DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended March 31, 2013.

1. **FINANCIAL RESULTS**

The key financial parameters for the year ended March 31, 2013 are:

Amount (₹ Lakhs)

Description	2012-13	2011-12
Profit before depreciation & tax	**4870.66**	*4073.38*
Depreciation	**5245.82**	*5254.79*
Profit / (Loss) before tax	**(375.15)**	*(1181.41)*
Prior Period Adjustments	**–**	–
Provision for tax	**–**	–
Profit / (Loss) after tax	**(375.15)**	*(1181.41)*
Balance brought forward from Previous year	**(7189.44)**	*(6008.03)*
Balance carried to Balance Sheet	**(7564.59)**	*(7189.44)*

2. **PERFORMANCE OF THE COMPANY**

Total Income for 2012-13 is ₹ 10,155.49 lakhs against ₹ 9323.03 lakhs for the year 2011-12. Profit After Tax (PAT) for 2012-13 is ₹ (375.15) lakhs against ₹ *(1181.41) lakhs for the year 2011-12*.

3. **DIVIDEND**

The Board of Directors has not recommended any dividend for the year 2012-13.

4. **CAPITAL EXPENDITURE**

As at March 31, 2013, the gross fixed assets stood at ₹ 88,895.20 lakhs and the net fixed assets stood at ₹ 67,348.46 lakhs.

5. **DEPOSITS**

The Company has not accepted any deposits from the public.

6. **AUDITORS' REPORT**

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

7. **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)

During the year the Company has not incurred any foreign currency expenditure

8. **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.

9. **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.

Mr. Vineesh Kumar Parayee resigned as a Manager on 17.09.2012. Consequent upon his resignation, Mr. Biju Francis was appointed as the Manager of the Company under the Companies Act,1956 with effect from 17.09.2012.

10. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the 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, 2013;

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 the Company and for preventing and detecting fraud and other irregularities;

4. that the annual accounts have been prepared on a going concern basis; and

5. that proper systems are in place to ensure compliance of all laws applicable to the Company.

11. DIRECTORS

Mr. B. Ramakrishnan, Mr. T. S. Venkatesan and Mr. J. Subramanian constitute the Board of Directors of the Company.

Mr. C. S. Damle resigned as Director of the Company on 05.07.2012. The Board of Directors expressed their sincere appreciation and gratitude for the excellent contribution made by Mr. C. S. Damle towards the progress of the Company.

Mr. B. Ramakrishnan retires by rotation at the Eighth Annual General Meeting and being eligible offers himself for re-appointment.

12. AUDIT COMMITTEE

The Audit Committee was re-constituted at the Board Meeting held on 06.08.2012. The Members of the Audit Committee are:

1. Mr. B. Ramakrishnan
2. Mr. T. S. Venkatesan and
3. Mr. J. Subramanian

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.

13. AUDITORS

The Auditors, M/s M. K. Dandeker & 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.

14. COMPLIANCE WITH VOLUNTARY CORPORATE GOVERNANCE GUIDELINES, 2009

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

A) SEPARATION OF OFFICES OF CHAIRMAN & CHIEF EXECUTIVE

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

B) REMUNERATION OF DIRECTORS

The Directors are not paid any remuneration by way of sitting fees, etc.

C) INDEPENDENT DIRECTORS

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

Number of Companies in which an Individual may become a Director

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

D) RESPONSIBILITIES OF THE BOARD

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

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

E) STATUTORY AUDITORS

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

F) INTERNAL AUDITORS

M/s Grant Thornton India LLPare the Internal Auditors of the Company.

G) INTERNAL CONTROL

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

H) SECRETARIAL AUDIT

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

15. MAINTENANCE OF COST RECORDS COMPLIANCE REPORT

Pursuant to the provisions of rule 5 of The Companies (Cost Accounting Records) Rules, 2011, your Company is required to obtain a Maintenance of Cost Records 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.

15. 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	**J. SUBRAMANIAN**	**T. S. VENKATESAN**
Date: April 29, 2013	*Director*	*Director*

AUDITORS' REPORT

TO THE MEMBERS OF L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED**, which comprise the Balance Sheet as at March 31, 2013, 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 gives 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, 2013,

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. On the basis of written representations received from the directors, as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 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.
Chartered Accountants
(Firm Regn. No. 000679S)

K. J. DANDEKER
Partner
Membership No. 018533.

Place: Chennai
Dated: April 29, 2013

ANNEXURE TO THE AUDITORS' REPORT

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

With reference to the Annexure referred to in paragraph 1 of the report of the Auditors to the Members of **L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED** on the accounts for the year ended March 31, 2013, 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 Cost Records as required under Section 209 (1) (d) 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, 2013, 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 incurred an Accumulated loss of ₹ 756,459,922/- which is more than 50% of the Net Worth of the Company as on 31.03.2013. However, there is no Cash Loss during the year.

(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 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 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.

