

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended 31st March, 2012.

I. FINANCIAL RESULTS

Rupees in Lakhs

Sl. No	Particulars	2011-12	2010-11
1	Income for the year	5571.77	5176.16
2	Less: Expenditure	(665.53)	(753.33)
3	Profit Before Depreciation & Tax (PBDT)	4906.24	4422.83
4	Less: Depreciation	(1129.68)	(1178.62)
5	Profit / (Loss) before tax (PBT)	3776.56	3244.21
6	Less: Provision for tax	(755.60)	(646.59)
7	Profit / (Loss) after tax (PAT)	3020.96	2597.62
8	Balance brought forward from previous year	8243.34	5645.72
9	Profit available for appropriation	11264.30	8243.34
10	Balance carried to Balance Sheet	11264.30	8243.34

II. APPROPRIATIONS

were no appropriations made during the year 2011-12.

III. DIVIDEND

Your Directors prefer to retain the profit available for the purposes of appropriation for future operational requirements and hence dividend is not recommended for the year 2011-12.

IV. PERFORMANCE OF THE COMPANY

The revenue for the Company rose by 4.3% from Rs. 4373.54 Lakhs in 2010-11 to Rs. 4560.03 Lakhs in 2011-12.

The Company is currently in the last year of its Operations as the Concession period is ending on December 20, 2012.

V. CAPITAL EXPENDITURE

During the year, your Company has added fixed assets amounting to Rs. 60.20 lakhs thereby the Gross fixed assets of the Company stood at Rs. 14175.56 Lakhs and the net fixed assets stood at Rs. 890.27 Lakhs after charging off depreciation to an extent of Rs. 1129.68 Lakhs as on March 31, 2012.

VI. AUDITORS' REPORT

The Auditors' Report to the Shareholders does not contain any qualifications.

VII. DEPOSITS

The Company has not accepted any deposits from the public.

VIII. MATERIAL CHANGES, IF ANY BETWEEN DATE OF THE BALANCE SHEET AND DATE OF THE DIRECTORS' REPORT

There are no material changes to be reported between date of the Balance Sheet and date of the Directors' Report

IX. DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER THE COMPANIES' (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

- **Conservation of Energy**

As the Company is engaged in developing, operating and maintaining a Bridge / Road, the provisions relating to conservation of energy does not apply.

- **Technology Absorption**

There was no Technology absorption during the year 2011- 12.

- **Foreign Exchange Earnings and Outgo**

There was no usage or earning of any foreign currency in the course of transactions during the year 2011-12.

X. PARTICULARS OF EMPLOYEES

There are no employees covered by the provisions of the Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

XI. SUBSIDIARY COMPANIES

Your Company does not have any subsidiary companies under its purview.

XII. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the annual accounts have been prepared on a going concern basis; and
- v. That proper systems are in place to ensure compliance of all laws applicable to the Company.

XIII. DIRECTORS

Mr. R. Chandrasekaran, Director who retires by rotation at this Annual General Meeting, being eligible, offer himself for re-appointment.

Mr. T. S. Sundaresan, Director, submitted his resignation as Director with effect from April 12, 2012.

The present Directors are as follows:

- a) Mr. B. Ramakrishnan
- b) Mr. Karthikeyan T. V.
- c) Mr. R. Chandrasekaran

XIV. AUDIT COMMITTEE

The Audit Committee consists of three non executive directors. The present members of the committee are:

1. Mr. B. Ramakrishnan
2. Mr. Karthikeyan T. V.
3. Mr. R. Chandrasekaran

The role, terms of reference, the authority and power of Chairman are in conformity with the requirements of the Companies act, 1956.

The Committee met periodically during the year and held discussions with the auditors on internal control systems and internal audit report.

XV. REMUNERATION COMMITTEE

The Remuneration Committee consists of three non executive directors. The present members of the committee are:

1. Mr. B. Ramakrishnan
2. Mr. Karthikeyan T. V.
3. Mr. R. Chandrasekaran

The role, terms of reference, the authority and power of Chairman are in conformity with the requirements of the Companies act, 1956.

XVI. AUDITORS

The Auditors, M/s Sharp & Tannan, Chartered Accountants, being statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act.

XVII. COMPLIANCE WITH VOLUNTARY CORPORATE GOVERNANCE GUIDELINES, 2009

The Company has familiarized itself with the requirement of the Corporate Governance Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs and it is in the process of implementing many of the suggestions. Our compliance with the said guidelines is given below—

A) SEPARATION OF OFFICES OF CHAIRMAN & CHIEF EXECUTIVE

The Chairman is elected during each Board Meeting by the Directors from amongst those present. All the Directors are Non-Executive and the role of Chairman is confined to the proper conduct of the Board Meeting. The Manager of the Company, as per the Companies Act 1956, handles the responsibilities envisaged for a Chief Executive and the occupant of the position is not a Board Member and attends the Board Meetings only as invitee. In this manner the separation of offices of Chairman & Manager is ensured as per the requirement of guidelines.

