	Payment Lease Charges
Amount paid upto 31/3/2004	406,098	333,171	72,927
Amount payable not later than one year	541,464	470,517	70,947
Amount payable later than one year but not later than five years	819,739	775,401	44,338
Total	17,67,301	15,79,089	188,212
Previous Year	Nil	Nil	Nil

The total cost of the vehicle and its carrying amount as at 31.3.2004 are Rs. 1,646,334 and Rs 1,350,888 respectively.

(m) **Earning/ (Loss) Per Share :**

	Year ended March 31, 2004 Rupees
(i) BASIC LOSS PER SHARE	
• Number of Equity shares of Rs. 10 each fully paid up at the year beginning	122,400,007
• Number of Equity shares of Rs. 10 each fully paid up at the year end	122,400,007
• Weighted Average number of Equity Shares outstanding during the period	122,400,007
• Net Loss for the Period	(211,148,991)
Basic Loss per Share	(1.73)
(ii) DILUTED LOSS PER SHARE	
• Weighted Average of Equity Shares of Rs. 10 each fully paid up outstanding during the period	122,400,007
• Total number of potential Equity Shares	122,400,007
• Net Loss for the Period	(211,148,991)
• Add: Savings on account of FCD Interest on dilution	-
• Diluted Loss	(211,148,991)
Diluted Loss per Share	(1.73)
Nominal value of Equity Share	10.00

(n) **Previous Year's Comparatives :**

Previous year figures for consolidated Financial statements have not been presented as Financial Year 2004 is the first year of operation of the subsidiary.

(o) **Additional disclosures :**

Additional statutory information disclosed in separate financial statements of the Company and the Subsidiary having no bearing on the true and fair view of the Consolidated Financial Statements and also the information pertaining to the items which are not material have not been disclosed in the Consolidated Financial Statement in view of the Accounting Standard Interpretation (ASI 15) issued by Institute of Chartered Accountants of India

**For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED**

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
Vice President

Monisha Macedo
Manager and
Company Secretary

New Delhi
Date : 28th June, 2004

Consolidated Accounts

**NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(In terms of amendment to Schedule VI Part IV)**

I Registration Details

Registration No.	:	20-19759	State Code	:	20
Balance Sheet Date	:	31 March, 2004			

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

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

Total Liabilities	:	6089188	Total Assets	:	6089188
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Source of Funds

Paid-up Capital	:	1224000	Reserve and Surplus:	1345044	
Secured Loans	:	3520144	Unsecured Loans	:	NIL

Application of Funds

Net Fixed Assets (including Capital Workin-progress)	:	5029312	Investments	:	123046
Net Current Assets	:	(94033)	Misc. Expenditure	:	28138
Accumulated Losses	:	1002725			

IV Performance of the Company (Amount in Rs. Thousands)

Turnover & Other Income	:	258638	Total Expenditure	:	469787
Profit/Loss before Tax	:	211149	Profit/Loss after Tax	:	211149
Earning per Share in Rs.	:	(1.73)	Dividend rate %	:	N/A

V Generic Names of three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code) : NIL

Product Description : The Company has been set up for the purpose of construction & operation of Delhi Noida Link Bridge Project on Build, Operate, Own & Transfer (BOOT) system.

**For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED**

Director

Director

Pradeep Puri
President & CEO

T. K. Banerjee
Vice President

Monisha Macedo
Manager and
Company Secretary

New Delhi,
28th June 2004

NOIDA TOLL BRIDGE COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2004

	<u>Year ended 31 March, 2004 Rupees</u>
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Loss for the year	(211,148,991)
Adjustments For :	
Depreciation	1,632,161
Miscellaneous Expenditure Written off	14,412,712
Preliminary Expenses Written off	757,831
Finance Charges	370,527,696
Loss on Sale of Assets	698,473
Other Income	<u>(5,776,296)</u>
	171,103,586
Adjustments for Movement in Working Capital:	
Decrease / (Increase) in Sundry Debtors	900,106
Decrease / (Increase) in Inventories	1,551,132
Decrease / (Increase) in Loans and Advances	9,371,898
Increase / (Decrease) in Current Liabilities	<u>(7,464,022)</u>
Cash From/(Used In) Operating activities	<u>175,462,700</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:	
(Purchase) / Addition to Fixed Assets	(10,019,354)
Proceeds from Sale of Fixed Assets	867,241
Gain/(Loss) on Sale of Units of Mutual Funds	<u>5,776,296</u>
Cash From/(Used In) Investing Activities	<u>(3,375,817)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Interest and Finance Charges Paid	<u>(140,410,847)</u>
Cash From/(Used In) Financing Activities	<u>(140,410,847)</u>
Net Increase /Decrease in Cash and Cash Equivalents	31,676,036
Cash and Cash Equivalents as at 1 April, 2003	<u>101,530,380</u>
Cash and Cash Equivalents as at 31 March, 2004	<u>133,206,416</u>
Components of Cash and Cash Equivalents as at:	31 March, 2004
Cash in hand	136,919
Balances with the scheduled banks:	
- In Current accounts	10,023,795
- In Deposit accounts	
Short Term Investments (Maturity less than 3 months)	<u>123,045,702</u>
	<u>133,206,416</u>

**For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED**

Director

T. K. Banerjee
Vice-President
New Delhi,
28th June, 2004

Director

Monisha Macedo
Manager and
Company Secretary

Pradeep Puri
President & CEO

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of Noida Toll Bridge Company Limited and its Subsidiary Company derived from the audited financial statements of the Company for the year ended 31 March, 2004 and found the statement to be in accordance therewith and also with the requirements of clause 32 of the listing agreement with the Stock exchanges.

For LUTHRA & LUTHRA
Chartered Accountants

New Delhi
28th June, 2004

Amit Luthra
Partner