For M.K.DANDEKER & CO.
Chartered Accountants
(Firm Regn. No. 000679S)

K. J. DANDEKER
Partner
Membership No. 018533.

Place: Chennai
Dated: April 29, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at 31.03.2013 ₹	₹	As at 31.03.2012 ₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	A	787,500,000		787,500,000	
Reserves & Surplus	B	(756,459,922)		(718,944,263)	
			31,040,078		68,555,737
Non-current liabilities					
Long-term borrowings	C(I)	6,363,517,118		6,808,112,817	
Other Long term liabilities	C(II)	535,023		15,544,364	
Long-term provisions	C(III)	159,100,000		92,100,000	
			6,523,152,141		6,915,757,181
Current liabilities					
Current maturities of long term borrowings	D(I)	228,300,000		267,900,000	
Trade payables	D(II)	11,832,585		23,351,108	
Other current liablities	D(III)	275,261,415		230,468,441	
Short-term provisions	D(IV)	1,564,254		1,056,759	
			516,958,254		522,776,308
TOTAL			7,071,150,473		7,507,089,226
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	E(I)	75,188,578		99,830,807	
Intangible assets	E(II)	6,659,657,612		7,157,077,240	
Long-term loans and advances	E(III)	703,051		668,056	
			6,735,549,241		7,257,576,103
Current Assets					
Current investments	F(I)	165,553,736		96,482,604	
Cash and bank balances	F(II)	161,168,597		146,992,619	
Short-term loans and advances	F(III)	7,053,272		5,507,516	
Other current assets	F(IV)	1,825,627		530,385	
			335,601,232		249,513,123
TOTAL			7,071,150,473		7,507,089,226
CONTINGENT LIABILITIES AND COMMITMENTS	G				
OTHER NOTES FORMING PART OF ACCOUNTS	N				
SIGNIFICANT ACCOUNTING POLICIES	O				

The accompanying notes form an integral part of the financial statements

As per our report attached

For M. K. DANDEKER & CO.
Chartered Accountants
(Firm Registration No: 000679S)
By the hand of

For and on behalf of the Board

R. G. RAMACHANDRAN *Company Secretary*

B. RAMAKRISHNAN *Director*

T. S. VENKATESAN *Director*

K. J. DANDEKER
Partner
Membership No.018533

Place : Chennai
Date : April 29, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	2012-2013 ₹	*2011-2012 ₹*
REVENUE			
Revenue from operations	H	**1,015,549,485**	*932,303,797*
Other Income	I	**29,153,051**	*19,631,446*
TOTAL REVENUE		**1,044,702,536**	*951,935,243*
EXPENSES			
Operating and maintenance expenses	J	**141,324,000**	*119,678,717*
Employee benefits expense	K	**11,507,011**	*11,611,543*
Administrative and other expenses	L	**17,032,178**	*12,576,518*
Finance costs	M	**387,772,711**	*400,730,368*
Depreciation and amortisation expense		**524,582,299**	*525,479,836*
TOTAL EXPENSES		**1,082,218,199**	*1,070,076,983*
Profit/(Loss) before tax		**(37,515,663)**	*(118,141,740)*
Tax expense			
Current tax		**–**	*–*
Deferred tax		**–**	*–*
Profit/(loss) after tax		**(37,515,663)**	*(118,141,740)*
Earnings per equity share			
Basic EPS	N(4)	**(0.48)**	*(1.50)*
Diluted EPS		**(0.48)**	*(1.50)*
Face value per equity share (₹)		**10.00**	*10.00*
OTHER NOTES FORMING PART OF ACCOUNTS	N		
SIGNIFICANT ACCOUNTING POLICIES	O		

The accompanying notes form an integral part of the financial statements

As per our report attached

For M. K. DANDEKER & CO.
Chartered Accountants
(Firm Registration No: 000679S)
By the hand of

K. J. DANDEKER
Partner
Membership No.018533

Place : Chennai
Date : April 29, 2013

For and on behalf of the Board

R. G. RAMACHANDRAN — *Company Secretary*
B. RAMAKRISHNAN — *Director*
T. S. VENKATESAN — *Director*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2012-2013 ₹	*2011-2012 ₹*
A	**Cash Flow from operating activities**		
	Profit before tax (excluding extraordinary item)	**(37,515,663)**	*(118,141,740)*
	Adjustments for :		
	Depreciation and amortisation	**524,582,299**	*525,479,836*
	Interest paid	**387,772,711**	*402,947,733*
	Interest received	**(13,525,919)**	*(4,614,699)*
	(Profit) / Loss on sale of investments (net)	**(12,772,882)**	*(12,796,026)*
	(Profit) / Loss on sale of fixed assets (net)	**473**	*–*
	Other non operating income	**(2,854,723)**	*(2,220,721)*
	Operating profit before working capital changes	**845,686,296**	*790,654,383*
	Adjustments For :		
	(Increase) / Decrease in trade and other receivables		
	(Increase) / Decrease in Loans and Advances	**(4,329,807)**	*10,753,136*
	Increase / (Decrease) in trade payables	**18,265,110**	*45,408,475*
	Increase / (Decrease) in Provisions	**67,507,495**	*343,672*
	Cash generated from operations	**927,129,094**	*847,159,666*
	Direct taxes paid (net of refund)	**1,453,814**	*–*
	Net cash (used in) / generated from operating activities - (A)	**928,582,908**	*847,159,666*
B	**Cash flow from Investing activities**		
	Purchase of fixed assets	**(2,524,024)**	*(18,502,815)*
	Sale of fixed assets	**3,112**	*–*
	Dividend received from other investments	**12,772,882**	*12,796,026*
	(Purchase) / Sale of investments (net)	**(69,071,132)**	*(96,482,604)*
	Interest received	**13,525,919**	*4,614,699*
	Other non operating income	**2,854,723**	*2,220,721*
	Net cash (used in) / generated from investing activities - (B)	**(42,438,520)**	*(95,353,973)*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	**(267,895,699)**	*(732,873,006)*
	Proceeds from long term borrowings	**–**	*525,000,000*
	Interest paid	**(387,772,711)**	*(402,947,733)*
	Deferred liability paid	**(216,300,000)**	*(144,200,000)*
	Net cash (used in) / generated from financing activities - (C)	**(871,968,410)**	*(755,020,739)*
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**14,175,979**	*(3,215,047)*
	Cash and cash equivalents as at the beginning of the year	**146,992,618**	*150,207,665*
	Cash and cash equivalents as at end of the year	**161,168,597**	*146,992,618*

