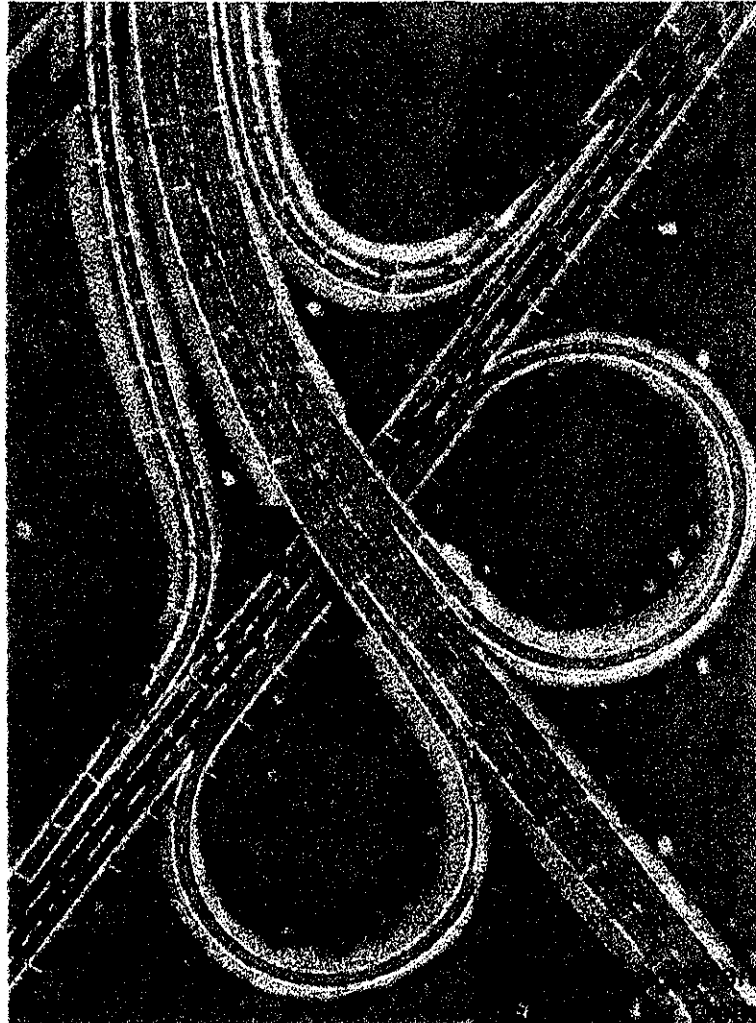


Noida Toll Bridge Company Limited

ANNUAL REPORT

1999 ~ 2000



Registered Office: Sector 15A, Near Apeejay School, Noida 201 301 Tel: (0118) 4513167 Fax: (0118) 4513164
Corporate Office: C/o IL&FS, East Court, Zone VI, India Habitat Centre Lodhi Road, New Delhi 110 003
Tel: (011) 4651148 Fax: (011) 4651688 Email: ntbcl@ntbcl.com



NOTICE

Board of Directors

Mr Gopi Arora Chairman
Mr RK Bhargava
Ms Pratibha Karan
Mr RN Trivedi
Dr Nivedita P Haran
Mr Shardul Shroff
Mr Ravi Parthasarathy
Mr Arun K Saha
Mr Hari Sankaran
Mr K Ramchand
Mr Shahzaad Dalal
Mr Alok Bhargava
Mr R S Sandhu
Mr Ron Ross
Mr Pradeep Puri Managing Director
Mr Julian Thomas (Alternate to Mr Ron Ross)

Ms Monisha Macedo Company Secretary

Auditors

S.B.Billimoria & Co.
Chartered Accountants
503 Meghdoot
94 Nehru Place
New Delhi 10 019

NOTICE is hereby given that the fourth Annual General Meeting of Noida Toll Bridge Company Ltd. will be held on Saturday the 29th of April 2000 at 10.30 am at Registered Office of the Company at Sector 15A, Near Apeejay School, Noida 201 301 to transact the following business:

Ordinary Business:

1. To receive and adopt the audited Balance Sheet as at March 31, 2000 and the Report of the Directors and Auditors thereon
2. To appoint a Director in place of Mr RK Bhargava who retires by rotation under Article 136 of the Articles of Association of the Company and is eligible for reappointment.

3. To appoint a Director in place of Dr Nivedita Haran who retires by rotation under Article 136 of the Articles of Association of the Company and is eligible for reappointment.
4. To appoint a Director in place of Mr Arun K Saha who retires by rotation under Article 136 of the Articles of Association of the Company and is eligible for reappointment.
5. To appoint a Director in place of Mr Hari Sankaran who retires by rotation under Article 136 of the Articles of Association of the Company and is eligible for reappointment.
6. To appoint a Director in place of Mr Shardul Shroff who retires by rotation under Article 136 of the Articles of Association of the Company and is eligible for reappointment.
7. To appoint the Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration

Special Business:

8. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution

"RESOLVED THAT Mr Ronald Ross who was appointed as an Additional Director on 25th January 2000 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company"
9. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution

"RESOLVED THAT Mr Shahzaad Dalal who was appointed as an Additional Director on 25th January 2000 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company"



10. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution

“RESOLVED THAT Mr Alok Bhargava who was appointed as an Additional Director on 25th January 2000 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company”

11. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution

“RESOLVED THAT Mr. RN Trivedi, CEO, New Okhla Industrial Development Authority, who was appointed in the casual vacancy caused by the resignation of Mr Lalit Srivastava on 25th January 2000 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company”

12. To consider and if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

“RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 the Articles of Association of the Company be amended in conformity with the Amended & Restated Shareholders’ Agreement signed by circulation in the following manner: -

I Changes pursuant to signing the Restated Shareholders Agreement

- (a) The Article 1 (xv) (Interpretation of Shareholders Agreement) be amended to read as follows:

(xv)“Shareholders’ Agreement” means the Amended and Restated Shareholders’ Agreement signed by the Company with New Okhla Industrial Development Authority (NOIDA), Infrastructure Leasing & Financial Services Ltd (IL&FS), Intertoll Management BV (Intertoll), PAII (Mauritius) Co. Ltd., Asian Infrastructure Mezzanine Capital Fund, IL&FS Trust Company Limited and Industrial Finance Corporation of India Ltd, and includes any Deeds of Adherence that may be signed by the Company pursuant to the foregoing Shareholders’ Agreement

(b) Article 123A be amended to read as follows:

123A Nominee Directors

1. Infrastructure Leasing & Financial Services Limited

As long as Infrastructure Leasing & Financial Services Limited (IL&FS) holds not less than 25% (Twenty five percent) of the paid-up Equity Share Capital of the Company, it shall be entitled to appoint 4 (Four) persons as its nominee Directors of the Company. Out of the Directors so appointed under this Article, subject to the right of NOIDA to appoint non-retiring Directors under clause 2 below 3 (Three) Directors shall not be liable to retire by rotation; provided, however, that in the event that the total number of Directors sitting on the Board falls below 18 (Eighteen) at any time and the Board is unable to ensure the statutory limit on the number of non-retiring Directors, IL&FS will relinquish the right towards appointment of non retiring Directors as may be required

2. New Okhla Industrial Development Authority (NOIDA)

For so long as NOIDA holds not less than 8% (Eight percent) of the paid-up Share Capital of the Company, it shall be entitled to appoint 2 (Two) persons as its nominee Directors of the Company. Out of the 2 (Two) Directors so appointed by NOIDA, 1 (One) Director shall be not liable to retire by rotation.

3. Intertoll Management Services BV

As long as Intertoll Management Services BV (Intertoll) holds not less than 8% (eight percent) of the paid-up Share Capital of the Company, it shall be entitled to appoint 1 (one) person as its nominee on the Board of Directors of the Company.

4. PAII Mauritius Co. Ltd (PAII)

As long as PAII holds not less than 10% (ten percent) of the paid-up Share Capital of the Company or 20,000,000 (Twenty million) Shares, Asian Infrastructure Mezzanine Capital Fund (AIMCF) shall be entitled to appoint 1 (one) person as its nominee Director of the Company (the "AIMCF Director") for every 10% (ten percent) of PAII's shareholding in the Company. The AIMCF Director shall not be liable to retire by rotation. The right of AIMCF to appoint 1 (one) nominee Director shall arise on the date of this Shareholders Agreement



5. IL&FS Trust Company Limited (IL&FSTC)

As long as IL&FSTC holds not less than 10% (Ten percent) of the paid-up Share Capital of the Company, IL&FSTC shall be entitled to appoint 2 (Two) persons as its nominee Directors of the Company. Out of the Directors so appointed by IL&FSTC, 1 (One) Director shall be not liable to retire by rotation. The right of IL&FSTC to appoint 2 (Two) nominee Directors shall arise on the date of this Shareholders Agreement.

In the event that IL&FS, NOIDA, Intertoll cease voluntarily to hold 8% in the case of IL&FS, 8% each in the case of NOIDA, Intertoll and the investors other than PAII and AIMCF, and atleast 8% or 20,000,000 (twenty million) shares in the case of PAII and AIMCF together, of the paid up Equity share capital of the Company, such party would cease to have the right of affirmative voting under Article 7 of the Shareholders Agreement and the right to appoint a nominee on the Board of Directors of the Company pursuant to Article 6 of the Shareholders Agreement

(c) Quorum

Article 145 be amended to read as follows:

‘Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.

In case of failure to hold a meeting on account of an insufficient Quorum, the meeting shall stand adjourned to same day at the same time in the following week or some other later date as decided by the Directors present and notice thereof shall be given to all of the Directors. If at such adjourned meeting, a Quorum is not present within one-half an hour of the time appointed for the meeting, then the Directors present shall constitute a Quorum.’

(d) Affirmative Voting

The existing Article 146 be amended to read as follows and Article 146A be deleted:

“Questions arising at any Meeting shall be decided by a majority of votes unless otherwise agreed upon by all the signatories to the Shareholders’ Agreement and any Deed of Adherence thereto.

“Questions arising at any Meeting shall be decided by a majority of votes unless otherwise agreed upon by all the signatories to the Shareholders’ Agreement and any Deed of Adherence thereto. However, in case of an equality of votes, the Chairman shall not have a second or casting vote”

II Other Changes

- (a) The existing Article 123 be amended to read as follows :

123 Power of Directors to appoint Additional Directors

“Subject as aforesaid, the Directors shall have power at any time and from time to time, to appoint any other person or persons as a Director or Directors, either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed.

Any Additional Director or Directors so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election.

