

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS

Your Company achieved Commercial Operations on July 17, 2008. Accordingly, Profit and Loss Account has been drawn from July 17, 2008 upto March 31, 2009. The key financial parameters for the year ended March 31, 2009 are

Particulars	2008-2009 Rs. Lakhs
Profit before Depreciation & Tax	2,04,73,518
Depreciation	33,08,42,520
Profit / (Loss) before Tax	(31,03,69,002)
Provision for Tax	1,70,340
Profit / (Loss) after Tax	(31,05,39,342)
Balance brought forward from Previous Year	—
Balance carried to Balance Sheet	(31,05,39,342)

PERFORMANCE OF THE COMPANY

During the year the project of your Company achieved Commercial Operations on July 17, 2008 which is 189 days ahead of schedule.

The following are the major achievements of your Project

1. Commendation certificate awarded by L&T for advancing the Commercial Operations Date.
2. Your project is the largest 6 lane Flyover Project in Asia and this fact has been published by various magazines.
3. Photographs appeared in NHAI calendar of prestigious projects in July 2008 and has been repeated for April 2009.
4. Horticulture work of the project well appreciated by NHAI and specially inspected by their Horticulture expert for implementation in their various other projects.

DIVIDEND

The Board of Directors has not recommended any dividend for the year 2008-2009.

CAPITAL EXPENDITURE

As at March 31, 2009, the gross fixed assets stood at Rs. 774,60,30,712 and the net fixed assets stood at Rs. 741,43,17,496.

DEPOSITS

The Company has not accepted any deposits from the public.

AUDITORS' REPORT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The operations of your Company are not energy intensive as Company is not engaged in manufacturing activity and your Company is not under the list of industries which should furnish information in form A (Rule 2).

Technology Absorption

No technology has been developed and / or imported by way of foreign collaboration.

Foreign Exchange Earnings and Outgo

During the year, the Company had the following transactions in foreign currency

CIF value of import of Toll Equipment - Rs. 2,32,99,245.

DISCLOSURE OF PARTICULARS

As the primary object of the Company is operation of the BOT Project, there are no particulars to be disclosed as per the Companies' (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

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.

At the Board Meeting held on December 18, 2008, Mr. Vijai Gupta, Manager of the Company resigned as Manager. The Board of Directors took note of his resignation. At the same meeting held on December 18, 2008, Mr. Pradeep Kumar Pattnayak was appointed as Manager of the Company.

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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009;
- 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; and
- iv. that the annual accounts have been prepared on a going concern basis.

DIRECTORS

Mr. J. Ganguly, Director retires by rotation and being eligible, offers himself for re-appointment.

AUDIT COMMITTEE

The following Directors constitute members of the Audit Committee

Mr. K. Venkatesh
Mr. J. Ganguly and
Mr. C. S. Damle

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.

AUDITORS

The Auditors, M/s M. K. Dandekar & Co., Chartered Accountants, being statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

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, 1956.

ACKNOWLEDGEMENTS

The Directors acknowledge the invaluable support extended to the Company by the financial institutions, bankers, employees of the Company, staff and management of the parent company.

For and on behalf of the Board

Place : Ahmedabad
Date : April 22, 2009

K. VENKATESH
Director

C. S. DAMLE
Director

AUDITORS' REPORT

TO THE MEMBERS OF L&T PANIPAT ELEVATED CORRIDOR LIMITED

We have audited the attached Balance Sheet of L&T PANIPAT ELEVATED CORRIDOR LIMITED as at March 31, 2009 and also the Profit and Loss Account 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 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 misstatement. 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 (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, 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 the Annexure referred to above, we report that
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of 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 those books;
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of the written representations received from the Directors of the Company as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956; and
 - (f) 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 Schedule K and notes appearing 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
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

M. K. DANDEKER & CO
Chartered Accountants

K. J. DANDEKER
Partner
Membership No. 18533

Place : Chennai
Date : April 22, 2009

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the report of the Auditors to the Members of L&T PANIPAT ELEVATED CORRIDOR LIMITED on the accounts for the year ended March 31, 2009, we report that

- (i)
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) We are informed that the management of the Company has physically verified during the year all its fixed assets and no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed of any of its fixed assets so as to affect the going concern status.
- (ii) The Company is engaged in the business of infrastructure development and maintenance and hence the clauses 4(ii)(a), (b) & (c) of the Companies (Auditor's Report) Order, 2003 relating to inventory are not applicable.

