

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended March 31, 2010.

1. FINANCIAL RESULTS

The key financial parameters for the year ended March 31, 2010 are:

Description	2009-2010 Rs. Crores
Profit before depreciation & tax	20.654
Depreciation	50.730
Profit / (Loss) before tax	(30.076)
Provision for tax	NIL
Profit / (Loss) after tax	(30.076)
Balance brought forward from Previous year	(5.487)
Balance carried to Balance Sheet	(35.564)

2. PERFORMANCE OF THE COMPANY

Your Company is generating profits before depreciation. Toll Collections are expected to increase due to increase in traffic and revision of Toll fee due during September 2010.

3. DIVIDEND

The Board of Directors has not recommended any dividend for the year 2009-2010.

4. CAPITAL EXPENDITURE

As at March 31, 2010, the gross fixed assets stood at Rs. 886,22,21,300 and the net fixed assets stood at Rs. 826,93,69,008.

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

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

Discharge of Liabilities - Rs. 26,03,724.

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.

At the Board Meeting held on September 18, 2009 Mr. Kaushik Pal resigned as Manager of the Company. At the same meeting held on September 18, 2009 Mr. P. Vineesh Kumar was appointed as Manager of the Company under the Companies Act, 1956.

10. Directors' Responsibility Statement

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;

L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED

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, 2010;
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; and
4. that the annual accounts have been prepared on a going concern basis.

11. DIRECTORS

During the year, Mr. T. S. Venkatesan was appointed as an Additional Director on the Board of Directors of your Company at the Meeting held on September 18, 2009 and shall hold office until the forthcoming Annual General Meeting. As per Section 260 of the Companies Act, 1956 an Additional Director holds office upto the date of the ensuing Annual General Meeting.

Notice under the provisions of Section 257 of the Companies Act, 1956 has been received by the Company from a member for the appointment of Mr. T. S. Venkatesan as Director of the Company.

Mr. C. S. Damle retires by rotation at the Fifth Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

On March 22, 2010 Mr. M. H. Desai resigned as a Director of the Company. The Members of the Board expressed their sincere gratitude for the contribution rendered by Mr. M. H. Desai towards the progress of the Company.

At the Board Meeting held on March 22, 2010, Mr. Karthikeyan T. V. was appointed as a Director in casual vacancy caused due to the resignation of Mr. M. H. Desai.

12. AUDIT COMMITTEE

The Audit Committee was reconstituted at the Board Meeting held on August 19, 2008 and Mr. M. H. Desai, Mr. B. Ramakrishnan and Mr. C. S. Damle constituted the Members of the Audit Committee.

Consequent upon the resignation of Mr. M. H. Desai as a Director of the Company at the Board Meeting held on March 22, 2010, his membership in the Audit Committee was vacated. As per the provisions of Section 292A of the Companies Act, 1956 the Audit Committee should comprise of not less than three Directors as Members. Hence, it was necessary to nominate another Director as member of the Audit Committee. As a result, the Audit Committee was reconstituted at the Board Meeting held on March 22, 2010 and the current composition of the Audit Committee is:

Mr. T. S. Venkatesan

Mr. B. Ramakrishnan and

Mr. C. S. Damle

13. 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.

14. 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

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 26, 2010

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit;
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of accounts;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of the written representations received from the Directors of the Company as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956; and
 - (f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies in Schedule K and notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date;
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

M. K. DANDEKER & CO
Chartered Accountants
(ICAI Registration No. 000679S)

K. J. DANDEKER
Partner
Membership No. 18533

Place : Chennai
Date : April 26, 2010

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the report of the Auditors to the Members of L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED on the accounts for the year ended March 31, 2010, 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.

