

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS

The key financial parameters for the year ended 31st March 2014 are:

Amount (₹ Lakhs)

Description	2013-14	2012-13
Profit before depreciation & tax	(229)	711
Depreciation	4,426	4,430
Profit / (Loss) before tax	(4,655)	(3,719)
Prior Period Adjustments	-	-
Exceptional Items	-	-
Provision for tax	-	-
Profit / (Loss) after tax	(4,655)	(3,719)
Balance brought forward from Previous year	(20,159)	(16,440)
Balance carried to Balance Sheet	(24,815)	(20,159)

2. PERFORMANCE OF THE COMPANY

- The revenue of the Company rose by 14.57% from ₹ 4,527 Lacs in 2012-2013 to ₹ 5,187 Lacs in 2013-2014
- The interest cost incurred by the Company towards NCDs for the year 2013-14 is ₹ 2589 Lakhs. During April 2013, NCDs to the extent of ₹ 500 Lakhs were redeemed by L&T IDPL and the interest cost at the rate of 10.56% to the extent of the debentures redeemed will be reduced.

3. APPROPRIATION

Appropriation of profits is not applicable to the Company.

4. DIVIDEND

The Board of Directors has not recommended any dividend for the year 2013-2014.

5. CAPITAL EXPENDITURE

As at March 31, 2014, the gross fixed assets stood at ₹ 76,222/- Lakhs and the net fixed assets stood at ₹ 50,990/- Lakhs.

6. DEPOSITS

Your Company has not accepted any deposits from the public.

7. AUDITORS' REPORT

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

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

A. 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).

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO(₹ Lakhs)

- Expenditure in foreign currency: Interest Expenses : ₹ Nil
- ClF value of Imports (in Rupees) : ₹ Nil

9. DISCLOSURE OF PARTICULARS:

As the primary object of your 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.

10. 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.

Currently, Mr. Sanjay Tikku is the Manager of the Company under the Companies Act, 1956.

Mrs. V. Chella appointed as the Company Secretary of the Company with effect from 31.07.2013.

L&T PANIPAT ELEVATED CORRIDOR LIMITED

11. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of your Company confirms:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
2. 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, 2014;
3. 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 your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a going concern basis.
5. that proper systems are in place to ensure compliance of all laws applicable to your Company.

12. DIRECTORS:

Mr. K. Venkatesh, Mr. B. Ramakrishnan, and Mr. Manoj Dave constitute the Board of Directors of the Company.

During the year, there was no change in the Directorships of the Company.

Mr. Manoj Dave, Director of the Company who is liable to retire by rotation and being eligible offers himself for re-appointment.

13. AUDIT COMMITTEE:

The Members of the Audit Committee are:

1. Mr. B. Ramakrishnan
2. Mr. K. Venkatesh and
3. Mr. Manoj Dave

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.

14. 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 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, 1956.

15. SUBSIDIARY COMPANIES :

Your Company has no Subsidiary Companies

16. INTERNAL AUDITORS

M/s Gianender & Associates are the Internal Auditors of the Company.

The board recommended to appoint M/s . Grant Thornton ,Chartered Accountant as an internal auditor of the Company for the financial year 2014-15

17. INTERNAL CONTROL

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

18. MAINTENANCE OF COST AUDIT COMPLIANCE REPORT

Pursuant to the provisions of Rule 5 of The Companies (Cost Accounting Records) Rules, 2011, your Company is required to obtain a cost audit compliance report from a Practicing Cost Accountant and the same is required to be filed with the Ministry of Corporate Affairs.

The Board of your Company will identify a Practicing Cost Accountant for this purpose, obtain prescribed compliance certificate accordingly and file the same with the Ministry of Corporate Affairs.

19. 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 : Chennai
Date : May 5, 2014

K. VENKATESH
Director

B. RAMAKRISHNAN
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T PANIPAT ELEVATED CORRIDOR LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **L&T PANIPAT ELEVATED CORRIDOR LTD.**, which comprise the Balance Sheet as at March 31, 2014, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our auditing accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014,
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. In our opinion this Company is a going concern as explained in Note P (13) to the accounts
- vi. On the basis of written representations received from the directors, as on March 31, 2014, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For **M. K. DANDEKER & CO.**
(ICAI REG NO 000679S)

K. J. DANDEKER
Partner

Chartered Accountants
Membership No 018533

Place : Chennai
Date : May 5, 2014

ANNEXURE TO THE INDEPENDENT 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 LTD** on the accounts for the year ended March 31, 2014, 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 Section 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 maintaining the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- (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, 2014, 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.
- (x) The Company has accumulated losses of ₹ 2,48,15,08,583/- at the end of financial year, which are 50% more than the Net Worth of the Company. However, the Company has incurred Cash losses of ₹ 33,49,403 in the Current year (*Previous Year: Nil*).
- (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) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanation 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 issued 10.56% Non- Convertible Debentures. Accordingly, Security/ Charge have been created on the Assets of the Company for the said Debentures.
- (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.