- (iii) According to the information & explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence reporting under clause 4(iii)(b) to (g) of the Companies (Auditor's Report) Order, 2003 does not arise.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase of fixed assets. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and hence reporting under clause 4(v)(b) of the Companies (Auditor's Report) Order 2003 does not arise .
- (vi) The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956. Hence Clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (vii) In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Company is engaged in service activity and we are informed that maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues, Income Tax, and other statutory dues during the year with the appropriate authorities. As at March 31, 2009, there are no undisputed statutory dues payable for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute of Income Tax and Cess.
- (x) The Company is registered for a period of less than five years and hence reporting on the accumulated losses and cash loss incurred during the financial year and in the immediately preceding financial year under clause 4(x) of the Companies (Auditor's Report) Order does not arise.
- (xi) The Company has not defaulted in repayment of dues to any banks or financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures. However, the surplus funds have been invested in mutual funds. Proper records have been maintained for the transactions and contracts for the investment in mutual funds and are updated on a timely basis. The investments have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, the Company has not raised funds on short term basis. Hence, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company has not issued debentures during the year. Accordingly, no security or charge needs to be created.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and the records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

M. K. DANDEKER & CO
Chartered Accountants

K. J. DANDEKER
Partner
Membership No. 18533

Place : Chennai
Date : April 22, 2009

BALANCE SHEET AS AT MARCH 31, 2009

	<u>Schedule</u>	<u>As at 31.03.2009</u> <u>Rupees</u>	<u>As at 31.03.2008</u> <u>Rupees</u>	<u>As at 31.03.2008</u> <u>Rupees</u>
SOURCES OF FUNDS				
Shareholders Funds				
Share Capital	A	843,000,000	805,586,000	
Advance against Share Capital		<u>–</u>	<u>60</u>	
		843,000,000		805,586,060
Loan Funds				
Secured Loans	B	3,381,705,195		3,215,009,063
Deferred Credit (Refer Note 8 in Schedule L)		3,509,000,000		–
TOTAL		<u>7,733,705,195</u>		<u>4,020,595,123</u>
APPLICATION OF FUNDS				
Fixed Assets				
Tangible Assets	C			
Gross Block		79,280,865	6,795,822	
Less: Depreciation		<u>4,432,180</u>	<u>479,667</u>	
Net Block				6,316,155
Intangible Assets	D			
Gross Block		7,666,749,847	275,000	
Less: Amortisation		<u>327,281,036</u>	<u>183,334</u>	
Net Block		7,339,468,811	91,666	
Capital Work-in-Progress		–	3,704,582,422	
Pre-operative Expenses	E	<u>–</u>	<u>289,838,975</u>	
		7,339,468,811		3,994,513,063
Investments	F	–		71,417,018
Current Assets, Loans & Advances	G			
Cash and Bank Balances		36,091,923	39,890,419	
Loans and Advances		<u>422,047</u>	<u>2,438,140</u>	
		36,513,970	<u>42,328,559</u>	
Less: Current Liabilities & Provisions	H			
Current Liabilities		26,989,833	94,030,630	
Provisions		<u>675,780</u>	<u>562,657</u>	
		27,665,613	<u>94,593,287</u>	
Net Current Assets		8,848,357		(52,264,728)
Miscellaneous Expenditure (to the extent not written off or adjusted)		–		613,615
Profit & Loss Account		310,539,342		–
TOTAL		<u>7,733,705,195</u>		<u>4,020,595,123</u>
SIGNIFICANT ACCOUNTING POLICIES	K			
NOTES ON ACCOUNTS	L			

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

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.

Chartered Accountants

K. J. DANDEKER

Partner

Membership No. 18533

Place : Chennai

Date : April 22, 2009

P. K. PATTNAYAK

Manager

K. VENKATESH

Director

C. S. DAMLE

Director

Place : Ahmedabad

Date : April 22, 2009

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM JULY 17, 2008 TO MARCH 31, 2009

	<u>Schedule</u>	<u>17.07.2008 to 31.03.2009</u> <u>Rupees</u>	<u>Rupees</u>
INCOME			
Fee collection from users of facility			255,736,242
Other Income	I		1,886,282
TOTAL			<u>257,622,524</u>
EXPENDITURE			
Operating and Maintenance Expenses	J		49,548,547
Interest on Term Loans			186,986,844
Depreciation and Amortisation			330,842,520
Preliminary Expenses written off			613,615
TOTAL			<u>567,991,526</u>
Profit / (Loss) Before Tax			(310,369,002)
Provision for Fringe Benefit Tax			170,340
Profit / (Loss) After Tax			<u>(310,539,342)</u>
Add: Profit / (Loss) brought forward from previous year			–
Balance Carried to Balance Sheet			<u>(310,539,342)</u>
Earnings Per Share			
Basic & Diluted			(3.70)
SIGNIFICANT ACCOUNTING POLICIES	K		
NOTES ON ACCOUNTS	L		

The schedules referred to above form an integral part of the Profit & Loss Account.