L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED

- (iii) According to the information & explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence reporting under clause 4(iii)(b) to (g) of the Companies (Auditor's Report) Order, 2003 does not arise.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase of fixed assets. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and hence reporting under clause 4(v)(b) of the Companies (Auditor's Report) Order 2003 does not arise .
- (vi) The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act 1956. Hence Clause 4(vi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (vii) In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Company is engaged in service activity and we are informed that maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues, Income Tax, and other statutory dues during the year with the appropriate authorities. As at March 31, 2010, there are no undisputed statutory dues payable for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute of Income Tax and Cess.
- (x) The Company is registered for a period of less than five years and hence reporting on the accumulated losses and cash loss incurred during the financial year and in the immediately preceding financial year under clause 4(x) of the Companies (Auditors Report) Order does not arise.
- (xi) The Company has not defaulted in repayment of dues to any banks or financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures. However, the surplus funds have been invested in mutual funds. Proper records have been maintained for the transactions and contracts for the investment in mutual funds and are updated on a timely basis. The investments have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and 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.

M. K. DANDEKER & CO
Chartered Accountants
(ICAI Registration No. 000679S)

K. J. DANDEKER
Partner
Membership No. 18533

Place : Chennai
Date : April 26, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees	As at 31.03.2009 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	787,500,000		787,500,000
Loan Funds				
Secured Loans	B	4,340,454,900		4,399,561,681
Deferred Credit (Refer Note No.7 in Schedule L)		3,533,800,000		3,605,900,000
TOTAL		8,661,754,900		8,792,961,681
APPLICATION OF FUNDS				
Fixed Assets	C			
Tangible Assets				
Gross Block		142,900,984	137,203,538	
Less: Depreciation		11,307,605	2,268,149	
Net Block				134,935,389
Intangible Assets	D			
Gross Block		8,719,320,316	8,719,320,316	
Less: Amortisation		581,544,687	83,282,970	
Net Block				8,636,037,346
Investments	E		-	-
Current Assets, Loans & Advances	F			
Cash and Bank Balances		85,135,030	96,346,857	
Loans and Advances		14,255,233	15,904,685	
		99,390,263	112,251,542	
Less: Current Liabilities & Provisions	G			
Current Liabilities		62,229,798.80	144,337,307	
Provisions		412,319.00	802,014	
		62,642,118	145,139,321	
Net Current Assets			36,748,145	(32,887,779)
Miscellaneous Expenditure (to the extent not written off or adjusted)				
Profit & Loss Account			355,637,747	54,876,725
TOTAL		8,661,754,900		8,792,961,681
SIGNIFICANT ACCOUNTING POLICIES	K			
NOTES ON ACCOUNTS	L			

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

For and on behalf of the Board

M. K. DANDEKER & CO.

Chartered Accountants
(ICAI Registration No. 000679S)

K. J. DANDEKER

Partner
Membership No. 18533

Place : Chennai
Date : April 26, 2010

P. VINEESH KUMAR

Manager

Place : Chennai
Date : April 26, 2010

T. S. VENKATESAN

Director

KARTHIKEYAN T. V.

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	2009-2010 Rupees	<i>For the period 07.02.2009 to 31.03.2009 Rupees</i>
INCOME			
Fee collection from users of facility		668,489,526	93,551,557
Other Income	H	5,589,426	576,812
TOTAL		674,078,952	94,128,369
EXPENDITURE			
Operating and Maintenance Expenses	I	80,110,256	9,411,770
Interest on Loans	J	387,423,494	54,436,139
Depreciation and amortisation		507,306,224	84,474,891
Preliminary Expenses written off		–	609,274
TOTAL		974,839,974	148,932,074
Profit Before Taxes		(300,761,022)	(54,803,705)
Provision for Fringe Benefit Tax		–	73,020
Profit After Taxes		(300,761,022)	(54,876,725)
Add: Profit / (Loss) brought forward from previous year		(54,876,725)	–
Balance Carried to Balance Sheet		(355,637,747)	(54,876,725)
Earnings per share			
Basic & Diluted		(3.82)	(0.70)
SIGNIFICANT ACCOUNTING POLICIES	K		
NOTES ON PROFIT & LOSS ACCOUNT	L		

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

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants
(ICAI Registration No. 000679S)

