DIRECTORS' REPORT

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

1. **FINANCIAL RESULTS**

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

Description	**2012-13 ₹ Lakhs**	*2011-12 ₹ Lakhs*
Profit before depreciation & tax	**5,251**	*5,190*
Depreciation	**4,162**	*3,993*
Profit / (Loss) before tax	**1,089**	*1,197*
Prior Period Adjustments	**–**	*–*
Provision for tax	**218**	*239*
Profit / (Loss) after tax	**871**	*958*
Balance brought forward from Previous year	**2,245**	*1,288*
Balance carried to Balance Sheet	**3,116**	*2,246*

2. **PERFORMANCE OF THE COMPANY**

   1. Received both the annuity payment on time.
   2. Achieved 8% decline in overall accidents as compared to the previous year.

3. **DIVIDEND**

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

4. **CAPITAL EXPENDITURE**

As at 31st March 2013, the gross fixed assets stood at ₹ 59,481 lakhs *(PY: ₹ 57,515 lakhs)* and the net fixed assets stood at ₹ 44,127 lakhs *(PY: ₹ 46,321 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.

   FOREIGN EXCHANGE EARNINGS AND OUTGO(₹ Lakhs)

   i. Expenditure in foreign currency: Interest Expenses : ₹ 715
   ii. CIF value of Imports (in ₹) : ₹ Nil

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. P. V. Murali Krishna is the Manager of the Company under the Companies Act,1956.

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. Manoj Dave and Mr. J. Subramanian constitute the Board of Directors of the Company.

Mr. C. S. Damle and Mr. R. Chandrasekaran, resigned as Directors of the Company with effect from 05.07.2012. The Directors expressed their sincere gratitude for the valuable contribution made by Mr. C. S. Damle and Mr. R. Chandrasekaran towards the progress of the Company.

Mr. Manoj Dave was appointed as Additional Director of the Company with effect from 05.07.2012. The Company received a Notice from a Member under Section 257 of the Companies Act, 1956 and thereafter at the Sixth Annual General Meeting of the Company held on 20th August, 2012 Mr. Manoj Dave was appointed as a Director of the Company.

Mr. J. Subramanian was appointed as Director in casual vacancy with effect from 05.07.2012.

Mr. B. Ramakrishnan, retires by rotation at the Seventh 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 07.08.2012. The Members of the Audit Committee are :

1. Mr. B. Ramakrishnan
2. Mr. Manoj Dave 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 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. 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

The Audit Services department of L&T Infrastructure Development Projects Limited provides internal audit services to the Company.

G) INTERNAL CONTROL

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

H) SECRETARIAL AUDIT

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

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.

16. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : Chennai
Date : April 25, 2013

J. SUBRAMANIAN
Director

B. RAMAKRISHNAN
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF L&T INTERSTATE ROAD CORRIDOR LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **L&T INTERSTATE ROAD CORRIDOR LIMITED**, which comprise the Balance Sheet as at 31st March 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 give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013,

b) in the case of the Statement of Profit and Loss, of the Profit 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 31st March 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 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 Registration No. 000679S

K. J. DANDEKER
Partner
Membership No. 018533

Place : Chennai
Date : April 25, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the report of the Auditors to the Members of **L&T INTERSTATE ROAD CORRIDOR LIMITED** on the accounts for the year ended 31st March 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 the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues, Income tax, and other statutory dues during the year with the appropriate authorities. As at 31st March 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, the following are the particulars of disputed statutory dues which have not been deposited as at 31st March 2013.

Name of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	5,37,54,090/-	01.04.2007 to 31.03.2008	CIT (A)

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding 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 and Commercial Papers issued by L&T Infrastructure Development Projects Limited. Proper records have been maintained for the transactions and contracts for the investment in mutual funds/ Commercial Papers and are updated on a timely basis. The investments have been held by the Company in its own name.

(xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanation given to us, the Company has not raised funds on short term basis. Hence, the provisions of clause 4 (xvii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.