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants

K. J. DANDEKER
Partner
Membership No. 18533

Place : Chennai
Date : April 22, 2009

P. K. PATTNAYAK
Manager

Place : Ahmedabad
Date : April 22, 2009

K. VENKATESH
Director

C. S. DAMLE
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	2008-2009 Rupees	2007-2008 Rupees
A Cash Flow from Operating Activities		
Net Profit / (Loss) before tax & extraordinary items	(310,369,002)	—
Adjustments for		
Dividend received	(1,295,572)	—
Depreciation and Amortisation	330,842,520	—
Unrealized foreign exchange difference - net (gain) / loss	792,572	—
Preliminary expenses written off	613,615	—
Interest paid	186,986,844	—
(Profit) / Loss on sale of investments (net)	(590,710)	—
Operating Profit before Working Capital changes	206,980,267	—
(Increase) / Decrease in Loans and Advances	2,016,093	4,339,895
Increase / (Decrease) in Trade payables	(67,725,142)	(201,737,103)
Cash generated from / (used in) Operations	141,271,218	(197,397,208)
Direct taxes paid	(345,000)	(292,000)
Net Cash inflow from Operating Activities (A)	140,926,218	(197,689,208)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(235,151,243)	(2,085,871,655)
(Interest capitalised Rs. 7,59,46,279; Previous year Rs. 15,93,44,174)		
(Purchase) / Sale of investments (net)	72,007,728	(67,627,289)
Dividend received from other investments	1,295,572	2,617,137
Net Cash (used in) / from Investing Activities (B)	(161,847,943)	(2,150,881,807)
C. Cash Flow from Financing Activities		
Issue of Equity shares and advance against share capital	37,413,940	470,000,000
(Repayment) / Proceeds from Borrowings	156,972,217	1,896,405,503
Interest paid	(177,262,929)	—
Net Cash (used in) / from Financing Activities (C)	17,123,228	2,366,405,503
Net increase in Cash and Cash Equivalents (A+B+C)	(3,798,496)	17,834,488
Cash and Cash Equivalents as at the beginning	39,890,419	22,055,931
Cash and Cash Equivalents as at the end	36,091,923	39,890,419

- Notes**
1. Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
 2. Cash and Cash Equivalents represent Cash and Bank Balances.
 3. Purchase of Fixed Assets includes movement of Capital work-in-progress during the year.
 4. Previous year's figures have been regrouped / reclassified wherever applicable.

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants

K. J. DANDEKER
Partner
Membership No. 18533

Place : Chennai
Date : April 22, 2009

P. K. PATTNAYAK
Manager

Place : Ahmedabad
Date : April 22, 2009

K. VENKATESH
Director

C. S. DAMLE
Director

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE - A		
SHARE CAPITAL		
Authorized		
8,50,00,000 Equity Shares of Rs. 10/- each	850,000,000	850,000,000
Issued, Subscribed & Paid-up		
8,43,00,000 Equity Shares of Rs. 10/- each fully paid-up (Of the above 37,41,400 Equity Shares of Rs. 10/- each issued during the year; <i>Previous Year: 8,05,08,600 Equity Shares of Rs. 10/- each issued</i>)	843,000,000	805,586,000
(All the shares are held by L&T Infrastructure Development Projects Limited, the Holding Company and its nominees)		
TOTAL	843,000,000	805,586,000

SCHEDULE - B		
SECURED LOANS		
Senior Loan from Banks		
State Bank of India	950,481,280	950,500,000
State Bank of Bikaner & Jaipur	500,000,000	500,000,000
State Bank of Hyderabad	500,000,000	500,000,000
State Bank of Mysore	500,000,000	500,000,000
State Bank of Patiala	500,000,000	500,000,000
Interest accrued and due on State Bank of India Senior Loan (Secured by <i>pari passu</i> charge on all the movable & immovable assets of the Company, both present and future)	6,054,555	–
Subordinate Loan from State Bank of India	421,500,000	264,509,063
Interest accrued and due on Subordinate Loan (Secured by Second charge on all the movable & immovable assets of the Company, both present and future)	3,669,360	–
TOTAL	3,381,705,195	3,215,009,063