NOTES :

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

As per our report attached
For M. K. DANDEKER & CO.
Chartered Accountants
(Firm Registration No: 000679S)
By the hand of

K. J. DANDEKER
Partner
Membership No.018533

Place : Chennai
Date : April 29, 2013

For and on behalf of the Board

R. G. RAMACHANDRAN — *Company Secretary*
B. RAMAKRISHNAN — *Director*
T. S. VENKATESAN — *Director*

NOTES FORMING PART OF ACCOUNTS

A SHARE CAPITAL

(i) Share capital authorised, issued, subscribed and paid up:

	As at 31.03.2013		As at 31.03.2012	
	No of Shares	₹	No of Shares	₹
Authorized:				
Equity Shares of ₹ 10 each	**8,00,00,000**	**800,000,000**	*8,00,00,000*	*800,000,000*
Issued, subscribed & fully paid-up:				
Equity Shares of ₹ 10 each	**7,87,50,000**	**787,500,000**	*7,87,50,000*	*787,500,000*

(ii) Reconciliation of the number of equity shares and share capital:

	2012-2013		2011-2012	
	No of Shares	₹	No of Shares	₹
Equity Shares:				
Issued, Subscribed and fully paid up equity shares outstanding at the beginning of the period	**7,87,50,000**	**787,500,000**	*7,87,50,000*	*787,500,000*
Add : Shares issued during the year as fully paid	**–**	**–**	–	–
Issued, Subscribed and fully paid up equity shares outstanding at the end of the period	**7,87,50,000**	**787,500,000**	*7,87,50,000*	*787,500,000*

(iii) Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. No shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

(iv) Shares held by Holding / Ultimate holding Company and/or their subsidaries/associates:

	Relationship	As at 31.03.2013 ₹	As at 31.03.2012 ₹
L&T Infrastructure Development Projects Limited, the Holding Company	**Holding Company**		
Equity shares of ₹ 10 each fully paid up		*787,500,000*	*787,500,000*

(v) Shareholders holding more than 5% shares in the Company as at the end of the year:

Name of the shareholders	As at 31.03.2013		As at 31.03.2012	
	No of Shares	%	No of Shares	%
L&T Infrastructure Development Projects Limited, Holding Company	**7,87,50,000**	**100%**	*7,87,50,000*	*100%*

(vi) The Company declares and pays dividends in Indian rupees. During the year ended March 31, 2013, no dividend is declared by Board of Directors. *(Previous year - Nil)*

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
B RESERVES & SURPLUS				
Surplus / (deficit) in the Statement of Profit and Loss				
As per the last Balance sheet		**(718,944,259)**		*(600,802,523)*
Add: Profit / (Loss) for the year		**(37,515,663)**		*(118,141,740)*
TOTAL		**(756,459,922)**		*(718,944,263)*

NOTES FORMING PART OF ACCOUNTS (Contd.)

C(I) LONG TERM BORROWINGS

	Note No	As at 31.03.2013		As at 31.03.2012	
		₹	₹	₹	₹
Term loans*	C(I)(a)		**3,027,212,817**		*3,224,012,817*
Deferred payment liabilities	C(I)(b)		**2,884,800,000**		*3,101,100,000*
Loans and advances from related parties	C(I)(c)		**451,504,301**		*483,000,000*
TOTAL			**6,363,517,118**		*6,808,112,817*

*Loan guaranteed by Director ₹ NIL *(Previous Year - ₹ NIL)*

C(I) (A) TERM LOANS (SECURED)

Particulars	Rate of interest for the current year*	As at 31.03.2013	As at 31.03.2012	Terms of repayment
		₹	₹	
- From Banks	Base rate + applicable spread	**2,451,792,578**	*2,611,092,578*	*Rupee term loans consists of loans borrowed from a consortium of eight lenders. The loans are repayable in 43 unequal quarterly installments.*
- From Financial institutions	Base rate + applicable spread	**575,420,239**	*612,920,239*	
TOTAL		**3,027,212,817**	*3,224,012,817*	

* The rate of interest for loan from banks till December 2012 was at bank rate + applicable spread (fixed).