B) REMUNERATION OF DIRECTORS & MANAGER

The Directors are not paid any remuneration by way of sitting fees, etc. The remuneration paid to Mr. Vijai Gupta, Manager, is NIL.

C) INDEPENDENT DIRECTORS

None of the Directors are involved in the day to day affairs of the Company.

Number of Companies in which an Individual may become a Director

The Company has appraised its board members about the restriction on number of other directorships and the same is being complied with.

D) RESPONSIBILITIES OF THE BOARD

Presentations to the Board in areas such as financial results, budgets, business prospects, etc. give the Directors, an opportunity to interact with senior managers and other functional heads. Directors are also updated about their role, responsibilities and liabilities.

The Company ensures necessary training to the Directors relating to its business through formal/ informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable / discharge his duties. The Directors are given time to study the data and contribute effectively to Board discussions. The Non-Executive Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees. Their inputs are also utilized to determine the critical skills required for prospective candidates for election to the Board. The system of risk assessment and compliance with statutory requirements are in place.

E) STATUTORY AUDITORS

The Company has obtained a certificate from the auditors certifying its independence and arm's length relationship with the Company. The Company does not advocate rotation of Auditors as envisaged in these guidelines in view of the domain knowledge acquired by the Auditors over a period of time.

F) INTERNAL AUDITORS

M/s. Pankaj R. Shah & Associates, Chartered accountants, provides internal audit services to the Company.

G) INTERNAL CONTROL

The Board ensures the effectiveness of the Company's system of internal controls including financial, operational and compliance controls and risk management systems.

H) SECRETARIAL AUDIT

The Secretarial Audit, at regular intervals, is conducted by the Corporate Secretarial department of Larsen & Toubro Limited, which has competent professionals to carry out the said audit.

XVIII. ACKNOWLEDGEMENTS

The Directors acknowledge the invaluable support extended to the Company by the Financial Institutions, Bankers, employees of the Company and management staff of the parent Company.

For and on behalf of the Board

Place : Chennai
Date : April 12, 2012

KARTHIKEYAN T. V.
Director

R. CHANDRASEKARAN
Director

AUDITORS' REPORT**TO THE MEMBERS OF NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED**

We have audited the attached balance sheet of Narmada Infrastructure Construction Enterprise Limited as at March 31, 2012 and the statement of income and expenditure for the year ended on March 31, 2012 and the cash flow statement for the year 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.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those 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.

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report that:

1. 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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in paragraph 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 purpose of the audit;
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of these books;
 - (c) the balance sheet, statement of income and expenditure and cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the balance sheet, statement of income and expenditure 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, to the extent applicable; and
 - (e) on the basis of the written representations received from the directors of the Company as on March 31, 2012, and taken on record by the board of directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies in note F and other notes thereon, 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:

1. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
2. in the case of statement of income and expenditure, of the excess of expenditure over income for the year ended March 31, 2012; and
3. in case of the cash flow statement, of the cash flows for the year ended on that date.

SHARP & TANNAN
Chartered Accountants
ICAI registration no. 109982W

V. R. LALITHA
Partner
Membership No. 18284

Place : Chennai
Date : April 12, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, these fixed assets have been physically verified by the management, in accordance with a phased programme of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
(c) The Company has not disposed of any substantial part of its fixed assets during the year so as to affect its going concern status.
2. (a) As explained to us, inventories have been physically verified by management at reasonable intervals during the year.
(b) As per the information given to us, the procedures of physical verification of inventory followed by management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on such verification.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of the paragraph 4(iii)(b), (c), (d), (f) and (g) of the Order are not applicable.

NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in to the register maintained under Section 301 of Companies Act 1956, have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.
7. The Company is having internal audit system commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
(a) 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, service tax, custom duty, excise duty, cess and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period exceeding six months from the date they became payable.
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax as at March 31, 2012 which has not been deposited on account of any disputes:

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Disallowance under Section 14A and rate of depreciation	4,60,828	A.Y. 2008-09	CIT (Appeals)

(*net of pre-deposit paid in getting the stay/ appeal admitted)

10. The Company has no accumulated losses as at March 31, 2012 and it has not incurred cash losses in the financial year and also in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued any debentures. Accordingly, reporting on paragraph 4(xi) of the Order is not applicable.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, reporting on paragraph 4(xii) of the Order is not applicable.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in mutual funds have been held by the Company in its own name.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, reporting on paragraph 4(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations given to us, on overall basis the term loan have been applied for the purpose for which it was obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that there are no funds raised on short-term basis which are used for long-term investments.
18. The Company has not made any preferential allotment of shares during the year. Accordingly, reporting on paragraph 4(xviii) of the Order is not applicable.
19. The Company has not issued any debentures during the year. Accordingly, reporting on paragraph 4(xix) of the Order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, reporting on paragraph 4(xx) of the Order is not applicable.
21. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by management.