For **M. K. DANDEKER & CO.**
(ICAI REG NO 000679S)

K. J. DANDEKER
Partner

Chartered Accountants
Membership No 018533

Place : Chennai
Date : May 5, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at 31.03.2014		As at 31.03.2013	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	A	843,000,000		843,000,000	
Reserves and surplus	B	(2,481,508,583)		(2,015,933,959)	
			(1,638,508,583)		(1,172,933,959)
Non-current liabilities					
Long-term borrowings	C(I)	5,988,055,928		6,183,345,636	
Other Long-term liabilities	C(II)	542,716		-	
Long-term provisions	C(III)	26,403,082		30,925,621	
			6,015,001,726		6,214,271,257
Current liabilities					
Short-term borrowings	D(I)	418,800,000		418,800,000	
Trade payables	D(II)	1,827,528		3,561,386	
Other current liabilities	D(III)	452,952,468		327,387,887	
Short-term provisions	D(IV)	188,555,061		828,368	
			1,062,135,057		750,577,641
TOTAL			5,438,628,200		5,791,914,939
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	E(I)	27,293,288		39,617,167	
Intangible assets	E(II)	5,071,728,285		5,500,325,037	
			5,099,021,573		5,539,942,204
Long-term loans and advances	F		10,000		10,000
Current assets					
Current investments	G(I)	259,628,140		-	
Cash and bank balances	G(II)	55,209,988		249,535,496	
Short-term loans and advances	G(III)	24,758,499		2,427,239	
			339,596,627		251,962,735
TOTAL			5,438,628,200		5,791,914,939
CONTINGENT LIABILITIES					
COMMITMENTS					
OTHER NOTES FORMING PART OF ACCOUNTS					
SIGNIFICANT ACCOUNTING POLICIES					

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants
Firm's Registration No. 000679S
by the hand of

K. J. DANDEKER
Partner
Membership No. 018533

SANJAY TIKKU
Manager

K. VENKATESH
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : May 5, 2014

Place : Chennai
Date : May 5, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	2013-14		2012-13	
		₹	₹	₹	₹
REVENUE					
Revenue from Operations	J	518,702,690		452,750,800	
Other income	K	9,934,162		7,782,480	
TOTAL REVENUE			528,636,852		460,533,280
EXPENSES					
Operating expenses	L	243,818,958		70,964,541	
Employee benefit expenses	M	10,818,129		9,439,863	
Finance costs	N	280,046,762		292,522,828	
Depreciation and amortisation	E	442,627,728		442,982,080	
Administration and other expenses	O	16,899,899		16,554,893	
TOTAL EXPENSES			994,211,476		832,464,205
Profit/(Loss) before tax			(465,574,624)		(371,930,925)
Profit/(Loss) after tax for the year			(465,574,624)		(371,930,925)
Earnings per equity share (Basic and Diluted)	P(8)		(5.52)		(4.41)
Face value per equity share			10.00		10.00
OTHER NOTES FORMING PART OF ACCOUNTS	P				
SIGNIFICANT ACCOUNTING POLICIES	Q				

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants
Firm's Registration No. 000679S
by the hand of

K. J. DANDEKER
Partner
Membership No. 018533

SANJAY TIKKU
Manager

K. VENKATESH
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : May 5, 2014

Place : Chennai
Date : May 5, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013-14 ₹	2012-13 ₹
A Net profit / (loss) before tax and extraordinary items	(465,574,624)	(371,930,925)
Adjustment for:		
Depreciation and amortisation expense	442,627,728	442,982,080
Interest expense	280,046,762	292,522,828
Interest income	79,216	45,669
(Profit)/loss on sale of current investments(net)	(9,629,541)	(7,422,804)
(Profit)/loss on sale of fixed assets	(15,358)	
Operating profit before working capital changes	247,534,183	356,196,848
Adjustments for:		
Increase / (Decrease) in long term provisions	(4,522,539)	7,875,497
Increase / (Decrease) in trade payables	(1,733,858)	4,735,193
Increase / (Decrease) in other current liabilities	126,107,297	239,560,906
Increase / (Decrease) in short term provisions	187,726,693	(8,846)
(Increase) / Decrease in loan term loans and advances	(22,331,260)	(102,483)
(Increase) / Decrease in other current assets		
Net cash generated from/(used in) operating activities	532,780,516	608,257,115
Direct taxes paid (net of refunds)	-	-
Net Cash(used in)/generated from Operating Activities	532,780,516	608,257,115
B Cash flow from investing activities		
Purchase of fixed assets	(1,707,097)	(3,313,144)
Sale of fixed assets	15,358	
Purchase of current investments	(1,303,832,672)	(270,953,413)
Sale of current investments	1,053,834,073	278,376,217
Interest received	(79,216)	
Net cash (used in)/generated from investing activities	(251,769,554)	4,109,660
C Cash flow from financing activities		
Repayment of long term borrowings	(195,289,708)	(87,045,839)
Interest paid	(280,046,762)	(292,522,828)
Net cash (used in)/generated from financing activities	(475,336,470)	(379,568,667)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(194,325,508)	232,798,108
Cash and cash equivalents as at the beginning of the year	249,535,496	16,737,388
Cash and cash equivalents as at the end of the year	55,209,988	249,535,496