(xix) The Company has 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 Registration No. 000679S

K. J. DANDEKER
Partner
Membership No. 018533

Place : Chennai
Date : April 25, 2013

BALANCE SHEET AS AT MARCH 31, 2012

	Notes No.	As at 31.03.2013 ₹	As at 31.03.2013 ₹	*As at 31.03.2012* ₹	*As at 31.03.2012* ₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	**A**	**571,600,000**		*571,600,000*	
(b) Reserves & Surplus	**B**	**311,532,558**		*224,450,645*	
			883,132,558		*796,050,645*
Non-current liabilities					
(a) Long-term borrowings	**C(I)**	**3,752,847,717**		*3,959,290,549*	
(b) Long-term provisions	**C(II)**	**221,877,121**		*166,326,749*	
			3,974,724,838		*4,125,617,298*
Current liabilities					
(a) Current Maturities of Long Term borrowings	**D(I)**	**405,559,534**		*276,807,585*	
(b) Trade payables	**D(II)**	**17,026,798**		*13,211,668*	
(c) Other current liablities	**D(III)**	**801,937**		*3,237,895*	
(d) Short-term provisions	**D(IV)**	**21,810,433**		*23,947,848*	
			445,198,702		*317,204,996*
TOTAL			**5,303,056,098**		*5,187,631,589*
ASSETS					
Non-current assets					
(a) Fixed Assets					
(i) Tangible Assets	**E(I)**	**73,575,445**		*93,286,996*	
(ii) Intangible Assets	**E(II)**	**4,339,077,090**		*4,538,841,975*	
(iii) Intangible Assets under Development	**E(III)**	**5,754,650**		*–*	
(b) Long-term loans and advances	**E(IV)**	**1,810,076**		*1,815,940*	
			4,420,217,261		*4,633,944,911*
Current Assets					
(a) Current investments	**F(I)**	**530,919,577**		*199,500,000*	
(b) Trade receivables	**F(II)**	**16,261,828**		*16,261,828*	
(c) Cash and bank balances	**F(III)**	**265,588,855**		*337,990,214*	
(d) Other Current Assets	**F(IV)**	**70,068,577**		*51,175,987*	
			882,838,837		*604,928,028*
TOTAL			**5,303,056,098**		*5,187,631,589*
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

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

K. J. DANDEKER
Partner
Membership No. 018533

Place : Chennai
Date : April 25, 2013

For and on behalf of the Board

R. SRIDHAR
Secretary

B. RAMAKRISHNAN
Director

J. SUBRAMANIAN
Director

Place : Chennai
Date : April 25, 2013

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

	Notes No.	2012-13 ₹	₹	*2011-12* ₹	₹
REVENUE					
Revenue from Operations	**H**	**864,200,000**		*864,200,000*	
Other Income	**I**	**45,028,815**		*35,101,402*	
TOTAL REVENUE			**909,228,815**		*899,301,402*
EXPENSES					
Operating and maintenance expenses	**J**	**116,298,678**		*113,247,988*	
Employee benefit expenses	**K**	**16,144,342**		*13,872,118*	
Administration and other expenses	**L**	**23,220,144**		*19,868,620*	
Finance costs	**M**	**228,508,609**		*233,344,681*	
Depreciation of Tangible Assets		**21,695,048**		*21,105,844*	
Amortisation of Intangible Assets		**394,461,553**		*378,236,831*	
TOTAL EXPENDITURE			**800,328,374**		*779,676,082*
Profit/(Loss) before Taxes - PBT			**108,900,441**		*119,625,320*
Tax expenses					
Current tax			**21,788,528**		*23,926,260*
Fringe Benefit Tax- Previous year			**30,000**		–
Profit/(Loss) after Taxes			**87,081,913**		*95,699,060*
Balance brought forward from previous period			**224,450,645**		*128,751,585*
Profit/(Loss) to be Carried Forward			**311,532,558**		*224,450,645*
Earnings per share					
– Basic & Diluted	**N(7)**		**1.52**		*1.67*
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 and on behalf of the Board

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

K. J. DANDEKER
Partner
Membership No. 018533

R. SRIDHAR
Secretary

B. RAMAKRISHNAN
Director

J. SUBRAMANIAN
Director

Place : Chennai
Date : April 25, 2013

Place : Chennai
Date : April 25, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