SHARP & TANNAN
Chartered Accountants
(ICAI Registration No. 003792S)

V. R. LALITHA
Partner
Membership No. 18284

Place : Chennai
Date : April 12, 2012

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note	As at 31.03.2012	As at 31.03.2011
		Rupees	Rupees
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	A	473,500,070	473,500,070
Reserves and surplus	B	1,126,429,676	824,334,459
		1,599,929,746	1,297,834,529
Current liabilities			
Short-term borrowings	C(I)	165,942,250	2,044,500
Trade payables	C(II)	2,177,130	2,088,702
Other current liabilities	C(III)	1,613,476	1,490,856
Short-term provisions	C(IV)	76,567,604	65,348,424
		246,300,460	70,972,482
TOTAL		1,846,230,206	1,368,807,011
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	D(I)	84,317,830	194,131,677
Intangible assets	D(II)	4,538,971	1,673,175
Intangible assets under development		169,862	719,708
		89,026,663	196,524,560
Long-term loans and advances	E	1,563,345,392	–
Current Assets			
Cash and bank balances	F(I)	42,522,340	70,132,860
Short-term loans and advances	F(II)	151,335,811	1,102,149,591
		193,858,151	1,172,282,451
TOTAL		1,846,230,206	1,368,807,011
Contingent liabilities and Commitment	G		
Significant Accounting Policies	J		

Notes referred to above form an integral part of the Balance Sheet.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI Registration No. 003792S)
By the hand of

V. R. LALITHA

Partner
Membership No. 18284

VIJAI GUPTA

Manager

KARTHIKEYAN T. V.

Director

R. CHANDRASEKARAN

Director

Place : Chennai
Date : April 12, 2012

Place : Chennai
Date : April 12, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note	2011-12		2010-11	
		Rupees	Rupees	Rupees	Rupees
REVENUE					
Revenue from operations	H(I)	456,003,793		437,354,872	
Other income	H(II)	101,173,074		80,261,202	
Total Revenue			557,176,867		517,616,074
EXPENSES					
Operating and maintenance expenses	I (I)	41,368,670		29,626,072	
Employee benefit expenses	I (II)	7,111,769		5,996,787	
Administration and other expenses	I (III)	16,702,498		9,840,305	
Finance costs	I (IV)	1,370,481		29,879,885	
Depreciation and Amortisation expenses	D(I), D(II)	112,967,843		117,862,193	
Total Expenses			179,521,261		193,205,242
Profit Before Tax			377,655,606		324,410,832
Tax expense:					
Current tax		75,560,389		64,655,069	
Fringe Benefit Tax		—		3,148	
			75,560,389		64,658,217
Profit After Tax			302,095,217		259,752,615
Earnings per share (Ref Note No. K (VII))					
- Basic & Diluted			6.38		5.49
Face value per equity share			10.00		10.00
Significant Accounting Policies	J				

Notes referred to above form an integral part of the Profit and Loss Statement.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI Registration No. 003792S)
By the hand of

V. R. LALITHA

Partner
Membership No. 18284

VIJAI GUPTA

Manager

KARTHIKEYAN T. V.

Director

R. CHANDRASEKARAN

Director

Place : Chennai
Date : April 12, 2012

Place : Chennai
Date : April 12, 2012

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2012

S. No. Particulars	2011-12 Rupees	2010-11 Rupees
A Cash flow from operating activities		
Profit before tax (excluding extraordinary items)	377,655,606	324,420,715
Adjustments for :		
Depreciation	112,967,843	117,862,193
Dividend received	–	(18,071)
Interest expense	1,370,481	29,879,885
Interest income	(72,448,978)	(34,298,135)
(Profit) / Loss on sale of investments (net)	(28,387,085)	(45,402,242)
Operating profit before working capital changes	391,157,867	392,444,345
Adjustments For :		
(Increase) / Decrease in trade and other receivables		
(Increase) / Decrease in Loans and Advances	61,506,267	47,478,929
Increase / (Decrease) in trade payables	99,767,589	(45,848,605)
Cash generated from operations	552,431,723	394,074,669
Direct taxes paid (net of refund)	(69,832,679)	(61,940,163)
Net cash from operating activities	482,599,044	332,134,506
Cash flow from Investing activities :		
Purchase of fixed assets (net)	(5,469,946)	(2,720,029)
Loans / Advances to holding company & fellow subsidiaries (net)	1,036,500,000	(1,036,500,000)
Purchase of investments	(1,846,855,199)	(7,502,657,536)
Sale of investments	1,875,242,284	7,548,059,778
Dividend Received from Other Investments	–	18,071
Interest received from Short term Investments	16,720,637	34,298,135
Net cash (used in) / from investing activities	1,076,137,776	(959,501,581)
Cash flow from financing activities		
(Repayment) / proceeds from other borrowings	–	(449,600,000)
Loans to related parties (Fellow subsidiaries)	(1,640,705,200)	–
Interest paid	(1,370,481)	(29,879,885)
Interest received from Long term Investments	55,728,341	–
Net cash (used in) / from financing activities	(1,586,347,340)	(479,479,885)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(27,610,520)	(1,106,846,960)
Cash and cash equivalents as at the beginning of the year	70,132,860	1,176,979,820
Cash and cash equivalents as at end of the year	42,522,340	70,132,860