SCHEDULE - C								
FIXED ASSETS - TANGIBLE								
PARTICULARS	COST			AMORTIZATION			BOOK VALUE	
	As at 01.04.2008 Rupees	Additions Rupees	As At 31.03.2009 Rupees	Up to 01.04.2008 Rupees	For the year Rupees	Up to 31.03.2009 Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Freehold Land	1,299,680	–	1,299,680	–	–	–	1,299,680	1,299,680
Plant and Machinery	–	68,437,884	68,437,884	–	2,750,599	2,750,599	65,687,285	–
Office Equipment	246,669	643,488	890,157	28,689	98,632	127,321	762,836	217,980
Airconditioning & Refrigeration	52,600	164,808	217,408	10,063	9,313	19,376	198,032	42,537
Computers	570,589	799,532	1,370,121	212,254	291,840	504,094	866,027	358,335
Furniture & Fixture	346,853	2,098,297	2,445,150	113,477	370,369	483,846	1,961,304	233,376
Vehicles	4,279,431	341,034	4,620,465	115,184	431,760	546,944	4,073,521	4,164,247
TOTAL	6,795,822	72,485,043	79,280,865	479,667	3,952,513	4,432,180	74,848,685	–
<i>Previous Year</i>	<i>2,439,941</i>	<i>4,355,881</i>	<i>6,795,822</i>	<i>238,018</i>	<i>241,649</i>	<i>479,667</i>	<i>–</i>	<i>6,316,155</i>

Note: Freehold Land and other assets of the Company have been mortgaged in favour of the lenders who have sanctioned term loans to the project.

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)**SCHEDULE - D****FIXED ASSETS - INTANGIBLE**

PARTICULARS	COST			AMORTIZATION			BOOK VALUE	
	As at 01.04.2008 Rupees	Additions Rupees	As At 31.03.2009 Rupees	Up to 01.04.2008 Rupees	For the year Rupees	Up to 31.03.2009 Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
INTANGIBLE								
Carriageway	–	7,666,474,847	7,666,474,847	–	327,006,036	327,006,036	7,339,468,811	–
Specialized Software	275,000	–	275,000	183,334	91,666	275,000	–	91,666
Total	275,000	7,666,474,847	7,666,749,847	183,334	327,097,702	327,281,036	7,339,468,811	–
Previous Year	275,000	–	275,000	91,667	91,667	183,334		91,666
Capital Work-in-Progress							–	3,704,582,422
Grand Total							7,339,468,811	3,704,674,088

SCHEDULE - E**PRE-OPERATIVE EXPENSES**

Particulars	Opening Balance as at 01.04.2008 Rupees	For the period 01.04.2008 to 16.07.2008 Rupees	Closing Balance as at 16.07.2008 Rupees
Salaries and Bonus	7,525,098	2,090,949	9,616,047
Contributions to and Provision for Provident Fund	410,819	96,960	507,779
Gratuity	134,996	–	134,996
Leave Encashment	116,667	–	116,667
Welfare Expenses	784,631	326,992	1,111,623
Rent	3,566,355	692,634	4,258,989
Rates & Taxes	5,256,617	14,690	5,271,307
Travelling & Conveyance	7,095,716	868,978	7,964,694
Communication Expense	863,508	94,771	958,279
Printing & Stationery	364,903	131,488	496,391
Insurance	1,500,202	231,841	1,732,043
Electricity	41,566	129,147	170,713
Professional Fees	48,780,303	5,921,739	54,702,042
Interest on Term Loans	205,563,448	75,946,279	281,509,727
Interest - Others	452,055	–	452,055
Repairs & Maintenance			
Carriageway	2,637,195	2,385,046	5,022,241
Buildings	–	101,492	101,492
Plant & Machinery	1,375,607	1,370,261	2,745,868
Vehicles	66,350	163,570	229,920
Others	2,270,400	589,809	2,860,209
Miscellaneous Expenses	3,423,082	5,323,783	8,746,865
Depreciation and Amortization	663,001	207,695	870,696
	292,892,519	96,688,124	389,580,643
Less: Income			
Interest received from Banks	730,928	–	730,928
Dividend from Mutual Funds	3,179,569	2,660,598	5,840,167
Profit / (Loss) on sale of Mutual Funds	(22,703)	–	(22,703)
	3,887,794	2,660,598	6,548,392
Add: Provision for Taxes			
Current Tax	246,030	–	246,030
Fringe Benefit Tax	588,220	179,556	767,776
TOTAL	289,838,975	94,207,082	384,046,057
Allocated to cost of Carriageway	–	–	(384,086,057)
Balance			–