Notes:

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 "Cash flow Statement" as specified in the Companies (Accounting Standards) Rules 2006.
- Cash and cash equivalents represent cash and bank balances.
- 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

Firm's Registration No. 000679S

by the hand of

K. J. DANDEKER

Partner

Membership No. 018533

SANJAY TIKKU

Manager

K. VENKATESH

Director

B. RAMAKRISHNAN

Director

Place : Chennai

Date : May 5, 2014

Place : Chennai

Date : May 5, 2014

NOTES FORMING PART OF ACCOUNTS

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	₹	No. of Shares	₹
NOTE A				
Share Capital				
(i) Authorised, issued, subscribed and paid up				
Authorised:				
85,000,000 Equity Shares of ₹ 10/- each (previous year 85,000,000 Equity Shares of ₹ 10 each)	85,000,000	850,000,000	85,000,000	850,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	84,300,000	843,000,000	84,300,000	843,000,000

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	84,300,000	843,000,000	84,300,000	843,000,000
Issued during the year as fully paid	-	-	-	-
At the end of the year	84,300,000	843,000,000	84,300,000	843,000,000

(iii) Terms / rights attached to shares

The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company has not issued any securities during the year with the right/option to convert the same into equity shares at a later date.

The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

The shares issued carry equal rights to dividend declared by the Company and no restrictions are attached to any specific shareholder.

During the year ended March 31, 2014, no dividend is declared by Board of Directors. (Previous year - Nil)

(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	₹	No. of Shares	₹
L&T Infrastructure Development Projects Limited (including nominees holding)	84,300,000	843,000,000	84,300,000	843,000,000
84,300,000 Equity Shares ₹ 10/- each fully paid up	-	-	-	-
	84,300,000	843,000,000	84,300,000	843,000,000

(v) Details of Shareholders holding more than 5% shares in the Company:

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	%	No. of Shares	%
Equity Shares of ₹ 10/- each fully paid				
L&T Infrastructure Development Projects Limited, Holding Company and its nominees	84,300,000	100	84,300,000	100

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

(vii) Calls unpaid : NIL; Forfeited Shares : NIL

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE B				
Reserves and surplus				
Surplus/(Deficit) as per Statement of Profit and loss:				
Balance as per the last financial statement	(2,015,933,959)		(1,644,003,034)	
Add: Profit/(Loss) for the period	(465,574,624)		(371,930,925)	
	(2,481,508,583)		(2,015,933,959)	
	(2,481,508,583)		(2,015,933,959)	

NOTE C(I)**Long term borrowings**

Non Convertible Debentures - C(I)(a)	2,350,000,000	2,450,000,000
Deferred Payment Liability - C(I)(b)	3,449,000,000	3,509,000,000
Loans and advances from related party - C(I)(c)	189,055,928	224,345,636
	5,988,055,928	6,183,345,636

C(I)(a) Details of Secured Loan

Particulars	Rate of Interest As at 31.03.2014	Terms of Repayment
Non Convertible Debentures	Applicable Interest rate as per Agreement	Redeemable at face value in 12 annual installments from April 2013 to April 2024 at specified amounts.

Security for the Non-Convertible Debentures (NCDs):

Non-Convertible Debentures (NCDs) are secured by mortgage of :

A charge on all the immovable and movable properties of the Company relating to the Project, both present and future except Project Assets as defined in the Concession Agreement, all bank accounts of the Company and all Authorized investments or other securities representing all amounts credited in the bank accounts.

Presentation of term loans in the Balance sheet is as follows:

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
(i) Long term borrowings	2,350,000,000		2,450,000,000	
(ii) Current maturities of long term borrowings	100,000,000		50,000,000	
	2,450,000,000		2,500,000,000	

C(I) (b) Deferred Payment Liability (Note P(10))

Particulars	As at 31.03.2014 ₹	As at 31.03.2013 ₹	Terms of Payment
Long Term Deferred payment liability	3,449,000,000	3,509,000,000	Deferred Payment Liabilities represent the outstanding Negative Grant payable to National Highway Authority of India as per Concession Agreement. The grant is payable in 7 unequal installments commencing from October 2014 as per specified in CA.
Current maturity of Deferred payment liability	60,000,000	-	

NOTES FORMING PART OF ACCOUNTS (Contd.)**C(I) (c) Details of Unsecured Loan**

Particulars	Rate of Interest As at 31.03.2014	Terms of Repayment
Loans and advances from related party	RBI Bank Rate	Repayable in 33 quarterly unequal installments from April 12 to Dec 2018 at specified amounts.