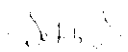
If any casual vacancy has not been filled by the Board upto the date of the Annual General Meeting of the Company next following the arising of the vacancy, the same may be filled by ordinary resolution of the members at such Annual General Meeting”

- (b) The existing Article 81 be amended to read as follows :

81 Right to Call an Extraordinary General Meeting

“The Board may, whenever it thinks fit, call an Extraordinary General Meeting. If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or such number of members as specified under the Companies Act, 1956 may call an Extraordinary General Meeting in the same manner, as that in which such a meeting may be called by the Board at such time and place as he or they may determine”

By order of the Board
For NOIDA TOLL BRIDGE COMPANY LTD


Mr. Gopi Arora
Chairman

New Delhi
Date: 5th April 2000

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. Proxies in order to be effective must be received at the Registered Office of the Company at any time but not less than 48 hours before the time of the meeting. A proxy form is enclosed
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto and forms part of the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 8, 9 & 10

Mr Ronald Ross, Mr Shahzaad Dalal and Mr Alok Bhargava were appointed as Additional Directors of the Company by the Board of Directors on 25th January 2000. Pursuant to Section 260 of the Companies Act, 1965, they can hold office upto the date of this Annual General Meeting. As required under Section 257 of the Companies Act, 1956, Notices in writing have been received from Members of the Company alongwith the requisite deposits, proposing Mr Shahzaad Dalal's, Mr Alok Bhargava's and Mr Ronald Ross' candidature for the office of Directors of the Company

Hence the resolutions are proposed for your approval

Mr Ronald Ross, Mr Shahzaad Dalal and Mr Alok Bhargava may be deemed to be concerned or interested in the passing of the resolution appointing themselves.

None of the other Directors are to be deemed to be concerned or interested in the passing of the resolution appointing any other than themselves.

Item No. 11

Mr Lalit Srivastava, who was on the Board of the Company in his ex-officio capacity as CEO, New Okhla Industrial Development Authority (NOIDA) resigned from the Board of Directors of the Company at the Board Meeting held on 25th January 2000 due to a change in his portfolio. The casual vacancy was filled in by the appointment of Mr RN Trivedi, CEO, NOIDA, at the Meeting of the Board of Directors of the Company held on 25th January 2000. Pursuant to Article 123 of the Articles of Association of the Company he can hold office upto the date of this Annual General Meeting. As required under Section 257 of the Companies Act, 1956, Notices in writing have been received from Members of the Company alongwith the requisite deposits, proposing Mr RN Trivedi's candidature for the office of Director of the Company

Item No. 12

I Changes in Articles of Association pursuant to signing the Restated Shareholders Agreement

The Company has signed the Amended and Restated Shareholders Agreement which overrides the Shareholders Agreement dated 9th December 1998. Consequent to the signing of this agreement, changes in the Articles of Association of the Company have to be made to remove any contradictions.

Hence the same is recommended for the consideration of the Members.

II Other Changes in Articles of Association

(a) Power of Directors to appoint Additional Directors/ fill Casual Vacancies

Contrary to the provisions under the Companies Act, 1956, Article 123 of the Articles of Association of the Company specifies that the term of office of a Director appointed in a casual vacancy lapses at the next Annual General Meeting. It is proposed that this anomaly be removed.

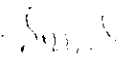
Hence the same is recommended for the consideration of the Members.

(b) Right to call an Extraordinary General Meeting

Contrary to the provisions under the Companies Act, 1956, Article 81 of the Articles of Association of the Company mentions that any 2 members of the Company can call an Extraordinary General Meeting of the Shareholders of the Company. It is proposed that this inconsistency with the Companies Act, 1956 be removed.

Hence the same is recommended for the consideration of the Members.

By order of the Board
For NOIDA TOLL BRIDGE COMPANY LTD


Mr. Gopi Arora
Chairman

New Delhi
Date: 5th April 2000

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fourth Annual Report together with the Audited Accounts for the year ended March 31, 2000

FINANCIAL HIGHLIGHTS :

The aggregate amount of payments made to contractors and pre-operative/other expenditure incurred for project at the end of the Financial Year amounted to Rs 153.88 crores (Previous Year - Rs. 75.14 crores) and Rs 65.67 crores (Previous Year - Rs. 35.87 crores) respectively. These amounts have been carried forward under the head 'Capital work in Progress' in the Balance Sheet pending allocation to the Fixed Assets on project commissioning.

As per the Concession Agreement which your Company had entered into with New Okhla Industrial Development Authority (NOIDA) and Infrastructure Leasing & Financial Services Limited (IL&FS), your Company would be entitled to a designated rate of return on the Project Cost during the Concession Period. Under the terms of the Concession Agreement, the quantum of project cost and calculation of returns would be certified by the Independent Auditors to the Project, namely, M/s. A F Ferguson & Company, Chartered Accountants. The aggregate outstanding amounted to approximately Rs 33 crores (Previous Year - Rs. 3.67 crores) as at the end of this Financial Year.

The Company's balance sheet shows a negative working capital of Rs 15.83 crores. This is the result of surplus funds of the Company being invested in short term investments amounting to Rs 19.12 crores.

DIVIDENDS :

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

OPERATIONS

Operations

Your Company is pleased to inform you that the Delhi Noida Bridge Project has made significant progress and an early completion of the project is envisaged. Some significant achievements during financial year 1999-2000 were:

Construction Activities

Since the last Shareholders Meeting construction has progressed well and 54.8% of the project was completed as of 31st March 2000 signifying that the Company is well within schedule. Given this rate of progress the Company will endeavour to bring forward the completion date by three to four months, implying cost savings that will balance out cost overruns, primarily on account of foreign exchange variations in financial year 1999-2000, thereby keeping to the original estimated project cost of Rs 408 crores.