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - F				
INVESTMENTS				
Current Investments				
SBI Premier Liquid Fund (71,18,566 Units of Rs. 10/- each purchased during the previous year : 1,93,45,322 Units of Rs. 10/- each purchased and sold during the previous year)		—		71,417,018
TOTAL		—		71,417,018

Details of Investments purchased and sold during the year

Mutual Funds	Face Value	Unit Nos. Rs. per unit	Cost (Rs.)
Birla Sun Life Cash Plus Retail Growth	10	4,69,345	10,800,000
Birla Sun Life Retail Growth	10	10,04,754	15,845,859
HDFC Cash Management Plan - Saving Plan - Wholesale	10	12,47,209	12,511,377
HDFC Cash Management Fund - Saving Plan - Growth	10	13,23,224	23,745,970
HDFC Cash Management Fund - Saving Plan Retail	10	14,71,362	15,650,000
HDFC Cash Management Treasury Adv - Retail Growth	10	6,66,350	12,602,568
HSBC Cash Fund -Dividend	10	3,21,789	3,280,000
HSBC Cash - Growth Fund	10	18,79,788	26,962,768
HSBC Inst. Growth	10	8,98,969	13,001,348
Kotak Flexi Debt Scheme Growth	10	3,75,923	5,100,000
Kotak Floater Long Term Growth	10	10,42,060	14,328,855
Kotak Liquid Growth	10	5,40,921	9,225,000
Reliance Medium Term - Growth Plan	10	9,19,156	16,650,000
SBI Insta Cash Fund Cash Option	10	4,77,173	9,241,544
SBI Institutional Growth	10	20,09,920	27,719,946
SBI Institutional Plan Growth	10	21,20,588	23,881,815
SBI - Magnum Inst. Income Fund	10	52,32,993	52,500,000
SBI Premier Liquid Fund	10	6,37,927	6,400,000
SBI - SHF - Liquid Plus Inst Plan	10	75,86,207	75,900,000
SBI - SHF - Liquid Plus Retail Plan	10	1,89,909	1,900,000
SBI - Short Horizon Liquid Plus Fund	10	69,77,324	70,000,000
TATA Floater Fund - Growth	10	81,044	1,050,000
TATA Liquid High Investment Fund - Growth	1000	3,437	5,000,000

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - G				
CURRENT ASSETS, LOANS & ADVANCES				
Cash and Bank Balances				
Cash on hand	1,279,880		—	
Balances with Scheduled Banks				
On Current Account	34,812,043		39,890,419	
		36,091,923		39,890,419
Loans and Advances				
Unsecured				
Considered good				
Advances recoverable in cash or in kind or for value to be received		422,047		2,438,140
TOTAL		36,513,970		42,328,559
SCHEDULE - H				
CURRENT LIABILITIES & PROVISIONS				
Liabilities				
Sundry Creditors				
Due to Micro, Small & Medium Enterprises	—		—	
Due to Larsen & Toubro Limited (Ultimate Holding Company)	14,029,644		67,679,366	
L&T Infrastructure Development Projects Ltd. (Holding Company)	—		239,396	
Others	12,960,189		26,111,868	
		26,989,833		94,030,630
Provisions				
Fringe Benefit Tax	349,896		299,820	
Bonus	3,923		11,174	
Gratuity	147,783		134,996	
Leave Encashment	174,178		116,667	
		675,780		562,657
TOTAL		27,665,613		94,593,287

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the period from 17.07.2008 to 31.03.2009
	Rupees
SCHEDULE - I	
OTHER INCOME	
Dividend Income from mutual funds	1,295,572
Profit on sale of investments	590,710
TOTAL	1,886,282

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)