Nature of security :

i) Mortgage of title deed of immovable property being Flat located at Pune.

ii) Pari passu charge on all the movable & immovable assets of the Company, both present and future, except project assets

C(I) (B) DEFERRED PAYMENT LIABILITIES

	As at 31.03.2013	As at 31.03.2012	Remarks
	₹	₹	
Negative Grant payable to NHAI	**2,884,800,000**	*3,101,100,000*	Deferred payment liabilities represents the outstanding Negative grant payable to National Highway Authority of India (NHAI) as per the Concession agreement dated 17th January 2006. The Grant is payable over a period of ten years commencing from the year in which the commercial operation as per the schedule of payment specified in the Concession agreement.
TOTAL	**2,884,800,000**	*3,101,100,000*	

C(I) (C) LOANS AND ADVANCES FROM RELATED PARTIES (UNSECURED)

	As at 31.03.2013	As at 31.03.2012	Terms of repayment
	₹	₹	
Narmada Infrastructure Construction Enterprises Limited (NICE), fellow subsidiary	**451,504,301**	*483,000,000*	The loan is payable in 44 quarterly unequal installments . The interest rate on loan is the Reserve Bank of India (RBI) bank rate (presently 8.50%).
TOTAL	**451,504,301**	*483,000,000*	

Particulars	As at 31.03.2013	As at 31.03.2012
	₹	₹
The amount under Note C(I) represents :-		
i) Secured Borrowings	**3,027,212,817**	*3,224,012,817*
ii) Unsecured Borrowings	**451,504,301**	*483,000,000*
iii) Payable as per Concession Agreement	**2,884,800,000**	*3,101,100,000*
TOTAL	**6,363,517,118**	*6,808,112,817*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
C(II) OTHER LONG TERM LIABILITES		
Trade payables	**535,023**	–
Others	**–**	*15,544,364*
TOTAL	**535,023**	*15,544,364*
C(III) LONG TERM PROVISIONS		
Other Provisions		
Periodic major maintenance - Refer Note {C(III)(a)}	**159,100,000**	*92,100,000*
TOTAL	**159,100,000**	*92,100,000*

C(III)(a) Periodic major maintenance has been provided based on estimate of expenditure to be incurred on major maintenance as stated in the Concession Agreement.

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
D(I) CURRENT MATURITIES OF LONG TERM BORROWINGS		
Term loan (secured) - {Note no. C(I)(a)}		
- From Banks	**159,300,000**	*191,400,000*
- From Financial institutions	**37,500,000**	*45,000,000*
Loans and advances from related parties (unsecured) - {Note no. C(I)(c)}		
- Narmada Infrastructure Construction Enterprises Limited (fellow subsidiary)	**31,500,000**	*31,500,000*
TOTAL	**228,300,000**	*267,900,000*
D(II) TRADE PAYABLES		
Due to Micro and small enterprises - Refer note {D(II)(a)}	**–**	–
Due to others	**11,832,585**	*23,351,108*
TOTAL	**11,832,585**	*23,351,108*

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

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
D(III) OTHER CURRENT LIABILITIES		
Other payables		
- NHAI revenue share payable	**48,897,372**	*49,054,163*
- NHAI negative grant payable - Note No {C(I)(b)}	**216,300,000**	*180,300,000*
- Due to holding Company	**927,345**	-
- Statutory liabilities	**1,101,213**	*1,114,278*
- Others	**8,035,485**	-
TOTAL	**275,261,415**	*230,468,441*
D(IV) SHORT TERM PROVISIONS		
Provision for employee benefits		
- Gratuity	**723,984**	*446,371*
- Compensated absences	**812,270**	*610,388*
- Bonus	**28,000**	-
TOTAL	**1,564,254**	*1,056,759*

NOTES FORMING PART OF ACCOUNTS (Contd.)

E (I) TANGIBLE ASSETS

Figures in ₹

Particulars	Cost				Depreciation				Book value	
	As at 01.04.2012	Additions	Deletions	**As at 31.03.2013**	Up to 31.03.2012	For the period	Deductions	**Up to 31.03.2013**	**As at 31.03.2013**	*As at 31.03.2012*
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Building	2,514,800	–	–	**2,514,800**	575,983	165,006	–	**740,989**	**1,773,811**	*1,938,817*
Plant and Equipment	134,093,357	421,316	–	**134,514,673**	43,137,483	22,872,838	–	**66,010,321**	**68,504,352**	*90,955,874*
Furniture & Fixture	2,300,923	63,440	–	**2,364,363**	1,031,139	207,711	–	**1,238,850**	**1,125,513**	*1,269,784*
Vehicles	7,296,350	–	–	**7,296,350**	2,920,951	1,261,892	–	**4,182,843**	**3,113,507**	*4,375,399*
Office Equipment	1,786,026	–	–	**1,786,026**	1,172,182	305,498	–	**1,477,680**	**308,346**	*613,844*
Computers	1,331,602	55,800	(41,496)	**1,345,906**	990,193	278,017	(37,911)	**1,230,299**	**115,607**	*341,409*
Electrical Installations	494,374	–	–	**494,374**	158,694	88,238	–	**246,932**	**247,442**	*335,680*
TOTAL	**149,817,432**	**540,556**	**(41,496)**	**150,316,492**	**49,986,625**	**25,179,203**	**(37,911)**	**75,127,914**	**75,188,578**	***99,830,807***
Previous Year	149,214,484	*602,948*	–	*149,817,432*	*24,873,886*	*25,112,740*	–	*49,986,625*	*99,830,807*	*124,340,598*