NOTES

1. Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3; " Cash Flow Statement " as per Companies (Accounting Standard) Rules,2006.
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year's figures have been regrouped/reclassified wherever applicable

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI Registration No. 003792S)
By the hand of

V. R. LALITHA
Partner
Membership No. 18284

VIJAI GUPTA
Manager

KARTHIKEYAN T. V.
Director

R. CHANDRASEKARAN
Director

Place : Chennai
Date : April 12, 2012

Place : Chennai
Date : April 12, 2012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	Rupees	No of Shares	Rupees
A SHARE CAPITAL				
Authorised				
Equity Shares of Rs.10/- each	60,000,000	600,000,000	60,000,000	600,000,000
Issued				
Equity Shares of Rs.10/- each	47,350,007	473,500,070	47,350,007	473,500,070
Subscribed and fully paid up				
Equity Shares of Rs. 10 each	47,350,007	473,500,070	47,350,007	473,500,070
TOTAL	47,350,007	473,500,070	47,350,007	473,500,070

A(1). Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Subscribed and fully paid up	As at 31.03.2012		As at 31.03.2011	
	No of Shares	Rupees	No of Shares	Rupees
At the beginning of the year	47,350,007	473,500,070	47,350,007	473,500,070
Issued during the year as fully paid	—	—	—	—
At the end of the year	47,350,007	473,500,070	47,350,007	473,500,070

A(2). Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend.

No shares have been reserved for issue under options and contracts/commitments for sale of shares/disinvestment.

A(3). Shares held by Holding / Ultimate holding company and/or their subsidiaries/associates:

Particulars	Relationship	As at 31.03.2012	As at 31.03.2011
		No of Shares	No of Shares
L&T Infrastructure Development Projects Limited	Holding Company	6,701,500	6,701,500
Larsen and Toubro Limited	Ultimate Holding Company	12,648,501	12,648,501
L&T Western India Tollbridge Limited	Holding Company	28,000,000	28,000,000

A(4). Details of Shareholders holding more than 5% shares in the Company:

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	%	No of Shares	%
L&T Western India Tollbridge Limited, Holding Company	28,000,000	59.13%	28,000,000	59.13%
L&T Infrastructure Development Projects Limited, Holding Company	6,701,500	14.15%	6,701,500	14.15%
Larsen and Toubro Limited, Ultimate Holding Company	12,648,501	26.71%	12,648,501	26.71%

Particulars	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
B RESERVES AND SURPLUS				
Surplus in the Statement of Profit and Loss				
Balance as per the last financial statement	824,334,459		564,571,961	
Add: Profit for the year	302,095,217		259,762,498	
		1,126,429,676		824,334,459
TOTAL		1,126,429,676		824,334,459

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
C(I) SHORT TERM BORROWINGS				
Inter corporate borrowings : Unsecured				
Loans from related party (Holding Company)	165,000,000		—	
Deposits	942,250	165,942,250	2,044,500	2,044,500
TOTAL		165,942,250		2,044,500

C (I) 1. DETAILS OF LOAN FROM RELATED PARTY- UNSECURED

Particulars	Rate of Interest as at 31.03.2012	Rupees	Term of Repayment
L&T Infrastructure Development Projects Limited	9.5% p.a. payable monthly	165,000,000	Due on September 13, 2012
TOTAL		165,000,000	

C(II) TRADE PAYABLES

Due to Micro and small enterprises (Refer Note No. C (II) 1)	—	—
Due to others	2,177,130	2,088,702
TOTAL	2,177,130	2,088,702

- C (II) 1.** There have been no transactions with Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence, reporting details of principal and interest does not arise.

C(III) OTHER CURRENT LIABILITIES

Other payables				
Due to Holding Company	389,688		—	
Due to Fellow Subsidiary	—		647,737	
Liability for Expenses	731,001		373,267	
Statutory liabilities	492,787	1,613,476	469,852	1,490,856
TOTAL		1,613,476		1,490,856

C(IV) SHORT TERM PROVISIONS

Provisions for Employee Benefits				
Provision for gratuity (Note no. I (II) 1)		547,878		498,182
Provision for leave encashment (Note no.I (II) 2)		459,337		195,173
Other Provisions				
Current Tax		75,560,389		64,655,069
TOTAL		76,567,604		65,348,424