	For the period from 17.07.2008 to 31.03.2009 Rupees
SCHEDULE - J	
OPERATING & MAINTENANCE EXPENSES	
Toll Management Charges	2,865,978
Manpower Charges	9,873,690
Professional Charges	5,066,110
Salaries and Bonus	4,888,562
Contributions to and Provision for	
Providend Fund	280,580
Leave Encashment	61,551
Gratuity	12,787
Staff Welfare	291,679
Rent, Rates & Taxes	323,383
Printing & Stationery	1,840,714
Travelling & Conveyance	1,065,546
Electricity Charges	6,904,673
Insurance	3,470,386
Repairs & Maintenance	
Carriageway	7,305,162
Buildings	869,251
Plant & Machinery	1,318,070
Vehicles	453,064
Others	722,677
Communication Expenses	418,543
Loss in Foreign Exchange (net)	792,572
Miscellaneous Expenses	723,569
TOTAL	49,548,547

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE – K

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"), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government. However, certain escalation and other claims, which are not ascertainable, are not taken into account.

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 year, 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 the useful lives 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 and would be recognized in the period in which the results are known.

2. Revenue Recognition

Fee collection from users of the facility are accounted for as and when the amount is due and recovery is certain.

Other items of income are accounted as and when the right to receive arises.

3. Fixed Assets

Tangible

Tangible Fixed Assets are stated at original cost less accumulated depreciation.

Intangible Assets and Amortization

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26; "Intangible Assets" as specified in the Companies (Accounting Standards) Rule, 2006 and are amortized as follows

Preliminary Expenses are written off in the year of commencement of operations.

Specialized Software : Written off over a period of 3 years.

Pre-operative expenses incurred up to the date of commencement of commercial operations are capitalized.

Carriageway representing toll collection rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such Carriageways comprise of construction cost, negative grant payable to NHAI and other pre-operative costs incurred during the construction phase.

Such Carriageway on completion are capitalized as Intangible Asset and are amortised over the period of rights given under the Concession Agreement as they represent right to collect toll revenue during the concession period.

4. Depreciation

Tangible Assets are depreciated on straight-line basis at the rates specified in Schedule XIV to the Companies Act, 1956. However, where the rate of depreciation provided in Schedule XIV of the Companies Act, 1956 does not depreciate the asset fully over the period of concession, such tangible assets are depreciated over the period of rights given under the Concession Agreement. Depreciation on additions / deductions is calculated *pro rata* from / to the month of additions / deductions.

5. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset, till such time as the asset is ready for its intended use or sale. 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 recognized as an expense in the period in which they are incurred.

6. Employee Benefits

Provisions for / contributions to retirement benefit schemes are made as follows (as per AS15)

- a) Provident Fund on actual liability basis.
- b) Gratuity based on actuarial valuation.
- c) Leave Encashment Benefit on retirement on actuarial valuation basis

7. Investments

Current investments are carried at lower of cost or market value.

8. Taxes

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Fringe Benefit Tax for the year is determined as per the provisions of Chapter XII-H of the Income Tax Act, 1961.

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

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

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. Lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease.

10. Foreign Currency Transactions and Derivatives

- (i) The reporting currency of the Company is the Indian Rupee.
- (ii) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.
- (iii) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of monetary items at the closing rate are adjusted in Capital Work-in-Progress during the construction phase of the project and recognized as income or expense in the operations phase in which they arise.

11. Provisions, Contingent Liabilities and Contingent Assets

Provision are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a. The Company has a present obligation as a result of a past event,
- b. A probable outflow of resources is expected to settle the obligation, and
- c. The amount of the obligation can be reliably estimated.

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.

Contingent Liability is disclosed in the case of

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized, not disclosed.

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

SCHEDULE – L

NOTES ON ACCOUNTS

1. The Company has been awarded on Build Operate and Transfer (BOT) basis, the widening of existing four-lane ten kilometer stretch covering Panipat city on National Highway No.1 in Haryana to six-lane elevated structure covering specific stretches and widening and construction of peripheral lanes and operation and maintenance thereof, under the Concession Agreement dated July 27, 2005 with National Highways Authority of India (NHAI). The Concession Agreement is for a period of 20 years from January 23, 2006, being the Appointed Date stated in clause 1.1 of the said agreement. At the end of the concession period, the entire facility will be transferred to NHAI.

During the year, the Project of the Company achieved Commercial Operations Date (COD) on July 17, 2008. Accordingly, Profit and Loss Account has been drawn for the period from July 17, 2008 to March 31, 2009.