E(II) INTANGIBLE ASSETS

Figures in ₹

Particulars	Cost			Amortization			Book Value	
	As at 01.04.2012	Additions	**As at 31.03.2013**	**As at 31.03.2013**	For the period	**Up to 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
	₹	₹	₹	₹	₹	₹	₹	₹
Toll Collection Rights	8,736,945,183	1,983,468	**8,738,928,651**	1,579,867,944	499,403,096	**2,079,271,040**	**6,659,657,611**	*7,157,077,239*
Computer software	275,000	–	**275,000**	274,999	–	**274,999**	**1**	*1*
TOTAL	**8,737,220,183**	**1,983,468**	**8,739,203,651**	**1,580,142,943**	**499,403,096**	**2,079,546,039**	**6,659,657,612**	***7,157,077,240***
Previous Year	*8,719,320,316*	*17,899,867*	*8,737,220,183*	*1,079,775,847*	*500,367,096*	*1,580,142,943*	*7,157,077,240*	*7,639,544,469*

As per para 63 of Accounting Standard-26 “Intangible Assets”, presently the Company amortises the Toll Collection rights (“TCR”), on a Straight line method (“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 31.03.2013 ₹	*As at 31.03.2012* ₹
E(III) LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
- Security deposit	**703,051**	*668,056*
TOTAL	**703,051**	*668,056*
F(I) CURRENT INVESTMENTS		
Commercial Paper		
8.75% CP L&T IDPL, 2014	**165,553,736**	*96,482,604*
Face value per unit - ₹ 5,00,000		
TOTAL	**165,553,736**	*96,482,604*
Details of quoted/non-quoted investments:		
Aggregate value of quoted investments	**–**	–
Aggregate value of unquoted investments	**165,553,736**	*96,482,604*
TOTAL	**165,553,736**	*96,482,604*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
F(II) CASH AND BANK BALANCES		
Cash and cash equivalents:		
Balances with banks		
- on Current account	**9,467,098**	*231,562*
- on Deposit account including Interest accured thereon (maturity less than 3 months)	**109,168,721**	*95,466,298*
Cash on hand	**8,483,042**	*9,667,451*
Other bank balances		
- on Deposit account including Interest accured thereon (maturity more than 3 months)	**34,049,737**	*41,627,308*
TOTAL	**161,168,597**	*146,992,619*
F(III) SHORT TERM LOANS AND ADVANCES		
Others :		
Unsecured, Considered good		
- Prepaid expenses	**3,363,237**	*1,244,827*
- Advance tax (net of provision)	**3,633,268**	*4,253,467*
- Due from ulitmate holding Company	**39,889**	-
- Other recoverable	**16,878**	*9,222*
TOTAL	**7,053,272**	*5,507,516*
F(IV) OTHER CURRENT ASSETS		
Interest accrued but not due on commercial paper	**1,825,627**	*530,385*
TOTAL	**1,825,627**	*530,385*

G CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments as at March 31, 2013 is NIL. (*Previous year - NIL*)

	2012-2013 ₹	2012-2013 ₹	2011-2012 ₹	2011-2012 ₹
H REVENUE FROM OPERATIONS				
Toll fee collections	**1,211,515,994**		*1,112,207,195*	
Less: Revenue share to NHAI	**(195,966,509)**		*(179,903,398)*	
		1,015,549,485		*932,303,797*
TOTAL		**1,015,549,485**		*932,303,797*
I OTHER INCOME				
Interest income on :				
- Bank deposits	**4,898,641**		*4,083,214*	
- Current investments	**8,482,302**		*530,385*	
- Others	**144,976**		*1,100*	
		13,525,919		*4,614,699*
Net gain on sale of current investments		**12,772,882**		*12,796,026*
Other non-operating income (net of expenses)				
- Insurance claims received	**1,890,311**		*1,116,377*	
- Lease rental - Ref : Note N(5)	**21,000**		–	
- Others	**942,939**		*1,104,344*	
		2,854,250		*2,220,721*
TOTAL		**29,153,051**		*19,631,446*

NOTES FORMING PART OF ACCOUNTS (Contd.)