S. No.	Particulars	2012-13 ₹	*2011-12 ₹*
A	**Cash Flow from operating activities**		
	Profit before tax (excluding extraordinary items)	**108,900,441**	*119,625,320*
	Adjustments for :		
	Depreciation	**416,156,601**	*399,342,675*
	Interest paid	**228,508,609**	*233,344,681*
	Interest received	**(37,274,018)**	*(10,773,501)*
	(Profit) / Loss on sale of investments (net)	**(6,908,636)**	*(23,022,675)*
	Operating profit before working capital changes	**709,382,997**	*718,516,500*
	Adjustments For		
	(Increase) / Decrease in long term provisions	**55,550,372**	*55,393,000*
	Increase / (Decrease) in trade payables	**3,815,130**	*(8,674,356)*
	Increase / (Decrease) in other current liabilities	**(2,435,958)**	*(233,065,835)*
	Increase / (Decrease) in short term provisions	**(2,137,415)**	*11,046,272*
	(Increase) / Decrease in loan term loans and advances	**5,864**	*–*
	(Increase) / Decrease in other current assets	**(18,892,590)**	*1,217,905*
	Cash generated from operations	**745,288,400**	*544,433,486*
	Direct taxes paid (net of refund/adjustment)	**(21,818,528)**	*(23,926,260)*
	Net cash from operating activities	**723,469,872**	*520,507,226*
B.	**Cash flow from Investing activities**		
	Purchase of fixed assets (net)	**(7,738,147)**	*(7,884,006)*
	Loans / Advances to holding company & fellow subsidiaries (net)	**–**	*–*
	Purchase of investments	**(1,387,439,013)**	*(1,502,591,295)*
	Sale of investments	**1,062,928,072**	*1,326,113,970*
	Interest received	**37,274,018**	*10,773,501*
	Net cash (used in) / from investing activities	**(294,975,070)**	*(173,587,830)*
C.	**Cash flow from financing activities**		
	Repayment of term loans	**(272,387,551)**	*(252,116,548)*
	Interest paid	**(228,508,609)**	*(233,344,681)*
	Net cash (used in) / from financing activities	**(500,896,160)**	*(485,461,229)*
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(72,401,358)**	*(138,541,833)*
	Cash and cash equivalents as at the beginning of the year	**337,990,213**	*476,532,046*
	Cash and cash equivalents as at end of the year	**265,588,855**	*337,990,213*

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. Previous year's figures have been regrouped/reclassified wherever applicable
3. Components of Cash and cash equivalents:-

	2012-13	2011-12
Balances with banks:	**1,062,928,072**	*1,326,113,970*
– on current account	**20,421,267**	*13,934,924*
– on Fixed Deposits with less than 3 months maturity	**187,011,000**	*270,011,000*
– on Fixed Deposits with more than 3 months maturity	**58,148,763**	*54,000,000*
Cash in hand	**7,825**	*44,290*
TOTAL	**265,588,855**	*337,990,214*

As per our report attached

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

K. J. DANDEKER
Partner
Membership No. 018533

Place : Chennai
Date : April 25, 2013

For and on behalf of the Board

R. SRIDHAR *Secretary*

B. RAMAKRISHNAN *Director*

J. SUBRAMANIAN *Director*

Place : Chennai
Date : April 25, 2013

NOTES TO FINANCIAL STATEMENTS

A. SHARE CAPITAL

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

Particulars	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
Authorised Share Capital				
58,000,000 Equity Shares of ₹ 10/- each *(previous year : 58,000,000 Equity Shares of ₹ 10 each)*		**580,000,000**		*580,000,000*
Issued, Subscribed and Paid up share capital				
57,160,000 Equity Shares of ₹ 10/- each fully paid up *(previous year : 57,160,000 Equity Shares of ₹ 10 each fully paid up)*		**571,600,000**		*571,600,000*
TOTAL		**571,600,000**		*571,600,000*

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

Particulars	As at 31.03.2013		*As at 31.03.2012*	
	No of Shares	₹	*No of Shares*	₹
Equity Shares:				
At the beginning of the period	**57,160,000**	**571,600,000**	*57,160,000*	*571,600,000*
Issued during the year as fully paid	**–**	**–**	–	–
Outstanding at the end of the period	**57,160,000**	**571,600,000**	*57,160,000*	*571,600,000*

A(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. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the period ended 31st March 2013, no dividend is declared by Board of Directors. *(Previous year - Nil)*