2. There have been no transactions during the year with Micro, Small and Medium enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence, reporting details of principal and interest does not arise.
3. The Company is a service Company and accordingly information required under paragraph 4(C) of Part II of Schedule VI to the Companies Act, 1956 has not been furnished.
4. Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2009 is Rs. NIL (*Previous Year Rs. 2,03,92,537*).
5. Managerial remuneration for the year has been charged to the accounts as below

Remuneration	2008-2009 Rupees	2007-2008 Rupees
Salary	14,87,750	16,53,025
Contribution to Provident Fund	66,000	82,800
TOTAL	15,53,750	17,35,825

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

6. Auditor's Remuneration (excluding service tax)

Remuneration	2008-2009 Rupees	2007-2008 Rupees
Audit Fees	1,00,000	1,00,000
Certification Expenses	NIL	10,548

7. a) The Company does not have taxable income and hence provision for Current Tax has not been made. The Company is eligible for deduction under Section 80IA of the Income Tax Act and the concession period of the Company's project falls within the tax holiday period as defined in Section 80IA. Since deferred tax on timing differences between accounting income and taxable income arising during the year is reversing during such tax holiday period, no deferred tax asset / liability is provided for in the accounts.
- b) Provision for Fringe Benefit Tax has been made as per the provisions of the Income Tax Act, 1961.
- c) The Company does not have taxable wealth under the provisions of the Wealth Tax Act, 1952.
8. Deferred Credit represents total negative grant of Rs. 350.90 crore payable to NHAI from the financial year 2014-2015 to 2020-2021 as per clause 23.1 of the Concession Agreement entered into with NHAI.
9. During the year, depreciation and amortisation of Rs. 8,70,696 has been charged to pre-operative expenses and Rs. 33,08,42,520 has been charged to Profit and Loss Account.

10. Employee Benefits

- (i) Provisions for Gratuity and Leave Encashment is made on actuarial basis as summarized below

(ii) A Results of Actuarial Valuation- Gratuity

	March 31, 2009	March 31, 2008
1. Valuation as on		
2. Retirement Age	As per rule of the Company	As per rule of the Company
3. No. of Employees	19	14
4. Notional Benefit Obligations (Accrued Benefits) on current salary in Rupees	1,71,779	1,41,462
5. Present Value of Benefit Obligations in Rupees	1,47,783	1,34,996

B Principle Rules to Compute Benefit Obligations

1. Salary reckoned for calculating Benefit Obligations	As per rule of the Company
2. Vesting Period	5 Years for 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

(iii) Leave Salary Valuation

A Summary of Staff Data

1. No of Employees	19	14
2. Notional benefit obligations on current salary in rupees	2,19,787	1,22,340
3. Projected actuarial value of benefit obligation in rupees	1,74,178	1,16,667

B Principle rules to compute benefit obligations

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

(iv) Summary of Actuarial Assumptions

A Mean Financial Assumptions

1. Discount Rate per unit per annum	6.50%	7.50%
2. Salary Escalation Rate per unit per annum	6%	6%
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	15% for all age
3. Disability / ill health retirement	No Explicit Assumption

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**March 31, 2009**

Current Service Cost	3,21,961
Interest on Defined Benefit Obligation	–
Expected Return on Plan Assets	–
Net Actuarial Losses / (Gains) Recognised during the period	–
Past Service Cost	–
Losses / (Gains) on “Curtailements & Settlements”	–
TOTAL	3,21,961
Actual Return on Plan Assets	–

(v) Contribution to Provident Fund is made to the Regional Provident Fund Office.

11. Disclosure of Related Parties / Related Party Transactions**A. List of related parties**

Holding Companies : L&T Infrastructure Development Projects Limited (Holding Company)
Larsen & Toubro Limited (Ultimate Holding Company)

B. Transactions with Related Parties and amounts due to / due from related parties

Sl. No.	Nature of transaction	Amount of Transaction Rupees	Amount Due to Rupees	Amount Due from Rupees
1	Larsen & Toubro Limited (Ultimate Holding Company)			
i)	Construction Contract	8,93,50,225 (206,91,92,567)	– (6,33,17,228)	66,28,959 (NIL)
ii)	Reimbursement of Expenses	158,21,070 (7,05,432)	42,00,006 (43,62,138)	NIL (NIL)
iii)	Advance for Electrical items (Toll Plaza)	NIL (1,20,43,846)	NIL (NIL)	NIL (NIL)
iv)	Additions to toll equipment	38,23,989 (NIL)	NIL (NIL)	NIL (NIL)
v)	Bonus for Early Completion	1,64,58,597 (NIL)	1,64,58,597 (NIL)	NIL (NIL)
2	L&T Infrastructure Development Projects Limited (Holding Company)			
i)	Reimbursement of Expenses	7,95,450 (30,73,377)	– (1,26,579)	NIL (NIL)
ii)	Purchase of Goods and Services	28,65,978	NIL	–
iii)	Cost of Services	3,82,712 (10,40,857)	NIL (1,12,817)	NIL (NIL)
iv)	Subscription of Equity	3,74,14,000 (80,50,86,000)	NIL (NIL)	NIL (NIL)
v)	Advance against Equity	NIL (60)	NIL (NIL)	NIL (NIL)