Public Issue

The Company's issue of Secured Deep Discount Bonds and Secured 14% Fully Convertible Debentures totalling Rs 70.78 crores remained open to the public from 20th October 1999 to 27th October 1999 and was oversubscribed by approximately Rs 19 crores.

The Company's Deep Discount Bond, a 16-year instrument, is backed by a take out option at predetermined rates, provided by Infrastructure Development Finance Company Limited and Infrastructure Leasing & Financial Services Limited. The Deep Discount Bond held till maturity provides a post-tax annualised yield of 14.72%.

The Fully Convertible Debentures, which will be compulsorily converted into Equity Shares at par 36 months from the deemed date of allotment provide a 14% per annum semi-annual interest.

Both instruments are listed on the Uttar Pradesh Stock Exchange, The National Stock Exchange and The Stock Exchange, Mumbai and are eligible for tax benefits under Sections 88, 54EA and 54EB of the Income Tax Act, 1961.

Government Support

As a consequence of the provisions of the Project Concession and Support Agreements signed with New Okhla Industrial Development Authority (NOIDA), Government of Uttar Pradesh and Government of National Capital Territory of Delhi, the Company received a stamp duty waiver for the Public Issue, which amounted to a substantial saving of approximately Rs 0.5 crores. The Company continues to receive active support from both the State Governments.

Ashram Flyover

The Company and the Government of National Capital Territory of Delhi signed the Ashram Flyover Land Lease and Construction Contracts on 31st August 1999. The Delhi Urban Art Commission has since approved the Ashram flyover design. Furthermore, an EPC Contractor AFCONS Infrastructure Ltd., has been appointed and the Notice to Proceed issued on 9th of March 2000

SHARE CAPITAL

During the year under review, the Company received the Equity contributions from the Promoter, Infrastructure Leasing & Financial Services Ltd (IL&FS) – Rs 23.5 crores, the O&M Operator, Intertoll – Rs 10.62 crores, and , IFCI Ltd. – Rs 2.5 crores

IL&FS now holds Rs 36 crores of Equity in the Company, which amounts to 58.42 % of the paid up Equity Share Capital of the Company.

DIRECTORS :

Mr Shahzaad Dalal, Mr Alok Bhargava and Mr Ronald Ross, were appointed as Additional Directors at the Board Meeting held on 25th January 2000 and vacate their offices at the forthcoming Annual General Meeting of the Company. Your Company has received proposals from the Members of the Company under Section 257 of the Companies Act, 1956 for the appointment of Mr Shahzaad Dalal, Mr Alok Bhargava and Mr Ronald Ross as Directors

Mr Rakesh Mohan, who was on the Board of the Company, in his ex-officio capacity as Secretary, PWD, resigned from the Board of Directors at the Board Meeting held on 1st September 1999 due to change in his portfolio. The casual vacancy caused has been filled in by the appointment of Ms Pratibha Karan, Principal Secretary, PWD at the Meeting of the Board of Directors of the company held on 12th November 1999.

Mr S Behura, who was on the Board of the Company in his ex-officio capacity as CEO, NOIDA resigned from the Board of Directors of the Company at the Board Meeting held on 1st September 1999 due to a change in his portfolio. The casual vacancy was filled in by the appointment of Mr Lalit Srivastava, CEO, NOIDA, at the Meeting of the Board of Directors of the Company held on 12th November 1999. Mr Lalit Srivastava, resigned from the Board of Directors at the Board Meeting held on 25th January 2000 also due to a change in his portfolio. The casual vacancy has been filled in by the appointment of Mr RN Trivedi, CEO, NOIDA, at the Meeting of the Board of Directors of the Company held on 25th January 2000. Your Company has received proposals from the Members of the Company under Section 257 of the Companies Act, 1956 for the appointment of Mr RN Trivedi as Director

Mr RS Sandhu was appointed as a Nominee Director of the Company's Monitoring Agent, IFCI Ltd. under Article 123B of the Articles of Association of the Company at the Meeting of the Board of Directors of the Company held on 1st September 1999. In terms of Article 123B Mr RS Sandhu is not liable to retire by rotation.

In accordance with the requirements of the Companies Act, 1956 one third of the Directors are liable to retire by rotation. Mr RK Bhargava, Dr Nivedita Haran, Mr Arun K Saha, Mr Hari Sankaran and Mr Shardul Shroff, Directors, are hence due to retire by rotation at this fourth Annual General Meeting. They are eligible for re-appointment.

FIXED DEPOSITS :

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

UTILISATION OF PUBLIC ISSUE PROCEEDS

A statement showing the utilisation of the Public Issue proceeds is annexed to this report. Details of investments of unutilised funds are given in Schedule 5 of the Annual Accounts.