		2012-2013		2011-2012	
		₹	₹	₹	₹
J	**OPERATING AND MAINTENANCE EXPENSE**				
	Toll management fees		**11,229,087**		*9,900,417*
	Security services		**14,797,913**		*13,019,504*
	Insurance		**2,034,391**		*1,270,759*
	Repairs & maintenance				
	- Toll roads & bridges	**28,810,552**		*48,404,188*	
	- Building	**1,603,769**		*1,432,925*	
	- Plant & machinery	**4,048,962**		*5,430,158*	
	- Periodic major maintenance	**67,000,000**		*31,600,000*	
	- Others	**166,206**		*59,852*	
			101,629,489		*86,927,123*
	Power & electricity charges		**11,633,120**		*8,560,915*
	TOTAL		**141,324,000**		*119,678,717*
K	**EMPLOYEE BENEFIT EXPENSE**				
	Salaries, wages & bonus		**9,517,685**		*10,246,330*
	Contribution to and provision for				
	- Provident and other funds	**534,465**		*485,089*	
	- Gratuity - Ref Note N(2)	**277,613**		*99,200*	
			812,078		*584,289*
	Staff welfare expenses		**1,177,248**		*780,924*
	TOTAL		**11,507,011**		*11,611,543*
L	**ADMINISTRATIVE AND OTHER EXPENSE**				
	Rates & taxes		**294,041**		*49,640*
	Payment to auditor (including service tax)				
	- As Auditor	**366,745**		*269,664*	
	- for Taxation	**28,090**		*27,575*	
	- for Other services	**24,044**		*–*	
			418,879		*297,239*
	Professional fees		**9,807,422**		*4,431,932*
	Printing & stationery		**502,943**		*585,365*
	Postage & communication		**583,879**		*631,726*
	Travelling & conveyance		**3,184,832**		*3,499,487*
	Foreign exchange loss		**–**		*72,888*
	Loss on sale of fixed asset		**473**		*–*
	Bank charges		**803,848**		*2,217,365*
	Other expenses		**1,435,861**		*790,876*
	TOTAL		**17,032,178**		*12,576,518*
M	**FINANCE COSTS**				
	Interest expense on term loans		**387,310,196**		*398,682,358*
	Other borrowing costs		**462,515**		*2,048,010*
	TOTAL		**387,772,711**		*400,730,368*

NOTES FORMING PART OF ACCOUNTS (Contd.)

N OTHER NOTES FORMING PART OF ACCOUNTS

(1) CORPORATE INFORMATION

L&T Krishnagiri Thopur Tollroad Limited is a Special Purpose Vehicle (SPV) incorporated for the purpose of the strengthening and widening the existing 86 kms road on NH-7 from Krishnagiri to Thopur in the state of Tamil Nadu , under Build, Operate and Transfer (BOT) basis based on the Concession Agreement dated 17th January 2006 with National Highways Authority of India. The Company had completed construction on February 6th , 2009 and started operation from that date. The concession period is 20 years which shall end on 16th July 2026

(2) DISCLOSURES PURSUANT TO AS 15 (REVISED) - EMPLOYEE BENEFITS

The Company recognises Gratuity and Compensated absenses based on the Actuarial Valuation. The following table summarizes the components of the net benefit expense recognised in the Profit and Loss Account

Particulars	**2012-13** ₹	*2011-12* ₹
1. GRATUITY		
A. Results of Actuarial Valuation		
1. Valuation as on	**March31, 2013**	*March 31, 2012*
2. Retirement Age	**58**	*58*
3. No of Employees	**19**	*20*
4. Present Value of Benefit Obligations	**7,23,984**	*4,46,371*
B. Principal rules to compute Benefit Obligations		
1. Salary reckoned for calculating benefit obligations	**As per rule of the Company**	*As per rule of the Company*
2. Vesting Period	**5 years of Gratuity**	*5 years of Gratuity*
3. Benefit formula for Gratuity for all exits except death	**B1 X Completed year of Service X 15/26 subject to benefit having vested**	
4. Benefit formula for Gratuity on death	**Same as B3 but no vesting condition**	

The amounts recognised in Balance Sheet are as follows:

Particulars	**2012-13** ₹	*2011-12* ₹
A) Present value of defined benefit obligation		
– Wholly funded	**–**	*–*
– Wholly unfunded	**7,23,984**	*4,46,371*
Less : Fair value of plan assets		
Amount to be recognised as liability or (asset)	**7,23,984**	*4,46,371*
B) Amounts reflected in the Balance Sheet		
Liabilities	**7,23,984**	*4,46,371*
Assets	**–**	*–*