Presentation of Loans and advances from related party in the Balance sheet is as follows:

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
(i) Long term Loans and advances		189,055,928		224,345,636
(ii) Current maturities of Loans and advances		25,289,708		21,074,756
		<u>214,345,636</u>		<u>245,420,392</u>

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE C(II)				
Other long-term liabilities				
Car Deposit		542,716		-
TOTAL		<u>542,716</u>		<u>-</u>

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE C(III)				
Long-term provisions				
Periodic major maintenance (Note P(11))		26,403,082		30,925,621
TOTAL		<u>26,403,082</u>		<u>30,925,621</u>

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE D(I)				
Short-term borrowings				
L&T Infrastructure Development Projects Limited (Holding company)		418,800,000		418,800,000
TOTAL		<u>418,800,000</u>		<u>418,800,000</u>

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE D(II)				
Trade payables				
Due to related parties :				
Holding Company		442,934		414,549
Others		1,384,594		3,146,837
TOTAL		<u>1,827,528</u>		<u>3,561,386</u>

Note D(II)(a)

There have been no transactions during the year (*previous year: ₹ Nil*) with Micro and Small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence reporting details of principal and interest paid/outstanding does not arise.

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE D(III)				
Other current liabilities				
Current maturities of long term debt (Refer note C(I)(c))				
Non-Convertible Debentures	100,000,000		50,000,000	
Deferred Payment Liability	60,000,000			
Inter Company Deposit	25,289,708		21,074,756	
		185,289,708		71,074,756
Due to Ultimate Holding Company		–		105,843
Interest accrued but not due on borrowings	244,905,060		237,730,193	
Statutory liabilities	3,426,275		3,060,841	
Others	19,331,425		15,416,254	
TOTAL		452,952,468		327,387,887
NOTE D(IV)				
Short term provisions				
Provision for employee benefits				
Gratuity (Note P(3)(ii))	461,982		363,335	
Compensated absences (Note P(3)(ii))	447,844		393,363	
Bonus Provision	21,000		71,670	
		930,826		828,368
Others :				
Periodic major maintenance (Note P(10))		187,624,235		–
TOTAL		188,555,061		828,368

NOTE E(I) - Tangible Assets

(Amount in ₹)

Particulars	Cost			As at 31.03.2014	Depreciation			Up to 31.03.2014	Book Value	
	As at 01.04.2013	Additions	Deductions		Up to 31.03.2013	For the year	Deductions		As at 31.03.2014	As at 31.03.2013
Owned										
Land	1,299,680	–	–	1,299,680	–	–	–	–	1,299,680	1,299,680
Plant and Equipment	72,977,507	35,500	–	73,013,007	38,449,608	12,665,869	–	51,115,477	21,897,530	34,527,899
Furniture and fixtures	2,236,799	–	–	2,236,799	1,148,506	206,700	–	1,355,206	881,593	1,088,293
Vehicles	5,016,127	1,278,871	–	6,294,998	2,622,353	907,285	–	3,529,638	2,765,360	2,393,774
Office equipment	1,123,905	10,436	–	1,134,341	1,020,643	73,536	–	1,094,179	40,162	103,262
Air conditioning and Refrigeration	260,808	352,300	–	613,108	199,704	101,600	–	301,304	311,804	61,104
Computers, laptops and printers	1,624,855	29,990	406,719	1,248,126	1,481,700	75,986	406,719	1,150,967	97,159	143,155
Total	84,539,681	1,707,097	406,719	85,840,059	44,922,514	14,030,976	406,719	58,546,771	27,293,288	
Previous year	81,719,392	3,746,533	926,244	84,539,681	31,030,042	14,385,326	492,855	44,922,513		39,617,167

NOTES FORMING PART OF ACCOUNTS (Contd.)**NOTE E(II) - Intangible Assets**

(Amount in ₹)

Particulars	Cost			Amortisation				Book Value		
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	Up to 31.03.2013	For the year	Deductions	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
Specialized Software	275,000			275,000	275,000	-		275,000	-	-
Toll collection rights (Refer note below)	7,536,159,625	-	-	7,536,159,625	2,035,834,588	428,596,752	-	2,464,431,340	5,071,728,285	5,500,325,037
Total	7,536,434,625	-	-	7,536,434,625	2,036,109,588	428,596,752	-	2,464,706,340	5,071,728,285	
Previous year	7,536,434,625			7,536,434,625	1,607,512,834	428,596,754		2,036,109,588		5,500,325,037

Note:

"As per para 63 of Accounting Standard-26 "Intangible Assets", presently the Company amortises the Toll Collection rights ("TCR"), on a Straight line basis ("SLM") over the concession period. The amortisation computed above, is higher than amortisation computed in terms of the Notification no. G.S.R. 298(E) dated April 17, 2012 issued by the Ministry of Corporate Affairs (on amortisation of Intangible assets created under Build Operate and Transfer, Build, Own, Operate and Transfer and other forms of Public Private Partnership Route). Accordingly the Company continues to amortise the Toll Collection Rights on a straight line basis over the Concession period."