PARTICULARS OF EMPLOYEES :

Details with regard to employees drawing remuneration as set out under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 during the year under review are annexed to this report

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, technology absorption are not applicable. The Company had the following foreign exchange outgoes

	<u>As at March 31, 1999</u>	<u>Previous Year</u>
Travel	678,774	427,696
Payments to Contractors	481,302,710	218,183,057
Consultancy	10,334,907	Nil

Y2K COMPLIANCE:

All Operating Systems, Hardware and Software installed by the Company for the purpose of business were Y2K compliant and all the Company's systems are functioning smoothly

STATUTORY AUDITORS :

M/s SB Billimoria & Co., 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 and Financial Institutions and Shareholders 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

(Signature)

Mr Gopi Arora
Chairman

New Delhi
5th April 2000

UTILISATION OF PUBLIC ISSUE PROCEEDS	
	Rs
Public Issue Proceeds	707800000
Equity Capital from IFCI Ltd.	25000000
TOTAL	732800000
Funds available as on 31.3.2000	
Investments*	191210962
Bank & Cash Balance**	53984925
	245195887
Net funds used during December '99 to March 2000	487604113
Estimated Expenditure incurred during Dec.'99 to March 2000 under the Main heads	
Payment to Contractors (Dec. '99 - March 2000)	340690000
Pre-operative expenses including IDC and Public Issue expenses	146914113
Net funds used during December '99 to March 2000	487604113

* Details in Schedule 5 of the Annual Accounts

** Details in Schedule 6 of the Annual Accounts

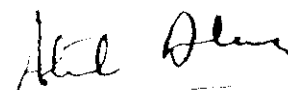
AUDITORS' REPORT

**TO THE MEMBERS OF
NOIDA TOLL BRIDGE COMPANY LIMITED**

We have audited the attached Balance Sheet of **NOIDA TOLL BRIDGE COMPANY LIMITED** as at 31 March, 2000 and report as follows:

1. As the Company had not commenced commercial operations, no profit & loss account has been prepared.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters, to the extent applicable, specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above:
 - 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 dealt with by this report is in agreement with the books of account.
 - d. In our opinion, the Balance Sheet dealt with by this report is in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, together with the notes thereon, gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view of the state of the Company's affairs as at 31 March, 2000.

For S.B. BILLIMORIA & CO.
Chartered Accountants



ATUL DHAWAN
Partner

New Delhi
5 April, 2000

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 2 of our report of even date)

1. The Company has generally maintained proper records showing full particulars including quantitative details for fixed assets. We are informed that the fixed assets were physically verified by the Management during the period and no material discrepancies were noted on such verification. In our opinion, the frequency of such verification is reasonable.
2. None of the fixed assets has been revalued during the year.
3. The Company has taken loans from a company listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions for such loans are, in our opinion, *prima facie*, not prejudicial to the interest of the Company. The Company has not taken any loans from companies, firms or other parties under the same Management within the meaning of Section 370 (1B) of the Companies Act, 1956.
4. The Company has not given any loans to companies, listed in the register maintained under Section 301 of the Companies Act, 1956 or from companies, firms or other parties under the same Management within the meaning of Section 370 (1B) of the Companies Act, 1956.
5. In respect of loans and advances in the nature of loans, recovery of principal amounts and interest, where stipulated, has been regular.
6. 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, plant & machinery and other assets. The Company's operations do not require the purchase of any raw materials or the sale of goods.
7. There are no transactions of purchase of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party. There were no sale of goods, materials and services during the year.
8. The Company has not accepted any deposits from the public.
9. The Company has an internal audit system commensurate with its size and nature of its business.
10. The Company has been regular in depositing provident fund dues with the appropriate authorities. According to the information and explanations provided

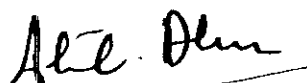
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S.B. BILLIMORIA & Co.

to us, the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company for the year ended 31 March, 2000.

11. According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty outstanding as at 31 March, 2000 for a period of more than six months from the date they became payable.
12. According to the information and explanations given to us, and the records of the Company examined by us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
13. The Company is not a sick industrial company within the meaning of Clause (o) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For S.B. BILLIMORIA & CO.
Chartered Accountants



ATUL DHAWAN
Partner

New Delhi
5 April, 2000

NOIDA TOLL BRIDGE COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH, 2000

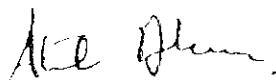
	<u>Schedule Reference</u>	<u>As at 31.03.2000 Rupees</u>	<u>As at 31.03.1999 Rupees</u>
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS FUNDS			
Equity share capital	1	616,200,070	250,000,070
Advance received against share capital		<u>Nil</u>	<u>67,442,402</u>
		616,200,070	317,442,472
LOAN FUNDS	2	<u>1,827,959,000</u>	<u>1,043,862,998</u>
		<u><u>2,444,159,070</u></u>	<u><u>1,361,305,470</u></u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross block	3	8,061,310	5,589,255
Less: Depreciation		<u>2,417,614</u>	<u>448,458</u>
Net block		5,643,696	5,140,797
Capital work in progress	4	2,360,685,919	1,342,306,571
INVESTMENTS	5	191,210,962	Nil
CURRENT ASSETS, LOANS & ADVANCES			
Cash and bank balances	6	53,984,924	141,751,248
Loans & advances	7	<u>27,004,374</u>	<u>22,626,862</u>
		80,989,298	164,378,110
LESS: CURRENT LIABILITIES & PROVISIONS	8	<u>239,252,852</u>	<u>156,887,424</u>
NET CURRENT ASSETS		(158,263,594)	7,490,686
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	9	44,882,087	6,367,416
		<u><u>2,444,159,070</u></u>	<u><u>1,361,305,470</u></u>