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**D(I) - FIXED ASSETS**

Particulars	COST			DEPRECIATION / AMORTISATION			BOOK VALUE	
	As at 01.04.2011	Additions	As at 31.03.2012	Up to 31.03.2011	For the year	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets :								
Toll Road & Bridges	1,388,605,578	–	1,388,605,578	1,202,916,872	106,107,830	1,309,024,702	79,580,876	185,688,706
Building								
Owned	102,132	171,684	273,816	87,680	102,684	190,364	83,452	14,452
Leased out	2,406,223	–	2,406,223	430,993	50,864	481,857	1,924,366	1,975,230
Plant & Equipment	14,254,696	–	14,254,696	8,456,740	3,313,113	11,769,853	2,484,843	5,797,956
Furniture & Fixture	400,719	–	400,719	284,296	66,511	350,807	49,912	116,423
Office Equipment	1,379,571	–	1,379,571	1,122,826	165,115	1,287,941	91,630	256,745
Computers	1,901,456	–	1,901,456	1,623,561	176,975	1,800,536	100,920	277,895
Vehicles	710,065	–	710,065	705,795	2,439	708,234	1,831	4,270
Sub Total (A)	1,409,760,440	171,684	1,409,932,124	1,215,628,763	109,985,531	1,325,614,294	84,317,830	
Previous year	1,409,535,948	224,492	1,409,760,440	1,097,869,224	117,759,539	1,215,628,763		194,131,677

D(II) - INTANGIBLE ASSETS

Intangible Asset :								
Specialised Software	1,775,829	5,848,108	7,623,937	102,654	2,982,312	3,084,966	4,538,971	1,673,175
Sub Total (B)	1,775,829	5,848,108	7,623,937	102,654	2,982,312	3,084,966	4,538,971	
Previous year	–	1,775,829	1,775,829	–	102,654	102,654		1,673,175
Add : Intangible assets under development							169,862	719,708
Grand Total (A + B)	1,411,536,269	6,019,792	1,417,556,061	1,215,731,417	112,967,843	1,328,699,260	88,856,801	–

Note: Bridge over river Narmada constructed on land provided by Government of Gujarat under the Concession Agreement dated 21st November, 1997 with Ministry of Surface Transport, Government of India and Public Works Department, Government of Gujarat and the cost incurred for the said bridge is being depreciated equally over the operations period commencing from 11th November, 2000 to 20th December, 2012.

Particulars	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
E(I) LONG TERM LOANS AND ADVANCES				
Loans and advances to related parties				
Unsecured, Considered good				
Loans to Fellow Subsidiary Companies		1,563,345,392		–
TOTAL		1,563,345,392		–
F (I) CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Balances with banks				
on Current account	2,306,970		38,118,461	
on Bank deposits with less than 3 months maturity (including interest accrued thereon)	2,501,363		5,592,007	
Cash on hand	5,797,276		4,630,276	
		10,605,609		48,340,744
Other Bank Balances				
Bank Deposits with more than 3 months maturity including interest accrued thereon	30,369,492		20,336,576	
Margin Money Deposit including interest accrued thereon	1,547,239		1,455,540	
		31,916,731		21,792,116
		42,522,340		70,132,860

F (I) 2 Margin Money Deposit given as security against Bank Guarantee furnished to National Highway Division, Gujarat

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
F (II) SHORT TERM LOANS AND ADVANCES				
Loans and advances to related parties				
Unsecured, Considered good				
Loans to Fellow Subsidiary Companies		77,359,808		1,036,500,000
Other Loans and Advances				
Unsecured, Considered good				
Others		73,910,913		65,584,501
Security Deposit				
Unsecured, Considered good - Electricity Deposit		65,090		65,090
TOTAL		151,335,811		1,102,149,591
G CONTINGENT LIABILITIES AND COMMITMENT				
Contingent liabilities as at March 31, 2012 is NIL. (Previous year: Nil)				
Capital Commitments as at March 31, 2012 is Rs. 315,458 (Previous year : Rs. 2,159,122)				
Particulars	2011-12		2010-11	
	Rupees	Rupees	Rupees	Rupees
H (I) REVENUE FROM OPERATIONS				
Fee Collections - Road and Bridge		456,003,793		437,354,872
TOTAL		456,003,793		437,354,872
H (II) OTHER INCOME				
Interest Income on				
Bank Deposits	1,739,322		14,240,236	
Inter Corporate Deposits				
From holding company and fellow subsidiaries	14,981,315		20,057,899	
Loans from Related Parties				
From fellow subsidiaries	55,728,341			
		72,448,978		34,298,135
Net gain on sale of current Investments		28,387,085		45,402,242
Dividend from current investments - Mutual Funds				18,071
Insurance Claims		337,011		542,754
TOTAL		101,173,074		80,261,202
I (I) OPERATING AND MAINTENANCE EXPENSES				
Toll Management Fees		6,890,488		6,957,599
Security Services		5,562,918		4,377,325
Insurance		2,014,442		2,181,007
Repairs and Maintenance-Toll Road & bridge		22,065,614		11,562,871
General Repairs & maintenance		3,788,227		3,508,805
Power & electricity charges		1,046,981		1,038,465
TOTAL		41,368,670		29,626,072