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE F				
Long term loans and advances				
Unsecured, considered good				
Security deposits		10,000		10,000
TOTAL		10,000		10,000
	Face Value per unit	Number of units	2013-14	2012-13
		As at 31.03.2014	₹	₹

NOTE G(I)**Current investments****Current Investment, Values at lower of cost or Market Value, Unless state otherwise**

Investment in Mutual funds - Quoted				
Religare Invesco Liquid Fund Growth	1,000	9,095	15,999,997	-
Kotak Liquid Plan A Growth	1,000	580	1,500,000	-
HDFC Cash Management Fund- Saving Growth	10	1,936,897	51,500,000	-
IDFC Cash Fund Plan A Growth	1,000	57,202	88,128,147	-
SBI Premier Liquid Fund - Super Institutional - Growth	1,000	24,985	49,999,998	-
L&T Liquid Fund- Growth	1,000	30,070	52,499,998	-
TOTAL			259,628,140	-

Note G(I)(a) Details of quoted investments

	2013-14	2012-13
	₹	₹
Aggregate amount of quoted current investment and market value thereof;		
Book Value	259,628,140	
Market Value	261,821,638	

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE G(II)				
Cash and bank balances				
Cash and cash equivalents				
Balances with banks				
In current accounts		42,807		6,677,968
In deposit accounts with maturity less than three months (including interest accrued thereon)		50,034,247		230,446,807
Cash on hand		5,132,934		12,410,721
TOTAL		55,209,988		249,535,496
NOTE G(III)				
Short term loans and advances				
Unsecured, considered good				
Advances recoverable in cash or kind		580,593		491,516
Others		24,177,906		1,935,723
TOTAL		24,758,499		2,427,239
NOTE H				
Contingent liabilities as at March 31, 2014 ₹ Nil (<i>previous year: ₹ Nil</i>)				
NOTE I				
Commitments as at March 31, 2014 ₹ Nil (<i>previous year: ₹ Nil</i>)				
	2013-14		2012-13	
	₹	₹	₹	₹
NOTE J				
Revenue from operations				
Operating revenue:				
Toll Collections		518,702,690		452,750,800
		518,702,690		452,750,800
TOTAL		518,702,690		452,750,800
NOTE K				
Other income				
Interest income from:				
Bank deposits		79,216		278,594
Short term capital gain on Investment		9,629,541		7,422,804
Profit/(loss) on disposal of fixed assets		15,358		81,082
Other income		210,047		-
TOTAL		9,934,162		7,782,480

NOTES FORMING PART OF ACCOUNTS (Contd.)

	2013-14		2012-13	
	₹	₹	₹	₹
NOTE L				
Operating expenses				
Toll Management fees		22,953,241		19,191,663
Security services		3,889,529		3,643,982
Insurance		2,845,556		3,276,795
Repairs and maintenance				
Periodic major maintenance	183,101,696		7,725,621	
Toll road & bridge	14,476,678		20,946,407	
Plant and machinery	2,849,552		1,611,630	
Others	2,852,367		3,367,392	
		203,280,293		33,651,050
Power and fuel		10,850,339		11,201,051
TOTAL		243,818,958		70,964,541
NOTE M				
Employee benefit expenses				
Salaries, wages and bonus		8,005,165		7,136,090
Contributions to and provisions for:				
Provident fund (Refer P(3)(i))	393,797		352,190	
Gratuity (Refer P(3)(ii))	98,647		62,456	
Compensated absences (Refer P(3)(iii))	71,099		69,635	
		563,543		484,281
Staff welfare expenses		2,249,421		1,819,492
TOTAL		10,818,129		9,439,863
NOTE N				
Finance costs				
Interest on borrowings				
Interest on Secured Term Loan	-		27,635,957	
Interest on Non Convertible Debentures	258,951,451		240,131,508	
Interest on Inter Corporate Deposit	21,095,311		24,755,363	
Interest Other	-		-	
		280,046,762		292,522,828
TOTAL		280,046,762		292,522,828

NOTES FORMING PART OF ACCOUNTS (Contd.)

	2013-14		2012-13	
	₹	₹	₹	₹
NOTE O				
Administration and other expenses				
Concession fee		1		1
Rent, Rates and taxes		131,912		1,107,343
Professional fees (Refer note P(a) below)		11,139,527		11,344,663
Postage and communication		341,538		486,385
Printing and stationery		1,181,221		1,156,481
Travelling and conveyance		894,307		655,607
CSR expenses		759,595		541,752
Repairs and Maintenance - Others		1,878,054		427,770
Miscellaneous expenses		573,744		834,891
TOTAL		16,899,899		16,554,893
P(a) Professional fees includes Auditors remuneration as follows:				
a) As auditor		220,000		200,000
b) For taxation matters		52,500		25,000
c) For other services		111,700		116,446
TOTAL		384,200		341,446

P(1) Corporate Information

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.