For notes forming part of the accounts, refer to Schedule 10

The schedules referred to above form an integral part of the accounts

As per our report of even date attached

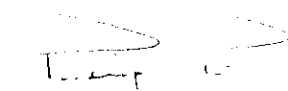
For S. B. BILLIMORIA & CO.
Chartered Accountants



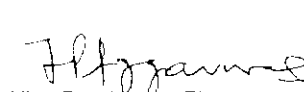
ATUL DHAWAN
Partner

New Delhi
India

For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED



Managing Director



Vice President - Finance

Director



Company Secretary

New Delhi

Date 5 April 2000

NOIDA TOLL BRIDGE COMPANY LIMITED
STATEMENT OF PREOPERATIVE EXPENDITURE AS AT 31 MARCH, 2000

	As at 31.03.1999 Rupees	For the year Rupees	As at 31.03.2000 Rupees
Preoperative Expenditure			
Salaries	14,536,672	6,376,708	20,913,380
Contribution to provident & other funds	381,657	1,468,185	1,849,842
Staff welfare	325,899	944,095	1,269,994
Rent	2,396,001	2,702,480	5,098,481
Repairs & maintenance-others	150,259	390,410	540,669
Telephone and fax	1,095,813	1,287,977	2,383,790
Travelling and conveyance	12,838,246	3,702,285	16,540,531
Directors' sitting fees	202,000	84,000	286,000
Auditors' remuneration (See Note 8)	196,645	231,466	428,111
Legal & professional charges	106,921,307	42,768,914	149,690,221
Business promotion	1,567,493	408,760	1,976,253
Advertisement	245,299	516,168	761,467
General office expenses	2,961,067	3,628,317	6,589,384
Rates & taxes	9,450	21,927	31,377
Electricity	102,740	426,396	529,136
Depreciation	448,458	1,994,665	2,443,123
Interest & finance charges	173,124,317	245,483,991	418,608,308
Project management fees	40,420,000	0	40,420,000
Insurance	836,493	3,235,313	4,071,806
	358,759,816	315,672,057	674,431,873
Less: Income from investment- others net of provision for income tax (See Note 9)	93,931	17,636,361	17,730,292
	358,665,885	298,035,696	656,701,581
Preoperative expenditure carried forward to Schedule 4 as unallocated project preoperative expenditure			656,701,581

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As at</u> <u>31.03.2000</u> Rupees	<u>As at</u> <u>31.03.1999</u> Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
125,000,000 (Previous year 125,000,000) Equity shares of Rs.10 each	<u>1,250,000,000</u>	<u>1,250,000,000</u>
Issued, Subscribed and Paid up		
61,620,007 (Previous year 25,000,007) Equity shares of Rs.10 each fully paid up	<u>616,200,070</u>	<u>250,000,070</u>

Note:

Infrastructure Leasing & Financial Services Limited, being the holding company, holds 58.34% of the equity share capital of the Company

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2000 Rupees	As at 31.03.1999 Rupees
SCHEDULE 2		
LOAN FUNDS		
<i>Secured Loans</i>		
a. Debenture and Bonds		
207,800, 14% Fully Convertible Debentures of Rs. 1000 each (See Note 4a)	207,800,000	Nil
100,000, Deep Discount Bonds of face value of Rs 45,000 each Less: Unexpired Discount (See Note 4b)	4,500,000,000 <u>3,969,841,000</u>	530,159,000 Nil
b. Term Loans (See Note 4c)		
Banks	440,000,000	260,000,000
Financial Institutions	50,000,000	50,000,000
Others	<u>600,000,000</u>	<u>600,000,000</u>
	1,090,000,000	910,000,000
Interest Accrued & due on term loans	Nil	64,275
<i>Unsecured loans</i>		
Short term loan Due within one year Rs. Nil (Previous year Rs. 133,798,723)	Nil	133,798,723
	<u>1,827,959,000</u>	<u>1,043,862,998</u>

Notes:

- a. Fully Convertible Debentures of Rs. 1,000 each are compulsorily convertible into 100 equity shares of Rs. 10 each at par after 36 months from the date of issue - 3 November 1999
- b. Deep Discount Bonds issued at Rs. 45,000 each would be redeemed at Rs. 45,000 each at the end of the 16th year from the date of allotment - 3 November 1999

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 3

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				(All amounts in Rupees) NET BLOCK	
	As at 1 April, 1999	Additions during the year	Deletions	As at 31 March, 2000	As at 1 April, 1999	For the year	On Deletions	As at 31 March, 2000	As at 31 March, 2000	As at 31 March, 1999
	Data Processing Equipment	1,259,203	659,361	-	1,918,564	133,692	662,493	-	796,185	1,122,379
Office Equipment	1,308,056	908,743	132,430	2,084,369	53,641	367,408	4,311	416,738	1,667,631	1,254,415
Vehicles	2,634,054	1,250	-	2,635,304	253,044	617,694	-	870,738	1,764,566	2,381,010
Furniture & Fixtures	387,942	1,194,483	159,352	1,423,073	8,081	347,070	21,198	333,953	1,089,120	379,861
Total	5,589,255	2,763,837	291,782	8,061,310	448,458	1,994,665	25,509	2,417,614	5,643,696	5,140,797
<i>Previous Year</i>	<i>168,875</i>	<i>5,420,380</i>		<i>5,589,255</i>	<i>36,170</i>	<i>412,288</i>	<i>-</i>	<i>448,458</i>	<i>5,140,797</i>	<i>132,705</i>