Particulars	**2012-13** ₹	*2011-12* ₹
1. GRATUITY		
A. Results of Actuarial Valuation		
1. Valuation as on	**March 31, 2013**	*March 31, 2012*
2. Retirement Age	**58**	*58*
3. No of Employees	**19**	*20*
4. Present Value of Benefit Obligations	**7,23,984**	*4,46,371*
B. Principal rules to compute Benefit Obligations		
1. Salary reckoned for calculating benefit obligations	**As per rule of the Company**	*As per rule of the Company*
2. Vesting Period	**5 years of Gratuity**	*5 years of Gratuity*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars		**2012-13** ₹	*2011-12* ₹
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**	
The amounts recognised in Balance Sheet are as follows:			
A)	Present value of defined benefit obligation		
	– Wholly funded	**-**	*-*
	– Wholly unfunded	**7,23,984**	*4,46,371*
	Less : Fair value of plan assets		
	Amount to be recognised as liability or (asset)	**7,23,984**	*4,46,371*
B)	Amounts reflected in the Balance Sheet		
	Liabilities	**7,23,984**	*4,46,371*
	Assets	**-**	*-*
The amounts recognised in the Statement of Profit and loss are as follows:			
1.	Current service cost	**43,620**	*122,492*
2.	Interest on Defined benefit obligation	**37,942**	*26,500*
3.	Expected return on plan assets	**-**	*-*
4.	Actuarial losses/(gains)	**1,96,051**	*(17,947)*
5.	Past service cost	**-**	*-*
6.	Effect of Curtailment or settlement	**-**	*-*
7.	Actuarial gain/(loss) not recognised in books	**-**	*-*
8.	Adjustment for earlier years	**-**	*-*
9.	Translation adjustments		
10.	Amount capitalised out of the above		
TOTAL (1 TO 10)		**2,77,613**	*1,31,045*
I	Amount included in “employee benefit expenses”	**2,77,613**	*1,31,045*
II	Amount included as part of “finance costs”		
TOTAL (I + II)		**2,77,613**	*1,31,045*
Actual return on plan assets			
The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:			
Opening balance of the present value of defined benefit obligation		**4,46,371**	*3,47,171*
Add: Current service cost		**43,620**	*1,22,492*
Add: Interest cost		**37,942**	*26,500*
Add: Contribution by plan participants			
i)	Employer		
ii)	Employee		
Add/(less): Actuarial losses/(gains)		**1,96,051**	*(17,947)*
Less: Benefits paid			*31,845*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2012-13 ₹	2011-12 ₹
Add: Past service cost		
Add: Business combinations/acquisition		
Closing balance of the present value of defined benefit obligation	7,23,984.00	4,46,371.00
2. COMPENSATED ABSENSES		
A. Summary of Staff		
1. No of Employees	19	20
2. Projected actuarial value of benefit obligation in Rupees	8,12,270	6,10,388
B. Principle rule to compute benefit Obligations		
1. Salary reckoned for calculating Benefit obligations	As per rule of the Company	As per rule of the Company
2. Benefit formula for all exits.	B1 X Leave Balance / 30	
3. SUMMARY OF ACTUARIAL ASSUMPTIONS		
A. Mean Financial Assumptions		
1. Discount Rate per unit per annum	8.50%	8.50%
2. Salary escalation rate per unit per annum	6.00%	6.00%
3. Expected rate of return on Plan Assets per unit per annum	N.A.	N.A.
B. Mean Demographic Assumptions		
1. Mortality Rate	LIC 94 - 96 Rates	LIC 94 - 96 Rates
2. Withdrawal / Attrition Rate	5% for all age	5% for all age
3. Disability / Ill health retirement	No Explicity Assumption	No Explicity Assumption
Contribution to the Provident Fund is made to Regional Provident fund office		

(3) DISCLOSURES PURSUANT TO AS 17 - "SEGMENT REPORTING"

The Company is engaged only in the business of building and operating the Toll roads and bridges. Accordingly furnishing segment details is not applicable. Further the Company is carrying on its business in only one geographical segment and hence furnishing details of geographical segment does not arise

(4) DISCLOSURES PURSUANT TO AS 18 - "RELATED PARTY DISCLOSURES"

A. Related party where control exists		
Name of the related party	Relationship	Transaction entered during the year (Yes / No)
Larsen & Toubro Limited	Ultimate Holding Company	Yes
L&T Infrastructure Development Projects Limited	Holding Company	Yes
B. Related parties with whom transactions have taken place during the year		
Narmada Infrastructure Construction Enterprises Limited	}	Fellow Subsidiaries
L&T Chennai Tada Tollway Limited		
PNG Tollway Limited		

NOTES FORMING PART OF ACCOUNTS (Contd.)

C. DISCLOSURES OF RELATED PARTY TRANSACTIONS

a. Receipt / Provision of Services

Name of the Related Parties	Year Ended	Receipt of Services	Provision of Services	Amount owed by Related party	Amount owed to Related party
		₹	₹	₹	₹
i. Holding and Ultimate Holding Company					
Larsen & Toubro Limted	March 31, 2013	**1,752,540**	**–**	**67,458**	**–**
	March 31, 2012	*993,557*	–	–	–
L&T Infrastructure Development Projects Limited					
- O&M fees	March 31, 2013	**11,399,311**	**–**	**–**	**927,344**
	March 31, 2012	*10,279,954*	–	–	–
- Business Support Services	March 31, 2013	**7,325,529**		**–**	**–**
	March 31, 2012	*2,329,386*	–	–	–
ii. Fellow Subsidiaries :					
L&T Panipat Elevated Corridor Limited	March 31, 2013	**–**	**–**	**–**	**–**
	March 31, 2012	*63,823*	–	–	–
L&T Chennai Tada Tollway Limited	March 31, 2013	**10,907**	**–**	**–**	**–**
	March 31, 2012	*686,416*	–	–	–
L&T Samakhiali Gandhidham Tollway Limited	March 31, 2013	**–**	**–**	**–**	**–**
	March 31, 2012	*23,402*	–	–	–
L&T Vadodara Bharuch Tollway Limited	March 31, 2013	**–**	**–**	**–**	**–**
	March 31, 2012	*6,509*	–	–	–
L&T Krishnagiri Walajahpet Tollway Limited	March 31, 2013	**–**	**–**	**–**	**–**
	March 31, 2012	*90,777*	–	–	–
PNG Tollway limited	March 31, 2013	**56,346**	**–**	**–**	**–**
	March 31, 2012	–	–	–	–

b. Loans taken and Repayment thereof

Name of the Related Parties	Year Ended	Loans taken	Repayment	Interest paid	Amount owed to Related party
		₹	₹	₹	₹
Narmada Infrastructure Construction Enterprises Limited (NICE)	March 31, 2013		**31,500,000**	**45,073,784**	**483,004,301**
	March 31, 2012	*525,000,000*	*10,500,000*	*23,749,849*	*514,500,000*

c. Purchase and Sale of Commercial Papers

Particulars	Year Ended	CP purchased	CP sold	Interest Received	Amount owed to Related party
		₹	₹	₹	₹
CP 2014 from L&T IDPL	March 31, 2013	**188,384,082**	**119,312,940**	**8,482,302**	**–**
	March 31, 2012	*96,482,604*		*530,385*	

The Commercial papers are issued by L&T Infrastructure Development Projects Limited for a period of 364 days.