P(2) The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: ₹ Nil)

P(3) Disclosure pursuant to Accounting Standard (AS) 15 (revised) on "Employee benefits":

(i) Defined contribution plan:

An amount of ₹ 393,797/- (previous year : ₹ 352,190/-) being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note M) in the Statement of Profit and loss.

(ii) Defined benefit plans:

a) The amounts recognised in Balance Sheet are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹
A) Present value of defined benefit obligation				
- Wholly funded	-	-	-	-
- Wholly unfunded	461,982	363,335	447,844	393,363
	461,982	363,335	447,844	393,363
Less : Fair value of plan assets	-	-	-	-
Amount to be recognised as liability or (asset)	461,982	363,335	447,844	393,363
B) Amounts reflected in the Balance Sheet				
Liabilities	461,982	363,335	447,844	393,363
Assets	-	-	-	-
Net Liability / (asset)	461,982	363,335	447,844	393,363

NOTES FORMING PART OF ACCOUNTS (Contd.)

b) The amounts recognised in the Statement of Profit and loss are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹
1 Current service cost	100,814	96,423	71,208	73,485
2 Interest on Defined benefit obligation	29,430	24,681	31,189	28,172
3 Expected return on plan assets				
4 Actuarial losses/(gains)	(31,597)	(48,137)	(31,298)	(39,728)
5 Past service cost	-	-	-	-
6 Actuarial gain/(loss) not recognised in books	-	-	-	-
7 Adjustment for earlier years	-	-	-	-
Total (1 to 7)	98,647	72,967	71,099	61,929
I Amount included in "employee benefit expenses"	98,647	72,967	71,099	61,929
II Amount included as part of "finance costs"	-	-	-	-
Total (I + II)	98,647	72,967	71,099	61,929
Actual return on plan assets	-	-	-	-

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity plan		Compensated absences	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹
Opening balance of the present value of defined benefit obligation	363,335	290,368	393,363	331,434
Add: Current service cost	100,814	96,423	71,208	73,485
Add: Interest cost	29,430	24,681	31,189	28,172
Add: Contribution by plan participants				
i) Employer	-	-	-	-
ii) Employee	-	-	-	-
Add/(less): Actuarial losses/(gains)	(31,597)	(48,137)	(31,298)	(39,728)
Less: Benefits paid	-	-	16,618	-
Add: Past service cost	-	-	-	-
Closing balance of the present value of defined benefit obligation	461,982	363,335	447,844	393,363

d) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at 31.03.2014	As at 31.03.2013
1) Discount rate	9.10%	8.10%
2) Salary growth rate	6.00%	6.00%
3) Attrition rate	5.00%	5.00%

P(4) Disclosure pursuant to Accounting Standard (AS) - 16 "Borrowing Costs"

Borrowing cost capitalised during the year ₹ Nil. (previous year : ₹ Nil)

P(5) Segment Information

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting on primary segment does not arise. The Company does not have operations outside India. Hence, disclosure of secondary / geographical segment information does not arise.

NOTES FORMING PART OF ACCOUNTS (Contd.)

P(6) Disclosure of related parties / related party transactions pursuant to Accounting Standard (AS) 18 "Related Party Disclosures"

(a) List of related parties**Holding Company** : L&T Infrastructure Development Projects Limited**Ultimate Holding Company** : Larsen & Toubro Limited**Fellow Subsidiaries** :

L&T Krishnagiri Thopur TollRoad Limited

Narmada Infrastructure Construction Enterprise Limited

L&T Vadodara Bharuch Tollway Limited

L&T Halol Shamlaji Tollway Limited

L&T Rajkot Vadinar Tollway Limited

PNG Tollway Limited

L&T BPP Tollway Limited

L&T Ahmedabad Maliya Tollway Limited

L&T General Insurance Company Limited

L&T Krishnagiri Walajahpet Tollway Limited

(b) Disclosure of related party transactions:

Particulars	2013-14	2012-13
	₹	₹
Holding Company		
L&T Infrastructure Development Projects Limited		
• Services charge including taxes	14,894,641	11,712,613
• Subscription for debentures.	50,000,000	2,500,000,000
• Reimbursement of Expenses Paid	2,235	186,201
• Interest Charges	258,951,451	240,131,508
• Advance Received	52,888	20,000,000
• Advance Paid	267,292,300	1,620,794
Ultimate holding company		
Larsen & Toubro Limited		
• Services charge including taxes	269,664	
• Reimbursement of Expenses to	1,465,455	876,443
• Payroll Processing	8,913,164	7,506,420
• Purchase of goods and services		
Fellow Subsidiaries		
L&T Krishnagiri Thopur Toll Road Limited		
• Change money received		2,000,000
Narmada Infrastructure Construction Enterprise Limited		
• Reimbursement of Expenses from	1,755	
• Loans Repayment/ (received)	31,074,756	171,859,808
• Interest paid on loans	21,095,311	24,755,363
• Advance Received	42,500,000	
L&T Vadodara Bharuch Tollway Limited		
• Reimbursement of expenses from	53,350	
• Change money given	2,425,000	
L&T Halol Shamlaji Tollway Limited		
• Reimbursement of Expenses to	7,400	32,610
• Purchase of Capital Goods	32,426	
• Purchase of Vehicle		651,304

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2013-14	2012-13
	₹	₹
L&T Rajkot Vadinar Tollway Limited		
• Reimbursement of expenses from		9,195
PNG Tollway Limited		
• Reimbursement of expenses from		75,909
L&T BPP Tollway Limited		
• Reimbursement of expenses from		15,043
L&T Ahmedabad Maliya Tollway Limited		
• Reimbursement of expenses from		20,927
• Change money received	6,750,000	8,375,000
L&T General Insurance Compnay Limited		
• Insurance Premium paid	2,394,727	
L&T Krishnagiri Walajahpet Tollway Limited		
• Reimbursement of Expenses from		23,261
• Insurance Premium paid		800,000

(c) Amount due to and due from related parties(net):

(Amount in ₹)

Particulars	Amounts due (to)/from	
	As at 31.03.2014	As at 31.03.2013
Holding Company		
L&T Infrastructure Development Projects Limited	(3,096,855,694)	(2,919,214,549)
Ultimate Holding Company		
Larsen & Toubro Limited		(105,843)
Fellow Subsidiaries		
Narmada Infrastructure Construction Enterprise Limited	(214,345,636)	(245,420,392)

(d) No amounts pertaining to related parties have been written off or written back during the year. (previous year: ₹ Nil)

P(7) Disclosure pursuant to Accounting Standard (AS) 19 “Leases”

The Company has not acquired any assets either under Finance lease or under Operating lease. Hence disclosures pertaining to Accounting Standard (AS) 19 - “Leases” are not applicable.

P(8) Disclosure pursuant to Accounting Standard (AS) 20 “Earnings Per Share”

Basic and Diluted Earnings Per Share (EPS) computed in accordance with Accounting Standard (AS 20) “Earnings Per Share”.

Particulars		2013-14	2012-13
		₹	₹
Basic and Diluted			
Profit after tax as per accounts (₹)	A	(465,574,624)	(371,930,925)
Weighted average number of shares outstanding	B	84,300,000	84,300,000
Basic and Diluted EPS (₹)	A / B	(5.52)	(4.41)
Face value per equity share (₹)		10	10

P(9) Disclosure pursuant to Accounting Standard (AS) 28 “Impairment of Assets”

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

P(10) Taxes on Income

The Company has not recognised any deferred tax liability in the books of accounts as the timing difference arising on account of differences in tax liability as per Income tax act, 1961 and books of accounts falls within the tax holiday period under Section 80 IA of the Income Tax, 1961

P(11) Disclosure pursuant to Accounting Standard (AS) 29 - “ Provisions ,Contingent Liabilities and Contingent Assets “**(a) Major Maintenance Provision**

The Company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement.

NOTES FORMING PART OF ACCOUNTS (Contd.)

For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurfacing of pavements, repairs of structures, repairs and refurbishment of tolling system and other equipments and maintenance of service roads.

As per Concession agreement with NHAI the periodic maintenance is expected to occur over a period 5 years .The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of prudence, based on estimates, a provision for major maintenance expenses is provided for in the books annually.

During the current year the Company has provided ₹ 183,101,696/- for periodic Major Maintenance of in respect of its resurfacing obligation every five years, as per Clause 3.3.7 of the Concession Agreement with NHAI.

Description	As on 01.04.2013	Addition during the year	Utilised during the year	As on 31.03.2014
Major Maintenance Provision	30,925,621	183,101,696		214,027,317
TOTAL	30,925,621	183,101,696	–	214,027,317

(b) Contingent Liabilities

Disclosure in respect of contingent liabilities is given as part of Note no.(H) to Balance Sheet.

P(12) Deferred payment liability

The obligation towards negative grant payable to NHAI is recognized as deferred payment liability when the Company, in its capacity of Concessionaire, becomes entitled to exercise the right and collect toll in accordance with the terms of the concession agreement on Commercial Operations Date. The total concession fee payable from the project completion date till the end of the concession period is capitalized as a part of cost of toll collection rights under intangible assets under development on recognition of deferred payment liability. The deferred payment liability shall stand reduced based on actual payment towards additional concession fee payable to NHAI as and when the same is paid.