K. J. DANDEKER
Partner
Membership No. 18533

Place : Chennai
Date : April 26, 2010

P. VINEESH KUMAR
Manager

Place : Chennai
Date : April 26, 2010

T. S. VENKATESAN
Director

KARTHIKEYAN T. V.
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	2009-2010 Rupees	2008-2009 Rupees
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before tax & extraordinary items	(300,761,022)	(54,803,705)
Dividend received	(5,450,402)	(570,237)
Depreciation and Amortisation	507,306,224	84,474,891
Preliminary expenses written off	–	609,274
Interest paid	387,423,494	54,436,139
Interest received	(139,024)	(6,575)
Operating Profit before Working Capital changes	588,379,270	84,139,787
(Increase) / Decrease in Loans and Advances	1,649,452	8,842,502
Increase / (Decrease) in Trade payables	(82,497,203)	(138,756,352)
Cash generated from Operations	507,531,519	(45,774,063)
Direct taxes paid	–	(364,000)
Net Cash inflow from Operating Activities (A)	507,531,519	(46,138,063)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(5,702,497)	(1,969,039,576)
Dividend received from other investments	5,450,402	570,237
Interest received	139,024	6,575
Net Cash used in Investing Activities (B)	(113,071)	(1,968,462,764)
C. Cash Flow from Financing Activities		
Issue of Equity shares and advance against share capital	–	–
(Repayment) / Proceeds from Borrowings	(59,106,781)	2,061,335,032
Deferred Credit	(72,100,000)	–
Interest paid	(387,423,494)	(54,436,139)
Net cash from Financing Activities (C)	(518,630,275)	2,006,898,893
Net increase in Cash and Cash Equivalents (A+B+C)	(11,211,827)	(7,701,934)
Cash and Cash Equivalents as at the beginning (including cash credit from banks)	96,346,857	104,048,791
Cash and Cash Equivalents as at the end (including cash credit from banks)	85,135,030	96,346,857

NOTES

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

For and on behalf of the Board

M. K. DANDEKER & CO.

Chartered Accountants
(ICAI Registration No. 000679S)

K. J. DANDEKER

Partner
Membership No. 18533

Place : Chennai
Date : April 26, 2010

P. VINEESH KUMAR

Manager

Place : Chennai
Date : April 26, 2010

T. S. VENKATESAN

Director

KARTHIKEYAN T. V.

Director

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2010 Rupees	<i>As at 31.03.2009</i> <i>Rupees</i>
SCHEDULE - A		
SHARE CAPITAL		
Authorised		
8,00,00,000 Equity Shares of Rs. 10 each	800,000,000	<i>800,000,000</i>
Issued Subscribed & Paid-up		
7,87,50,000 Equity Shares of Rs. 10 each fully paid-up (All the shares are held by L&T Infrastructure Development Projects Limited, the holding Company and its nominees)	787,500,000	<i>787,500,000</i>
TOTAL	787,500,000	<i>787,500,000</i>
SCHEDULE - B		
SECURED LOANS		
Senior Loan from Banks		
Canara Bank	485,000,000	<i>492,756,779</i>
Punjab National Bank	327,300,000	<i>332,610,823</i>
State Bank of Patiala	484,955,498	<i>492,756,779</i>
State Bank of India	338,196,112	<i>347,971,871</i>
State Bank of Mysore	242,342,867	<i>246,378,393</i>
UCO Bank	485,000,000	<i>492,756,779</i>
Union Bank of India	725,517,374	<i>737,028,420</i>
United Bank of India	727,359,596	<i>739,135,170</i>
(Secured by <i>pari passu</i> charge on all the movable & immovable assets of the Company, both present and future)		
Subordinate Loan from State Bank of India	349,783,453	<i>347,666,666</i>
Subordinate Loan from Punjab National Bank (Secured by second charge on all the movable & immovable assets of the Company, both present and future)	175,000,000	<i>170,500,001</i>
TOTAL	4,340,454,900	<i>4,399,561,681</i>