A(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	Holding Company		
57,160,000/- equity shares of ₹ 10 each fully paid up and its nominees		**57,160,000**	*57,160,000*

A(V) Details of Shareholders holding more than 5% shares in the company:

	As at 31.03.2013		*As at 31.03.2012*	
	No of Shares	%	*No of Shares*	%
Equity Shares of ₹ 10/- each fully paid				
L&T Infrastructure Development Projects Limited, Holding Company and its nominees	**57,160,000**	**100.00%**	*57,160,000*	*100.00%*

B. RESERVES & SURPLUS

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
Surplus / (deficit) in the Statement of Profit and Loss				
Balance as per the last financial statement		**224,450,645**		*128,751,585*
Add: Profit for the period		**87,081,913**		*95,699,060*
Closing Balance		**311,532,558**		*224,450,645*

NOTES TO FINANCIAL STATEMENTS (Contd.)

C(I). LONG TERM BORROWINGS

	As at 31.03.2013 ₹	₹	*As at 31.03.2012* ₹	₹
a) Term loans (Secured)				
a) From banks				
Abu Dhabi Commecial Bank	**1,902,469,364**		*1,924,536,677*	
Bank of Baroda	**738,000,000**		*796,600,000*	
Citi Bank	**376,808,248**		*407,215,791*	
b) From Financial Institutions				
India Infrastructure Finance Company Limited	**735,570,106**	**3,752,847,717**	*830,938,081*	*3,959,290,549*
TOTAL		**3,752,847,717**		*3,959,290,549*

C(I)(A) Details of Term Loans: (Secured) -Including Current maturities of Long term Borrowings

PARTICULARS	Rate of Interest	₹
1. Abu Dhabi Commercial Bank	Base rate + applicable spread	**2,053,532,649**
2. Bank of Baroda	Base rate + applicable spread	**796,600,000**
3. Citi Bank	Base rate + applicable spread	**421,641,211**
TOTAL		**3,271,773,860**

C(I)(B) Details of Financial Institutions: (Secured)

PARTICULARS	Rate of Interest	₹
1. India Infrastructure Finance Company Limited	Base rate + applicable spread	**886,633,391**
TOTAL		**886,633,391**

C(I)(1) Presentation of Term Loans in the Balance Sheet is as follows:

i) Long Term Borrowings	(in ₹)	**3,017,277,611**
ii) Current Portion of Long Term Borrowings	(in ₹)	**254,496,249**

C(I)(2) Presentation of Loans from Financial Institutions in the Balance Sheet is as follows:

i) Long Term Borrowings	(in ₹)	**735,570,106**
ii) Current Portion of Long Term Borrowings	(in ₹)	**151,063,285**

C(I)(3) Security for the Term Loans and Loans from Financial Institutions

Term loans and Loans from Financial Institutions are secured by,

i) Immovable property by way of first charge having pari pasu rights being Flat located in Pune.

ii) Movable properties, Assignment of project documents, Insurance policies, Investments, Receivables and general assets.

	As at 31.03.2013 ₹	₹	*As at 31.03.2012* ₹	₹
C(II) LONG TERM PROVISIONS				
Periodic major maintenance		**221,286,000**		*165,893,000*
Provision for gratuity		**265,259**		*179,283*
Provision for leave encashment		**325,862**		*254,466*
TOTAL		**221,877,121**		*3,959,290,549*

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
D(I) CURRENT MATURITIES OF LONG TERM BORROWINGS				
Current maturities of long-term debt				
Term loans (Secured)				
From banks				
Abu Dhabi Commercial Bank	**151,063,285**		*134,326,185*	
Bank of Baroda	**58,600,000**		*55,600,000*	
Citi Bank	**44,832,963**		*28,850,842*	
From Financial Institutions (Secured)				
India Infrastructure Finance Company Limited	**151,063,285**		*58,030,558*	
		405,559,534		*276,807,585*
TOTAL		**405,559,534**		*276,807,585*

D(I)(A1) SECURITY FOR THE TERM LOANS:

Term loans are secured by mortgage of,

i) Immovable property by way of first charge having pari pasu rights being for Flat located at Pune.

ii) Movable properties, Assignment of project documents, Insurance policies, Investments, Receivables and general assets."