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2000 Rupees	As at 31.03.1999 Rupees
SCHEDULE 4		
CAPITAL WORK IN PROGRESS		
(See Note 3)		
a. Project Assets		
Leasehold Land	116,557,000	184,937,000
Road	13,902,000	13,902,000
Bridge	34,770,000	34,770,000
	165,229,000	233,609,000
b. Capital Advances		
	1,538,755,338	750,031,686
c. Unallocated Project Preoperative Expenditure		
	656,701,581	358,665,885
	2,360,685,919	1,342,306,571

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As at 31.03.2000 Rupees</u>	<u>As at 31.03.1999 Rupees</u>
SCHEDULE 5		
INVESTMENTS		
Current, Quoted, Other than Trade Investments		
(i) Templeton Gilt Fund -- 6,362,336 units (previous year Nil) of face value of Rs.10 each	64,418,740	Nil
(ii) Kotak Mahindra K-Gilt (Investment Plan) -- 807,429 units (previous year Nil) of face value of Rs.10 each	8,458,139	Nil
(iii) SBI Liquibond Fund -- 4,884,100 units (previous year Nil) of face value of Rs.10 each	50,000,000	Nil
(iv) Sun F&C Money Value Fund -- 3,124,749 units (previous year Nil) of face value of Rs.10 each	31,341,235	Nil
(v) Prudential ICICI Income Fund -- 985,629 units (previous year Nil) of face value of Rs.10 each	10,023,846	Nil
(vi) Chola Freedom income (Regular Plan) -- 2,678,153 units (previous year Nil) of face value of Rs.10 each	26,969,002	Nil
	<u>191,210,962</u>	<u>Nil</u>

Notes:

1. All investments have been made out of balance of unutilised money raised through the public issue of 100,000 Deep Discount Bonds aggregating to Rs. 500 mn and 207,800 Secured Fully Convertible Debentures (FCDs) aggregating to Rs. 207.80 mn

2. Aggregate value of quoted investments

	<u>As at 31.03.2000 Rupees</u>	<u>As at 31.03.1999 Rupees</u>
Cost	195,541,758	Nil
Market value	191,210,962	Nil

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As at</u> 31.03.2000	<u>As at</u> 31.03.1999
	Rupees	Rupees
SCHEDULE 6		
CASH AND BANK BALANCES		
Cash in hand	14,683	99,021
Balances with scheduled banks		
- In Current accounts	3,970,241	141,652,227
- In Deposit accounts	50,000,000	Nil
	<u>53,984,924</u>	<u>141,751,248</u>

Notes:-

1. Balances with scheduled banks in deposit accounts have been made out of money raised through public issue of 100,000 Deep Discount Bonds aggregating Rs. 500 mn and 207,800 secured Fully Convertible Debentures (FCDs) aggregating Rs 207.80 mn

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2000 Rupees	As at 31.03.1999 Rupees
<u>SCHEDULE 7</u>		
LOANS AND ADVANCES		
Advances recoverable in cash or kind for value to be received	10,106,374	9,264,862
Deposits with others	<u>16,898,000</u>	<u>13,362,000</u>
	<u>27,004,374</u>	<u>22,626,862</u>
Of the above;		
a. Amounts fully secured	11,600,000	11,600,000
b. Unsecured, considered good	<u>15,404,374</u>	<u>11,026,862</u>
	<u>27,004,374</u>	<u>22,626,862</u>
c. Amounts due from Directors	284,042	383,636
d. Maximum amount due from Directors during the year	383,636	408,531

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2000 Rupees	As at 31.03.1999 Rupees
SCHEDULE 8		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry creditors (other than small scale industrial undertakings)	191,745,443	144,282,845
Other liabilities	45,008,379	7,440,528
Interest accrued but not due on secured loans	1,777,281	4,676,515
	238,531,103	156,399,888
Provisions		
Provision for income tax	2,759,299	50,578
Less: Advance Tax	(2,759,299)	Nil
Provision for Wealth Tax	7,110	Nil
Provision for retirement benefits (See Note 2d)	714,679	436,958
	721,789	487,536
	239,252,892	156,887,424

NOIDA TOLL BRIDGE COMPANY LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	<u>As at 31.03.2000</u> Rupees	<u>As at 31.03.1999</u> Rupees
SCHEDULE 9		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses	3,789,155	3,789,155
Expenses incurred on public issue of Fully Convertible Debentures and Deep Discount Bonds	41,092,932	2,578,261
	<u>44,882,087</u>	<u>6,367,416</u>

NOIDA TOLL BRIDGE COMPANY LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 10: NOTES FORMING PART OF THE ACCOUNTS

1. Background

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. 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 with a designated rate of return over the 30 year concession period or till such time the designated return is recovered, whichever is earlier. 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 recoveries shall be made through the levy of fees over the concession period as per the Concession Agreement.

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. As at 31 March, 2000 as the Company had not commenced commercial operations, a statement of the Profit or Loss has not been prepared. Information required to be furnished by the Company in accordance with Part II of Schedule VI forming part of the Companies Act, 1956 has been disclosed in statement of Preoperative Expenditure forming part of accounts and to the extent applicable, in Schedule 10. Notes forming part of the Accounts.

b. Fixed assets

Fixed assets, other than project assets, are stated at their original cost of acquisition including incidental expenses relating to the acquisition and installation of the assets.

c. Depreciation

Depreciation on fixed assets (other than project assets) is provided on the written down value method using rates prescribed by Schedule XIV to the Companies Act, 1956.