SCHEDULE - C**FIXED ASSETS - TANGIBLE**

FIXED ASSETS	GROSS BLOCK				DEPRECIATION / AMORTIZATION				BOOK VALUE	
	As at 31.03.2009 Rupees	Additions Rupees	Deletions Rupees	As At 31.03.2010 Rupees	Up to 31.03.2009 Rupees	Additions Rupees	Deletions Rupees	Up to 31.03.2010 Rupees	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
TANGIBLE ASSETS										
Building	2,514,800	—	—	2,514,800	128,835	137,652	—	266,487	2,248,313	<i>2,385,965</i>
Office Equipment	1,305,437	52,053	—	1,357,490	146,453	101,339	—	247,792	1,109,698	<i>1,158,984</i>
Electrical Installations	117,724	180,000	—	297,724	50,337	11,823	—	62,160	235,564	<i>67,387</i>
Computers	1,330,992	—	176,800	1,154,192	229,984	187,368	5,051	412,301	741,891	<i>1,101,008</i>
Furniture & Fixture	2,417,188	282,708	—	2,699,896	377,905	464,710	—	842,615	1,857,281	<i>2,039,283</i>
Vehicles	6,906,559	389,791	—	7,296,350	150,950	672,771	—	823,721	6,472,629	<i>6,755,609</i>
Tractors and Others	2,182,782	4,875,842	—	7,058,624	39,498	585,487	—	624,985	6,433,639	<i>2,143,284</i>
Plant and Machinery	120,428,056	93,852	—	120,521,908	1,144,187	6,883,357	—	8,027,544	112,494,364	<i>119,283,869</i>
Total	137,203,538	5,874,246	176,800	142,900,984	2,268,149	9,044,507	5,051	11,307,605	131,593,379	
<i>Previous Year</i>	<i>4,586,784</i>	<i>132,755,733</i>	<i>138,979</i>	<i>137,203,538</i>	<i>555,682</i>	<i>1,752,329</i>	<i>39,862</i>	<i>2,268,149</i>		<i>134,935,389</i>

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

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

FIXED ASSETS	GROSS BLOCK			DEPRECIATION / AMORTIZATION			BOOK VALUE	
	As at 31.03.2009 Rupees	Additions Rupees	As At 31.03.2010 Rupees	Up to 31.03.2010 Rupees	Additions Rupees	Up to 31.03.2010 Rupees	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
TANGIBLE ASSETS								
Toll Collection Rights	8,719,045,316	–	8,719,045,316	83,038,527	498,231,161	581,269,688	8,137,775,628	8,636,006,789
Specialized Software	275,000	–	275,000	244,443	30,556	274,999	1	30,557
Total	8,719,320,316	–	8,719,320,316	83,282,970	498,261,717	581,544,687	8,137,775,629	–
<i>Previous Year</i>	<i>275,000</i>	<i>8,719,045,316</i>	<i>8,719,320,316</i>	<i>152,777</i>	<i>83,130,193</i>	<i>83,282,970</i>	–	8,636,037,346

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

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE - E		
INVESTMENTS		
Current Investments	–	–
TOTAL	–	–

Details of Investments purchased and sold during the year

Mutual Funds	Face Value Rs. per unit	Unit Nos.	Cost (Rs.)
Birla Sun Life Short Term Fund-Growth	10	12,20,662	20,000,000
Birla Sun Life Short Term Fund - Institutional Growth	10	4,14,338	45,000,000
Birla Sun Life Short Term Fund - Institutional Daily Dividend	10	49,97,252	50,000,000
Birla Sun Savings Fund Retail Growth	10	3,33,049	5,500,000
Canara Robeco Liquid Fund Growth		1,32,969	2,200,000
Canara Robeco Treasury Advantage Institutional Plan	10	63,22,402	93,650,000
HDFC Cash Management Fund-Savings Plan-Growth	10	13,94,515	23,550,000
HDFC Cash Management Fund-Treasury Advantage Plan-Growth	10	2,17,694	38,800,000
HSBC Long Term Growth	10	33,07,716	46,030,000
Kotak Floater Long Term Fund-Growth	10	97,30,833	134,500,000
NLPRG Canara Robeco Treasury Advantage-Retail Growth	10	9,23,089	13,500,000
Reliance Medium Term Fund-Retail Plan-Growth Plan	10	18,94,614	60,700,000
Reliance Medium Term Fund-Daily Dividend	10	8,77,424	15,000,000
Religare Short Term Plan-Regular Growth	10	9,66,069	11,900,000
Religare Ultra Short Term Fund-Institutional Growth	10	12,27,357	15,500,000
Religare Ultra Short Term Plan - Growth	10	10,31,108	12,600,000
SBI-SHF Ultra Short Term Fund-Growth	10	36,66,882	43,200,000
TATA Floater Fund-Growth	10	44,50,265	59,700,000