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	2011-12		2010-11	
	Rupees	Rupees	Rupees	Rupees
I (II) EMPLOYEE BENEFIT EXPENSES				
Salaries, wages & bonus		5,885,838		4,973,397
Contribution to and Provisions for:				
Provident Fund	261,358		195,474	
Leave encashment	279,844		14,957	
Gratuity Expense	134,504		158,986	
		675,706		369,417
Staff welfare expenses		550,225		653,973
TOTAL		7,111,769		5,996,787
I (III) ADMINISTRATION AND OTHER EXPENSES				
Rates & taxes		30,045		26,159
Rent		105,050		198,150
Professional fees (Refer Note No. I (III) 1)		2,225,222		677,405
Printing & stationery		856,465		820,817
Postage & Communication		164,250		223,373
Travelling & conveyance		1,888,356		1,698,354
Business Support Service Exp		4,640,655		–
O&M Expenditure		5,029,724		4,824,027
Miscellaneous expenses		1,762,731		1,372,020
TOTAL		16,702,498		9,840,305
I (III) 1. Auditor Remuneration (excluding Service Tax)		31-03-2012		31-03-2011
Auditor		180,000		180,000
For taxation matters		40,000		25,000
For other services		9,000		14,950
Reimbursement of Expense		–		2,675
TOTAL		229,000		222,625
I (IV) FINANCE COSTS				
Interest expenses		1,370,481		29,879,885
TOTAL		1,370,481		29,879,885

J SIGNIFICANT ACCOUNTING POLICIES**1 Basis of Accounting:**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006 prescribed by the Central Government. The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful life of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates.

2 Revenue

- Fee collections from users of facility are accounted for as and when the amount is due and recovery is certain.
- Dividend income is recognized when the right to receive is established.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

- c) Interest income is accrued at applicable rates.
- d) Other items of income are accounted as and when the right to receive arises.

3 Employee Benefits

(i) Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(ii) Post-Employment Benefits

(a) Defined Contribution Plans: the Company's obligation to employees provident fund is a defined contribution plan. The contribution paid/payable is recognized in the period in which the employee renders the related service.

(b) Defined Benefit Plans: The Company's obligation towards gratuity is a defined benefit plan.

The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

(iii) Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in (ii) (b) above.

4 Fixed Assets

Tangible Assets

Fixed Assets are stated at original cost less accumulated depreciation.

5 Depreciation

Depreciation on assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. Assets constructed / installed on land taken on lease are amortised over a period of the rights given under the concession agreement dated November 21, 1997 with the Ministry of surface Transport, Government of India Ministry of Roads & Bridge, NH Division, Government of Gujarat.

However in respect of the following asset categories the Depreciation is provided at higher rates in line with their revised estimated useful life with effect from January 1, 2011.

Category of Asset	Depreciation Rate (% per annum)
Building – Residential	2.00%
Office Equipment	25.00%
Computers – Desktop	16.67%
Computers – Laptop	25.00%
Furniture and Fixtures	10.00%
Motor Cars	14.29%
Motor Bike	9.50%
Air conditioners	8.33%
Toll Equipments	14.29%

Depreciation on additions/deductions is calculated pro-rata from/to the month of additions/deductions.

Depreciation on impaired assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

6 Intangible Assets and amortisation

Intangible assets are recognized when it is probable that the future economic benefits attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible assets are amortized as follows.

Specialised Software: Over the concession period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

7 Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

8 Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

9 Impairment of Assets

"As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a. The provision for impairment loss, if any required; or
- b. The reversal, if any, required of impairment loss recognized in previous period"

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a. In the case of an individual asset, at the higher of the net selling price and the value in use;
- b. In the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and the value in use;

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life)

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

10 Provisions, Contingent Liabilities and Contingent Assets

- (a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - (i) the Company has a present obligation as a result of a past event.
 - (ii) a probable outflow of resources is expected to settle the obligation, and
 - (iii) the amount of the obligation can be reliably estimated.
- (b) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- (c) Contingent Liability is disclosed in the case of
 - (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
 - (ii) a present obligation when no reliable estimate is possible, and
 - (iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

K (I) CORPORATE INFORMATION

The Company has been awarded on Build Operate and Transfer (BOT) basis, the construction of the second two-lane bridge at Zadeshwar across the River Narmada on National Highway - 8, under the concession Agreement dated November 21, 1997 with the Ministry of surface Transport, Government of India and Public Works Department, Government of Gujarat. The bridge was completed on November 11, 2000. The operations period shall be the period commencing from November 11, 2000 being the date of commercial operation to December 20, 2012.