Depreciation on Project assets (Delhi Noida Link Bridge) will be provided upon commissioning and commencement of commercial operations using the sinking fund method as approved by the Department of Company Affairs, Government of India, vide their letter reference no. 6/18/98 - CLV dated 11 August, 1998.

d. Retirement benefits

The provision for gratuity as at 31 March, 2000 has been made based on an actuarial valuation provided by LIC.

The money value of unutilised leave due to the employees in terms of the service conditions is included under Preoperative expenses on the basis of leave due to an employee at the year end.

e. Investments

Current investments are valued at lower of cost or market value, determined on an aggregate basis.

f. 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 ruling 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.

g. Miscellaneous expenditure

Miscellaneous expenditure will be amortised over a period of five years on commissioning of the project and commencement of commercial activities.

3. Capital Work In Progress

Capital work in progress includes:

- i. Project assets comprising expenditure incurred/reimbursed to the Government of the National Capital Territory of Delhi and the New Okhla Industrial Development Authority, Government of Uttar Pradesh towards the cost of land, roads, sub bridge, etc., which will form part of the overall project assets of the Delhi Noida Link Bridge.

The cost of land included under project assets also includes reimbursements made to the Government of the National Capital Territory of Delhi and the New Okhla Industrial Development Authority, Government of Uttar Pradesh and estimates by the Company for additional amounts payable towards compensation and other rehabilitation and resettlement costs. (See also note 5.c below).

- ii. Advances paid to contractors relating to the Delhi Noida Link Bridge Project, erection of Toll plaza and construction of flyover at Ashram Chowk (including estimates for work done in March 2000 and escalations due, as estimated by the Company, bills for which are awaited)
- iii. Expenditure incurred in connection with the Delhi Noida Link Bridge pending allocation to fixed assets on commissioning of the Delhi Noida Link Bridge.

4. Secured Loans

- a. Fully Convertible Debentures (FCDs) are secured by second charge in favour of the trustees on all the project assets of the Company 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. Further Infrastructure Leasing & Financial Services Limited has provided an unconditional and irrevocable guarantee for the payment of interest on FCDs.

- b. 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.
- c. 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, authorisations, 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.

5. Contingent Liabilities

Contingent liabilities in respect of:

		As at 31.03.2000 Rs./Million	Previous Year Rs./Million
a	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances paid against such contracts Rs. 1,408.76 million (Previous year Rs. 751.40 million)	991.32	157.06
b	Bank guarantee submitted by the Company to The UP Stock Exchange Association Ltd., Kanpur in terms of the listing agreement	3.54	NIL

The Company has reimbursed the Government of the National Capital Territory of Delhi and the New Okhla Industrial Development Authority,

Government of Uttar Pradesh towards the cost of land, roads, sub bridge, etc. based on claims received from the respective governments which includes compensation paid for the land acquired. The Company is required to reimburse the respective governments any additional amounts that they may be called upon to pay as additional compensation. At this stage, it is not possible to estimate the amounts, if any, that could become payable on this account. Accordingly, no provision for the same has been made in these accounts.

- d. 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.

6. Expenditure in Foreign Currency

	Year Ended 31.03.2000 Rupees	Previous Year Rupees
a. Travel	678,774	427,696
b. Payments to Contractors	481,302,710	218,183,057
c. Consultancy	10,344,907	NIL

7. Managerial Remuneration

The Managing Director's remuneration includes:

	Year Ended 31.03.2000 Rupees	Previous Year Rupees
a. Salaries	1,205,550	595,000
b. Contribution to Provident and other funds (excluding gratuity)	315,563	160,650
c. Monetary value of perquisites	690,858	288,217
TOTAL	2,211,971	1,043,867

As there are no profits during the year under section 349 of the Companies Act, 1956, the remuneration paid to the Managing Director is as per the approval of the Central Government dated 17.05.1999.

8. Auditors' Remuneration

Auditors' remuneration classified under Preoperative expenditure includes:

	Year Ended 31.03.2000 Rupees	Previous Year Rupees
a. As Auditors	100,000	100,000
b. For Other Services	114,990	55,500
c. Reimbursement of out of pocket expenses	5,816	3,560
d. Service Tax	10,650	6,000
TOTAL	231,466	165,060

9. **Income**

Income from investments and others for the year includes:

Particulars	Year ending 31.03.2000 (Rs.)	Previous Year (Rs.)
Interest on deposits with scheduled banks	7,106,311	84,920
Dividends on mutual funds	19,979,665	Nil
Short term capital loss on sale of investments	(6,850,127)	Nil
Other income (net)	160,571	59,589
	<u>20,396,420</u>	<u>144,509</u>
Less: Provision for income tax	(2,760,059)	(50,578)
	<u>17,636,361</u>	<u>93,931</u>

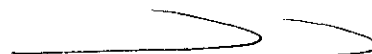
10. **Deep Discount Bonds**

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. The proportionate interest for the current year has been included in the statement of preoperative expenses.

11. **Previous Year's Comparatives**

Figures for the previous year have been regrouped/reclassified to conform to current year's presentation.

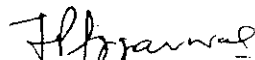
For and on behalf of
NOIDA TOLL BRIDGE COMPANY LIMITED



Managing Director



Director



Vice President
Finance



Company Secretary

New Delhi

Date : 5 April 2000