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	<i>Rupees</i>	<i>Rupees</i>
SCHEDULE - F				
CURRENT ASSETS, LOANS & ADVANCES				
Current Assets				
Cash and Bank Balances				
Cash on Hand		8,942,509		3,384,690
Balances with Scheduled Banks				
In Current Accounts	26,192,521		32,962,167	
In Deposit Accounts	50,000,000		60,000,000	
		76,192,521		92,962,167
		85,134,730		96,346,857
Loans and Advances				
Unsecured				
Considered good				
Advances recoverable in cash or in kind or for value to be received		14,255,233		15,904,685
TOTAL		99,390,263		112,251,542
SCHEDULE - G				
CURRENT LIABILITIES & PROVISIONS				
Liabilities				
Sundry Creditors				
Due to Micro, Small & Medium Enterprises	-		-	
Due to Larsen & Toubro Limited (Ultimate Holding Company)			60,128,889	
Others	62,229,799		84,208,418	
		62,229,799		144,337,307
Provisions				
Fringe Benefit Tax	-		339,000	
Income Tax	-		303,870	
Bonus	-		6,998	
Gratuity	224,415		71,027	
Leave Encashment	187,904		81,119	
		412,319		802,014
TOTAL		62,642,118		145,139,321

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	2009-2010 Rupees	<i>For the period 07.02.2009 to 31.03.2009 Rupees</i>
SCHEDULE - H		
OTHER INCOME		
Dividend Income	1,306,752	570,237
Profit on Sale of Investments	4,143,650	—
Interest from Bank	114,257	6,575
Prior Period Income	24,767	—
TOTAL	5,589,426	576,812
SCHEDULE - I		
OPERATING & MAINTENANCE EXPENSES		
Toll Management Charges	7,372,527	1,038,193
Security Charges	9,797,134	2,219,994
Professional Charges	6,817,820	935,585
Salaries, Wages and Bonus	6,115,620	990,420
Contribution to		
Provident Fund	277,676	44,060
Leave Encashment	114,945	29,463
Gratuity	119,150	8,611
Staff Welfare	597,335	102,584
Rent, Rates & Taxes	194,134	53,512
Printing & Stationery	431,606	29,302
Travelling & Conveyance	946,320	678,266
Electricity Charges	6,547,171	415,074
Insurance	2,989,694	8,777
Repairs & Maintenance		
Toll Road & Bridge	25,348,324	1,180,749
Plant & Machinery	9,546,210	1,210,560
Others	49,653	76,757
Postage & Telephone Expenses	470,048	77,383
Prior Period Expenses	289,669	—
Miscellaneous Expenses	2,085,220	312,480
TOTAL	80,110,256	9,411,770
SCHEDULE - J		
INTEREST ON LOAN		
Subordinate Loan	57,292,239	7,984,306
Senior Loan	330,131,255	46,451,833
TOTAL	387,423,494	54,436,139

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE - K

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP"), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government. However, certain escalation and other claims, which are not ascertainable, are not taken into account.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates and would be recognized in the period in which the results are known.

2. Revenue Recognition

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

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

3. Fixed Assets

Tangible

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

Intangible Assets and Amortization

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

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

Specialized Software is written off over a period of 3 years.

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

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

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

4. Depreciation

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

5. Borrowing Costs

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

6. Employee Benefits

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

- a) Provident fund on actual liability basis.
- b) Gratuity based on actuarial valuation.
- c) Leave encashment benefit on retirement on actuarial valuation basis

7. Investments

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

8. Taxes

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961

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

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

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

9. Lease

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

10. Foreign Currency Transactions and Derivatives

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

11. Provisions and Contingent Liabilities and Contingent Assets

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

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

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

Contingent Liability is disclosed in the case of:

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

Contingent Assets are neither recognized, not disclosed

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

SCHEDULE - K**NOTES ON ACCOUNTS**

- The Company has been awarded on Build Operate and Transfer (BOT) basis, the widening of 62.5 kms and improvement of 7.4 kms on National Highway No.7 at Krishnagiri to Thopur in Tamilnadu State under Concession Agreement dated January 17, 2006 with the National Highways Authority of India. The Concession Agreement is for a period of 20 years from the Appointed Date of July 17, 2006 in clause 1.1 of the said agreement. At the end of the concession period, the entire facility will be transferred to NHAI.
- There have been no transactions during the year with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence, reporting details of principal and interest does not arise.
- The Company is a service Company and accordingly information required under paragraph 4(C) of Part II of Schedule VI to the Companies Act, 1956 has not been furnished.
- Managerial remuneration for the year has been charged to the accounts as below.

Nature of Expenses

	2009-2010 Rupees	<i>2008-2009 Rupees</i>
Salary	6,02,124	–
Contribution to Provident Fund	35,418	–
Total	6,37,452	7,11,123

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

5. Auditor's Remuneration

Nature of Expenses	2009-2010 Rupees	2008-2009 Rupees
Audit Fees	1,50,000	1,00,000
Tax Audit Fees	25,000	—
Certification Fees	4,500	—
Other Expenses	1,147	—

- The above figures are excluding service tax.

6. a) The Company does not have taxable income and hence provision of current tax has not been made. The Company is eligible for deduction under Section 80IA of the Income Tax Act and the concession period of the Company's project falls within the tax holiday period as defined in Section 80IA. Since deferred tax on timing difference between accounting income and taxable income arising during the year is reversing during such tax holiday period, no deferred tax asset / liability is provided for in the accounts.
- b) The Company does not have taxable wealth under the provisions of the Wealth Tax Act, 1957.
7. Deferred Credit represents total negative grant of Rs. 353.38 Crores payable to NHAI as per clause 23.1 of the Concession Agreement. Out of total Rs. 360.59 Crores, Rs. 7.21 Crores paid during the current year (*previous year -Rs. NIL*).

8. Employee Benefits

- (1) Provision for gratuity is made on actuarial basis as summarized below.

(2) A. Results of Actuarial Valuation - Gratuity

1. Valuation As on	March 31, 2010	March 31, 2009
2. Retirement Age	As per Rule of the Company	As per Rule of the Company
3. No. of Employees	18	20
4. Notional Benefit Obligations (Accrued benefits) on Current Salary in Rupees	Rs. 2,80,370	Rs. 85,269
5. Benefit Value of Benefit Obligations In Rupees	Rs. 2,24,415	Rs. 71,027

B. Principle Rules to Compute Benefit Obligations

1. Salary reckoned for calculating Benefit Obligations	As per Rule of the Company
2. Vesting Period	5 Years for Gratuity
3. Benefit formula for Gratuity for all exists 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

(3) Leave Salary Valuation

A. Summary of Staff Details

1. No. of Employees	18	
2. Notional benefit obligation on current salary in Rupees	Rs. 2,36,574	Rs. 97,061
3. Projected actuarial value of benefit obligation in rupees	Rs. 1,87,904	Rs. 81,119

B. Principle rule to compute benefit obligations

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

(4) Summary of Actuarial Assumptions

A. Mean Financial Assumptions

1. Discount Rate per unit annum	7.5%	6.5%
2. Salary escalation rate per unit per annum	6.0%	6.0%
3. Expected rate of return on Plan Assets per Unit per annum	N.A.	N.A.

B. Mean Demographic assumptions

1. Monthly Rate	LIC 94-96 Rates
2. Withdrawal / attrition rate	15% for all age
3. Disability / ill health retirement	No Explicit Assumption

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

Current Service Cost	March 31, 2010
Interest on Defined Benefit Obligation	4,12,319
Exempted Return on Plan Assets	—
Net actuarial Losses / (Gain) Recognised during the period	—
Past Service Cost	—
Losses / (Gain) on “Curtailements & Settlements”	—
Total	—
Actual Return on Plan Assets	4,12,319