(5) DISCLOSURES PURSUANT TO AS 19 - "LEASES "

The Company has given on operating lease the Company owned residential flat at Pune for rent. The lease is cancellable at the option of either of the party. There are no exceptional / restrictive covenants in the lease agreement.

(6) Disclosures pursuant to AS 20 - "Earnings per share"

Particulars	2012-13 ₹	*2011-12* ₹
Basic		
Profit / (loss) after tax as per accounts	**(37,515,663)**	*(118,141,740)*
Weighted average no of shares outstanding	**78,750,000**	*78,750,000*
Basic EPS	**(0.48)**	*(1.50)*
Diluted		
Profit / (loss) after tax as per accounts	**(37,515,663)**	*(118,141,740)*
Weighted average no of shares outstanding for diluted EPS	**78,750,000**	*78,750,000*
Diluted EPS	**(0.48)**	*(1.50)*
Face value per share (₹)	**10**	*10*

NOTES FORMING PART OF ACCOUNTS (Contd.)

(7) IMPAIRMENT OF ASSETS

The Company has revised the future discounted cash flows based on value in use of fixed assets and is satisfied that the recoverable amount is more than the amount carried in the books. Accordingly, no provision is required to be made for the impairment in the accounts.

(8) WEALTH TAX ACT 1957

The Company does not have taxable wealth under the provisions of the Wealth Tax Act 1957.

(9) CHANGE IN PRESENTATION

The Company has reclassifed the previous year figures to conform to this year's classification.

(10) FOREIGN CURRENCY TRANSACTION

No foreign currency transaction was made during the year.

(11) CHANGE IN ACCOUNTING ESTIMATES

The Company has reviewed the useful life of certain categories of fixed assets during the year. Consequently, depreciation rates have been revised resulting in additional depreciation charge of ₹ 91,642. As a result the loss before tax is more by ₹ 91642.

O SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

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 escalation and other claims, which are not ascertainable or 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.

2. Income:

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

b) Dividend income is recognized when the right to receive is established.

c) Interest income is accrued at applicable rates.

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

3. Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

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

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

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

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

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

(iii) Long Term Employee Benefits

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

4. **Fixed Assets**

Tangible

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

Intangible Assets

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:

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 carriageway comprises of construction cost, and other preoperative costs incurred during the construction phase.

Pre-operative expenses including administrative and other general overhead expenses, incurred up to the date of commencement of commercial operations and which are specifically attributable to construction of the carriageway are capitalized as a part of the cost of the asset. Other expenses have been written off in the year of incurrence of such expenditure.

5. **Depreciation**

Depreciation on assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. However in respect of the following categories of fixed asset categories the Depreciation is provided at higher rates in line with their revised estimated useful life,

Category of Asset	**Depreciation Rate (% per annum)**
Building – Residential	2.00%
Office Equipment	25.00%
Electrical Installations	11.11%
Plant and Machinery	11.11%
Computers – Desktop	25.00%
Computers – Laptop	25.00%
Furniture and Fixtures	10.00%
Motor Cars	14.29%
Motor Bike	9.09%
Air conditioners	8.33%
Toll Equipments	14.29%

Individual assets whose value is below ₹ 5,000 are fully depreciated at 100%.

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

Intangible Assets representing Toll collection rights are amortized at the higher of

a) Rates prescribed if any under Sch XIV of the Companies Act, 1956, and

b) The period of 20 years in accordance with the concession agreement as they represent right to collect Toll revenue during the concession period.

6. **Investments**

Current Investments are stated at lower of cost and market value.

7. **Leases**

a) Assets acquired under leases where the Company has substantially classified all the risks and rewards of ownership as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b) Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

8. **Borrowing Cost**

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

9. Taxes on Income

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

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

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

10. Provisions, Contingent Liabilities and Contingent Assets

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

(i) the Company has a present obligation as a result of a past event.

(ii) a probable outflow of resources is expected to settle the obligation, and

(iii) the amount of the obligation can be reliably estimated.

b) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

c) Contingent Liability is disclosed in the case of

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(ii) a present obligation when no reliable estimate is possible, and

(iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

(iv) Contingent Assets are neither recognized, nor disclosed.

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

11. Commitments

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

i. Estimated amount of contracts remaining to be executed on capital account and not provided for.

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

12. Operating cycle for current and non-current classification

The Company is engaged only one line of business and the Operating cycle for the Company shall be 12 months.

13. 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 M. K. DANDEKER & CO.
Chartered Accountants
(Firm Registration No: 000679S)
By the hand of

K. J. DANDEKER
Partner
Membership No.018533

Place : Chennai
Date : April 29, 2013

For and on behalf of the Board

R. G. RAMACHANDRAN	**B. RAMAKRISHNAN**	**T. S. VENKATESAN**
Company Secretary	*Director*	*Director*