*Note: Figures in brackets relate to previous year 2007-2008***C. No amount due to / due from has been written off or written back during the year.****12. a) Expenditure in foreign currency**

Expenses	2008-2009 Rupees	2007-2008 Rupees
Travel	NIL	7,38,904
Import of Cash Bags	NIL	2,64,856
b) CIF Value of Import of Toll Equipment	2,32,99,245	–

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

13. The Company has taken land on cancellable operating lease. Lease rent amounting to Rs. 6,47,731 (*Previous Year: Rs. 14,80,573*) has been included in pre-operative expenses which are capitalized as part of Carriageways.

14. Basic and Diluted Earnings per share ("EPS") computed in accordance with Accounting Standard - 20; "Earnings per Share" is as under

Particulars

**For the period from
16.07.2008 to 31.03.2009**

Basic and Diluted EPS

Profit after Tax as per Accounts (Rs.)	(3,10,539,342)
Weighted average number of Equity Shares	8,39,51,486
Basic and Diluted EPS (Rs.)	(3.70)

15. The estimated useful lives of Plant & Machinery, Air-conditioning & Refrigeration Equipment and Office Equipment are revised during the year with effect from July 17, 2008 taking into consideration the balance concession period over which the asset would be available for use. Accordingly the balance unamortized cost of the Tangible Assets as on July 17, 2008 are depreciated over the remaining concession period.

This change is accounted for prospectively as a change in accounting estimate as per Accounting Standard 6 on Depreciation as specified in the Companies (Accounting Standards) Rule, 2006 and as a result the depreciation charge for the year has increased by Rs. 4,42,800.

16. (a) Claims for increase / escalation / variation of works will be accounted for as and when received and accepted by the Company.

(b) Company claims for increase / escalation / variation of work against NHAI, if any will be accounted for as and when accepted and paid by them.

17. The Company is engaged only in the business of operating the BOT Project. Accordingly, furnishing segment details is not applicable. Further, the Company is carrying its business in only one geographical segment.

18. 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.

19. The Company does not have any contingent liability as at March 31, 2009.

20. The Company does not have transactions to which the provisions of the following Accounting Standard apply

Valuation of Inventories – AS 2

21. Figures for the previous year have been regrouped / reclassified wherever necessary.

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants

K. J. DANDEKER
Partner
Membership No. 18533
Place : Chennai
Date : April 22, 2009

P. K. PATTNAYAK
Manager
Place : Ahmedabad
Date : April 22, 2009

K. VENKATESH
Director

C. S. DAMLE
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration No. U45203TN2005PLC056999

State Code 18

Balance Sheet Date 31 03 2009
Date Month Year**II. Capital raised during the year (Amount in Rs.Thousands)**

Public Issue

N I L

Bonus Issue

N I L

Rights Issue

N I L

Private Placement

37414

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

Total Liabilities

4224705

Total Assets

4224705

Sources of Funds

Paid-Up Capital (Including Advance against Share Capital)

843000

Secured Loans

3381705

Reserves & Surplus

N I L

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets (Including Pre-operative Expenses)

7414317

+ - Net Current Assets / (Liabilities)

- 3500151

Accumulated Losses

310539

Investments

N I L

Miscellaneous Expenditure

N I L

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

Turnover (including Other Income)

257623

+ - Profit / Loss Before Tax

- 310369

+ - Earning Per Share in Rs. (Basic)

- 3.70

Total Expenditure

567992

+ - Profit / Loss After Tax

- 310539

Dividend Rate %

N I L

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

Item Code: N . A .

Product Description INFRASTRUCTURE PROJECT ON BOT BASIS

For and on behalf of the Board

Place : Ahmedabad
Date : April 22, 2009P. K. PATTNAYAK
ManagerK. VENKATESH
DirectorC. S. DAMLE
Director