(5) Contribution to Provident Fund is made to the Regional Provident Fund Office

9. Disclosure of related parties / related party transactions.

A. List of related parties

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

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

Sl. No.	Nature of transaction	Amount of Transaction Rupees	Amount Due to Rupees	Amount Due From Rupees
1	Larsen & Toubro Limited			
i)	Purchase of Goods & Services	1,87,510 (NIL)	NIL (NIL)	NIL (NIL)
ii)	Construction of Road	NIL (1,75,49,75,329)	NIL (5,85,87,471)	NIL (NIL)
iii)	Reimbursement of Expenses	1,21,606 (6,82,926)	NIL (2,55,914)	NIL (NIL)
iv)	Electrical items (Toll Plaza)	79,20,200 (3,59,72,894)	NIL (12,85,504)	NIL (NIL)
2	L&T Infrastructure Development Projects Limited			
i)	Reimbursement of Expenses	7,42,343 (54,95,127)	NIL (NIL)	NIL (NIL)
ii)	Subscription of Equity	NIL (NIL)	NIL (NIL)	NIL (NIL)
iii)	Advance Against Equity	NIL (NIL)	NIL (NIL)	NIL (NIL)
iii)	Purchase of Goods & Services	73,72,527 (10,38,193)	NIL (NIL)	NIL (NIL)
3	L&T Chennai-Tada Tollways Limited			
i)	Reimbursement of Expenses	1,71,749 (NIL)	NIL (NIL)	NIL (NIL)
4	L&T Western Andhra Tollways Limited			
		15,477 (1,89,675)	NIL (NIL)	NIL (NIL)

Figures in brackets relate to previous year.

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

10. Expenditure in foreign currency

Nature of Expenses	2009-2010 Rupees	2008-2009 Rupees
CIF Value of import of Toll Equipment	NIL	11,661,852
Amount paid for Toll Equipments	26,03,724	NIL

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	For the period	
	2009-2010	07.02.2009 to 31.03.2009
Basic and Diluted EPS		
Profit after Tax (Rs.)	(30,07,67,022)	(5,48,76,725)
Weighted average number of equity shares	7,87,50,000	7.87.50.000
Basic and Diluted EPS (Rs.)	(3.82)	(0.70)
12. (a) Claims for increase / escalation / variation of works will be accounted for as and when received and accepted by the Company.		
(b) Company claims for increase / escalation / variation of work against NHAI, if any will be accounted for as and when accepted and paid by them.		
13. The Company is engaged only in the business of operating the BOT Project. Accordingly, furnishing segment details is not applicable. Further the Company is carrying its business in only one geographical segment.		
14. Based on a review of the future discounted cash flows, the recoverable amount of the project facility is more than its carrying amount. Accordingly, no provision for impairment is made for in the accounts.		
15. The Company does not have transactions to which the provisions of the following Accounting Standards apply.		
Valuation of Inventories AS 2		
16. Figures for the previous year have been regrouped / reclassified wherever necessary.		

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants
(ICAI Registration No. 000679S)

K. J. DANDEKER
Partner
Membership No. 18533

Place : Chennai
Date : April 26, 2010

P. VINEESH KUMAR
Manager

Place : Chennai
Date : April 26, 2010

T. S. VENKATESAN
Director

KARTHIKEYAN T. V.
Director

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:Registration No. State Code Balance Sheet Date
Date Month Year**II. Capital raised during the year** (Amount in Rs.Thousands)

Public Issue

Bonus Issue

Rights Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital (Including Advance against Share Capital)

Secured Loans

Deferred Credit

Reserves & Surplus

Unsecured Loans

Application of Funds

Net Fixed Assets (Including Preoperative Expenses)

Net Current Assets / (Liabilities)

Accumulated Losses

Investments

Miscellaneous Expenditure

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

Turnover (including other income)

+ -

Profit / Loss Before Tax

+ -

Earnings per share in Rs.

Total Expenditure

+ -

Profit / Loss After Tax

Dividend Rate %

V. Generic Names of Three Principal Products / Services of the Company (as per monetary terms)Item Code: Product Description

For and on behalf of the Board

Place : Chennai
Date : April 26, 2010**P. VINEESH KUMAR**
Manager**T. S. VENKATESAN**
Director**KARTHIKEYAN T. V.**
Director