K (II) GRATUITY AND LEAVE ENCASHMENT IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-15)

1. Gratuity

A. Results of Actuarial Valuation

	March 31, 2012	March 31, 2011
1. Valuation as on	As per rule of the Company	As per rule of the Company
2. Retirement Age	20	20
3. No of Employees	547,878	413,374
4. Present Value of Benefit Obligations		

B. Principal rules to compute Benefit Obligations

1. Salary reckoned for calculating Benefit Obligations	As per rule of the Company	As per rule of the Company
2. Vesting Period	5 years of Gratuity	5 years of Gratuity
3. Benefit formula for Gratuity for all exits except death	B1 X Completed year of Service X 15/26 subject to benefit having vested	
4. Benefit formula for Gratuity on death	Same as B3 but no vesting condition	

2. Leave Salary

A. Summary of Staff

1. No of Employees	20	20
2. Projected actuarial value of benefit obligation in Rupees	459,337	195,173

B. Principal rules to compute Benefit Obligations

1. Salary reckoned for calculating Benefit Obligations	As per rule of the Company	As per rule of the Company
2. Benefit formula for all exits	B1 X Leave Balance / 30	

3. Summary of Actuarial Assumptions

A. Mean Financial Assumptions

1. Discount Rate per unit per annum	8.50%	8.50%
2. Salary escalation rate per unit per annum	6.00%	6.00%
3. Expected rate of return on Plan Assets per unit per annum	N.A	N.A

B. Mean Demographic Assumptions

1. Mortality Rate	LIC 94 - 96 Rates	
2. Withdrawal / Attrition Rate	5% for all age	5% for all age
3. Disability / Ill health retirement	No Explicit Assumption	

4. Contribution to the Provident Fund is made to regional provident fund office

K (III) BORROWING COSTS IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-16)

The borrowing costs capitalised during the year is Rs. Nil (previous year : Rs. Nil)

K (IV) SEGMENTAL INFORMATION

The Company is engaged only in the business of building and operating the Toll bridge. Accordingly furnishing segment details in accordance with Accounting Standard (AS-17) is not applicable. Further the Company is carrying on its business in only one geographical segment and hence furnishing details of geographical segment does not arise.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**K (V) RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH ACCOUNTING STANDARD (AS-18)****A. List of Related Parties**

Holding Company

L&T Western India Toll Bridge Limited

L&T Infrastructure Development Projects Limited

Larsen and Toubro Limited (Ultimate holding company)

Fellow Subsidiaries

L&T Urban Infrastructure Limited

L&T Chennai Tada Tollway Limited

L&T South City Projects Limited

L&T Infotech Limited

L&T Vadodara Bharuch Tollway Limited

L&T Krishnagiri Thopur Tollroad Limited

L&T Panipat Elevated Corridor Limited

L&T Arun Excella Realty Private Limited

L&T Tech Park Limited

L&T Samakhiali Gandhidham Tollway Limited

L&T Krishnagiri Walajahpet Tollways Limited

L&T Transportation Infrastructure Limited

L&T General Insurance Limited

B. Transactions with related parties:

Amount in Rupees

Name / Relationship/ Nature of transaction	2011-12			2010-11		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
L&T Infrastructure Development Projects Limited						
§ ICD Given	282,500,000	—	—	—	—	—
§ ICD Refund received	282,500,000	—	—	—	—	—
§ Interest received /receivable on ICD	2,106,575	—	—	—	—	—
§ Services received	9,670,379	—	—	4,461,723	—	—
§ Reimbursement of Expenses to	3,138,673	—	—	416,482	—	—
§ Charges for deputation of employees	—	—	—	44,968	—	—
§ ICD Received	215,000,000	—	—	—	—	—
§ ICD Refunded	50,000,000	—	—	—	—	—
§ Interest Paid on ICD	959,110	—	—	—	—	—
Total Accounts Payable (net) - ICD		16,50,00000				—
Total Accounts Payable (net)		389,688				
Larsen & Toubro Limited						
§ ICD Given	—	—	—	500,000,000	—	—
§ ICD Refund received	—	—	—	500,000,000	—	—
§ Interest received on ICD	—	—	—	821,918	—	—
§ Reimbursement of Expenses to	5,276,315	—	—	3,970,070	—	—
§ Gross rental income	208,356	—	—	208,356	—	—
§ Charges for deputation of employees	—	—	—	143,252	—	—
§ Payroll Processing	198,540	—	—	132,360	—	—
Total Accounts Receivable (net)			49,910			—
L&T Urban Infrastructure Limited						
§ ICD Given	—	—	—	1,135,000,000	—	—
§ ICD Refund received	1,000,000,000	—	—	135,000,000	—	—
§ Interest received on ICD	8,701,370	—	—	6,566,848	—	—