	As at 31.03.2013		As at 31.03.2012	
D(II) TRADE PAYABLES				
Due to Micro and small enterprises *		**–**		*–*
Due to others		**17,026,798**		*13,211,668*
TOTAL		**17,026,798**		*13,211,668*

* There have been no claimed transactions with 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 LIABLITIES				
Other payables				
– Due to related parties				
Ultimate Holding Company	**–**		*2,101,627*	
– Statutory liabilities	**801,937**		*1,136,268*	
		801,937		*3,237,895*
TOTAL		**801,937**		*3,237,895*
D(IV) SHORT TERM PROVISIONS				
Provisions for Employee Benefits				
Provision for gratuity		**8,459**		*9,788*
Provision for leave encashment		**13,446**		*11,800*
Provision for Income Tax		**21,788,528**		*23,926,260*
TOTAL		**21,810,433**		*23,947,848*

NOTES TO FINANCIAL STATEMENTS (Contd.)

E(I) TANGIBLE ASSETS

Particulars	COST					DEPRECIATION / AMORTISATION				BOOK VALUE	
	As at 01.04.2012	Additions	Deductions	Exchange Rate Adjustment	**As at 31.03.2013**	Up to 31.03.2012	For the year	Deductions	**Up to 31.03.2013**	**As at 31.03.2013**	*As at 31.03.2012*
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets											
Building	2,793,350	–		–	**2,793,350**	777,972	173,577	–	**951,549**	**1,841,801**	*2,015,378*
Office Equipments	2,017,739	69,900		–	**2,087,639**	1,065,555	664,643		**1,730,198**	**357,441**	*952,184*
Furniture & Fittings	2,036,491	15,515		–	**2,052,006**	681,092	219,302	–	**900,394**	**1,151,612**	*1,355,399*
Computers	1,195,285	294,500	**108,715**	–	**1,381,070**	916,814	238,694	**67,660**	**1,087,848**	**293,222**	*278,471*
Plant & Machinery	111,110,405	1,644,636	–	–	**112,755,041**	34,322,566	17,960,889	–	**52,283,455**	**60,471,586**	*76,787,839*
Vehicles	16,079,394	1		–	**16,079,395**	4,181,669	2,437,943	–	**6,619,612**	**9,459,783**	*11,897,725*
Total	**135,232,664**	**2,024,552**	**108,715**	–	**137,148,501**	**41,945,668**	**21,695,048**	**67,660**	**63,573,056**	**73,575,445**	–
Previous year	*127,364,845*	*7,901,569*	*33,750*	–	*135,232,664*	*20,856,011*	*21,105,844*	*16,187*	*41,945,668*		*93,286,996*

E(II) INTANGIBLE ASSETS

Particulars	COST					DEPRECIATION / AMORTISATION				BOOK VALUE	
	As at 01.04.2012	Additions	Deductions	Exchange Rate Adjustment	**As at 31.03.2013**	Up to 31.03.2012	For the year	Deductions	**Up to 31.03.2013**	**As at 31.03.2013**	*As at 31.03.2012*
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Intangible Assets											
Specialised Software	275,000	–	–	–	**275,000**	275,000	–	–	**275,000**	–	–
Toll Collection Rights	5,615,938,421	–	–	**194,696,668**	**5,810,635,089**	1,077,096,446	394,461,553	–	**1,471,557,999**	**4,339,077,090**	4,538,841,975
Total	**5,616,213,421**	–	–	**194,696,668**	**5,810,910,089**	**1,077,371,446**	**394,461,553**	–	**1,471,832,999**	**4,339,077,090**	–
Previous year	*5,233,253,664*	–	–	*382,959,757*	*5,616,213,421*	*699,134,615*	*378,236,831*	–	*1,077,371,446*	–	*4,538,841,975*

As per para 63 of Accounting Standard-26 "Intangible Assets", presently the Company amortises the Toll Collection rights ("TCR"), on a Straight line basis ("SLM") over the concession period.

The amortisation computed above, is higher than amortisation computed in terms of the Notification no. G.S.R. 298(E) dated April 17, 2012 issued by the Ministry of Corporate Affairs (on amortisation of Intangible assets created under Build Operate and Transfer, Build, Own, Operate and Transfer and other forms of Public Private Partnership Route). Accordingly the Company continues to amortise the Toll Collection Rights on a straight line basis over the Concession period.