P(13) The Company operates in the infrastructure business sector which involves huge capital investments. The Company's networth has been eroded. However the loss incurred so far is startup in nature and the Management expects that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the Company. Accordingly, the financial statements have been prepared on going concern basis.

P(15) Previous Year Figures

The Company has reclassified/ regrouped the previous year figures wherever necessary.

NOTE (Q) SIGNIFICANT ACCOUNTING POLICIES

Q(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. However, certain claims, which are not ascertainable / acknowledged by customers, 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 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."

Q(2) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule VI to the Companies Act, 1956 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statement" . The disclosure requirements with respect to the items in the Balance Sheet and the statement of Profit and Loss ,as prescribed in the Schedule VI to the Act , are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards .

Q(3) Revenue recognition

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

A. Revenue from Operations

a. Service income

i Revenue from Toll Collections are accounted for, as and when the amount is due and recovery is certain.

b. Other Operating Income

i Other operational revenue represents income earned from activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

B. Other income

a Interest income is accrued at applicable interest rate on time proportion basis.

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

NOTES FORMING PART OF ACCOUNTS (Contd.)**Q(4) 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 Statement of Profit and Loss.

Q(5) Tangible Fixed Assets

Tangible fixed assets are stated at original cost net of tax/duty availed, if any, less accumulated depreciation and cumulative impairment.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalized as a part of the cost of the fixed assets.

Q(6) Depreciation

Depreciation on assets have been provided on straight-line basis at the rates specified in the schedule XIV of the Companies Act, 1956. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

	Category of Asset	Rate of Depreciation (%)
i	Furniture and fixture	10.00%
ii	Office equipment	25.00%
iii	Computers - Desktops and laptops	25.00%
iv	Desktops and laptops given to employees under the Company's Scheme	25.00%
v	Plant and Equipment	11.11%
vi	Motor Cars	14.29%
vii	Motor bike	9.09%
viii	Air Conditioners	25.00%
ix	Electrical Installations	11.11%
x	Toll equipment	14.28%

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

Items below ₹ 5,000/- have been depreciated at the rate of 100%.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Q(7) Intangible assets and amortisation

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

Toll Collection Rights are amortized over the period of rights given under the Concession Agreement as they represent right to collect Toll revenue during the concession period.

Administrative and other general overhead expenses that are directly attributable to acquisition or creation of intangible assets are allocated and capitalized as part of cost of the Intangible assets.

Specialized software is amortized over a period of three years on straight line basis from the month in which the addition is made.

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining period so as to allocate the asset's revised carrying amount over its remaining useful life.

Q(8) Impairment of assets

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

- (i) the provision for impairment loss, if any; and
- (ii) the reversal of impairment loss recognised in previous periods, if any,

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

(Value in use is determined at 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)

Q(9) Investments

Investments, which are readily realizable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Current investments are stated at lower of cost or market value. The determination of carrying amount of such investments is done on a weighted average cost of each individual investment.

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary in nature.

Q(10) Foreign Currency Transactions

- (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 at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- (iii) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognized as income or expense in the period in which they arise.

Q(11) Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposit, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

Q(12) Borrowing costs

Borrowing costs include interest, commitment charges, amortization of ancillary costs, amortization of discounts / premium related to borrowings, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest cost.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires 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.

Q(13) Taxes on income

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, and based on the 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 relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other 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 realised.

Q(14) Segment accounting

Segment accounting policies are in line with the accounting policies of the Company. In addition the following specific accounting policies have been followed for segment reporting.

- (i) Segment revenue includes sales directly identifiable with/allocable to the segment.
- (ii) Expenses that are directly identifiable with/allocable to the segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "unallocable corporate expenditure".
- (iii) Income which relate to the Company as a whole and not allocable to segments is included in "unallocable corporate income".
- (iv) Segments assets and liabilities include those directly identifiable with respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Q(15) Leases**Operating Leases**

- (i) Assets acquired on leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Statement of Profit & Loss on accrual basis.
- (ii) Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Q(16) Provisions, Contingent liabilities and Contingent assets

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.

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

- (i) 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.
- (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.

Q(17) Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for
- (ii) Uncalled liability on shares and other investments partly paid
- (iii) Funding related commitment to subsidiary, associate and joint venture companies and
- (iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

Q(18) Operating cycle for current/non-current classification:

Operating cycle for the business activities of the Company is taken as twelve months for classification of its assets and liabilities into current/non-current.

Q(19) Cash Flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

- (i) transactions of a non-cash nature
- (ii) any deferrals or accruals of past or future operating cash receipts or payments and
- (iii) items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.

Chartered Accountants

Firm's Registration No. 000679S

by the hand of

K. J. DANDEKER

Partner

Membership No. 018533

SANJAY TIKKU

Manager

K. VENKATESH

Director

B. RAMAKRISHNAN

Director

Place : Chennai

Date : May 5, 2014

Place : Chennai

Date : May 5, 2014