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Amount in Rupees

Name / Relationship/ Nature of transaction	2011-12			2010-11		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
Total Accounts Receivable (net)			–			1,000,000,000
L&T Arun Excello Realty Private Limited						
\$ ICD Given	–	–	–	50,000,000	–	–
\$ ICD Refunded	–	–	–	50,000,000	–	–
\$ Interest received on ICD	–	–	–	1,391,425	–	–
L&T Vadodara Bharuch Tollway Limited						
\$ Loans Given	715,000,000	–	–	–	–	–
\$ Loans Refunded	6,075,000	–	–	–	–	–
\$ Purchase of fixed assets	171,684	–	–	–	–	–
\$ Interest received on Loans	10,996,576	–	–	–	–	–
\$ Advance received/refunded	7,850,000	–	–	–	–	–
\$ Reimbursement of Expenses to	757,082	–	–	3,731,699	–	–
Total Accounts Receivable (net)			70,89,25,000			
L&T Panipat Elevated Corridor Limited						
\$ Loans Given	421,500,000	–	–	–	–	–
\$ Loans Refunded	4,219,800	–	–	–	–	–
\$ Interest received on Loans	20,981,916	–	–	–	–	–
\$ Reimbursement of Expenses from	1,070,979	–	–	3,000,000	–	–
Total Accounts Receivable (net)			41,72,80,200			
L&T Tech Park Limited						
\$ ICD Given	–	–	–	154,085,136	–	–
\$ ICD Refunded	–	–	–	154,085,136	–	–
\$ Interest received on ICD	–	–	–	4,628,174	–	–
L&T South City Projects Limited						
\$ ICD Given	45,000,000	–	–	396,500,000	–	–
\$ ICD Refunded	81,500,000	–	–	360,000,000	–	–
\$ Interest received on ICD	4,173,370	–	–	6,649,534	–	–
Total Accounts Receivable (net)			–			36,500,000
L&T Krishnagiri Thopur Toll Road Limited						
\$ Loans Given	525,000,000	–	–	–	–	–
\$ Loans Refunded	10,500,000	–	–	–	–	–
\$ Interest received on Loans	23,749,849	–	–	–	–	–
Total Accounts Receivable (net)			51,45,00,000			–
L&T Samakhiali Gandhidham Tollway Limited						
\$ Reimbursement of expenses to	–	–	–	32,000	–	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Amount in Rupees

Name / Relationship/ Nature of transaction	2011-12			2010-11		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
L&T Infotech Limited						
\$ Purchase of Software	4,987,767	-	-	1,997,809	-	-
\$ Services received	562,530	-	-	-	-	-
Total Accounts Receivable (net)		-			647,737	
L&T Chennai Tada Tollway Limited						
\$ Reimbursement of expenses to	3,600	-	-	-	-	-
\$ Advance given/refunded	900,000	-	-	-	-	-
L&T Krishnagiri Walajahpet Tollway Limited						
\$ Advance given/refunded	950,000	-	-	-	-	-
L&T Transportation Infrastructure Limited						
\$ Advance refunded	250,000	-	-	-	-	-
L&T General Insurance Limited						
\$ Services availed	25,875	-	-	-	-	-

C. No amount due to/due from related parties has been written off/written back during the year.

K (VI) LEASES

- (a) The Company has not taken any asset on finance lease. The income from cancellable operating lease is accounted on accrual basis.
- (b) The Company has taken residential premises under cancellable operating lease. Lease amount charged to statement of Profit and Loss Account.

K (VII) EARNINGS PER SHARE

Basic and Diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS 20) "Earnings per Share"

Particulars	2011-12 Rupees	2010-11 Rupees
Basic / Diluted		
Profit after tax as per Accounts	302,095,217	259,752,615
PAT available to Equity Share holders	302,095,217	259,752,615
Weighted Average number of shares	47,350,007	47,350,007
Basic / Diluted EPS	6.38	5.49

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**K (VIII) TAXES ON INCOME**

As per Accounting Standard 22 (AS 22) on Taxes on Income – the Company has deferred tax as given below

Description	March 31, 2012 Rupees	March 31, 2011 Rupees
Deferred Tax liabilities		11,534,702
On account of difference between book and tax depreciation		
Total	–	11,534,702
Less: Deferred Tax Assets -		
On account of difference between book and tax depreciation	16,171,721	
Unpaid statutory liabilities debited to Profit & Loss A/c		
Gratuity liabilities	149,032	63,324
Provision for Leave Encashment	177,759	161,635
Total	16,498,512	224,959
Net Deferred Tax(Assets)/ Liabilities	(16,498,512)	11,309,743
Charge / (Credit) to Profit and Loss Account	–	–

The Company has not recognised the above deferred tax asset as a measure of prudence in the accounts. The concession period falls within the tax holiday period under Section 80 IA of the Income Tax, 1961

K (IX) IMPAIRMENT OF ASSETS

Based on a review of the future discounted cash flows, the recoverable amount of the project facility is more than its carrying amount. Accordingly, no provision for impairment is made for in the accounts.

K (X) TAXATION

Provision for current tax is made as per the provisions of Section 115JB of the Income Tax Act, 1961 since tax under the normal computation is lesser than that computed under Section 115JB.

The Company does not have taxable wealth under Wealth Tax Act, 1957 and hence no provision for wealth tax has been made."

K (XI) FOREIGN CURRENCY TRANSACTIONS

There were no foreign currency earnings, expenditure and imports by the Company during the current and previous year. Hence, reporting for the same does not arise.

K (XII) PREVIOUS YEAR FIGURES

During the year, the revised Schedule VI notified under the Companies Act, 1956, is applicable to the Company. The Company has reclassified the previous year figures to confirm to this year's classification.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI Registration No. 003792S)
By the hand of

V. R. LALITHA

Partner
Membership No. 18284

VIJAI GUPTA

Manager

KARTHIKEYAN T. V.

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 12, 2012

Place : Chennai

Date : April 12, 2012