E(III) INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	COST					DEPRECIATION / AMORTISATION				BOOK VALUE	
	As at 01.04.2012	Additions	Deductions	Exchange Rate Adjustment	**As at 31.03.2013**	Up to 31.03.2012	For the year	Deductions	**Up to 31.03.2013**	**As at 31.03.2013**	*As at 31.03.2012*
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Intangible Assets under development											
Specialised Software	–	5,754,650	–	–	**5,754,650**	–	–	–	–	**5,754,650**	–
Total	–	**5,754,650**	–	–	**5,754,650**	–	–	–	–	**5,754,650**	–
Previous year	–	–	–	–	–	–	–	–	–	–	–

As a result of change in the accounting estimate for useful life of Office Equipment and Desktop-computers, the increase in the depreciation amount during the year is as follows:

Office Equipment	57,608
Desktop	37,340
	94,948

Accordingly, the profit for the year shall be lower to the extent of additional depreciation amount.

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
E(IV) LONG TERM LOANS AND ADVANCES				
Security Deposit				
Unsecured, Considered good		**1,810,076**		*1,815,940*
TOTAL		**1,810,076**		*1,815,940*

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
F(I) CURRENT INVESTMENTS				
Current Investments, valued at lower of cost or market value, unless stated otherwise				
L&T Ultra Short Term Fund - Growth		**30,000,000**		–
Commercial Paper				
7.75% CP, 2013, L&T IDPL	**–**		*199,500,000*	
9.00% CP, 2014, L&T IDPL	**179,857,201**		–	
8.75% CP, 2014, L&T IDPL	**321,062,376**		–	
		500,919,577		*199,500,000*
Face value per unit -₹ 5,00,000				
(Invested in L&T Infrastructure Development Projects Limited)				
		530,919,577		*199,500,000*
Aggregate amount of Quoted Investments		**–**		–
Aggregate amount of Unquoted Investments		**530,919,577**		*199,500,000*
TOTAL		**530,919,577**		*199,500,000*
F(II) TRADE RECEIVABLES				
Outstanding for a period less than six months from the due date of payment				
Secured, Considered good		**16,261,828**		*16,261,828*
TOTAL		**16,261,828**		*16,261,828*

*Trade Receivable represents the 7 days Annuity Receivable from NHAI which is secured by bank's letter of credit (revolving) for the entire concession period.

F(III) CASH AND BANK BALANCES				
Cash and cash equivalent				
Balances with banks				
on Current account	**20,421,267**		*13,934,924*	
on Term deposit (with less than 3 months maturity)	**187,011,000**		*270,011,000*	
Cash on hand	**7,825**		*44,290*	
Other Bank Balances				
Bank Deposits with more than 3 months maturity		**58,148,763**		*54,000,000*
(The said deposit is placed as security deposit for bank guarantee submitted to Income tax department for demand raised for AY 2008-09)				
TOTAL		**265,588,855**		*337,990,214*
F(IV) OTHER CURRENT ASSETS				
Advances recoverable in Cash or in kind		**47,733,798**		*46,848,746*
Due to related parties				
Ultimate Holding Company		**4,412**		–
Others		**22,330,367**		*4,327,241*
TOTAL		**70,068,577**		*51,175,987*

NOTES TO FINANCIAL STATEMENTS (Contd.)

G CONTINGENT LIABILITIES AND COMMITMENTS

a) The company has a contingent liability of ₹ 5,37,54,090 towards demand notice under section 156 of the income tax act, 1961 pertaining to assessment year 2008-09 from the income tax department. *(previous year ₹ 5,37,54,900)*

b) The company has the following commitments remaining to be executed on capital account (net of advances)

	2012-13	*2011-12*
	₹	₹
Estimated amount of contracts remaining to be executed on capital account (net of advances)	**2,415,946**	–

	2012-13		*2011-12*	
	₹	₹	₹	₹
H REVENUE FROM OPERATIONS				
Annuity Income		**864,200,000**		*864,200,000*
TOTAL		**864,200,000**		*864,200,000*
I OTHER INCOME				
Interest Income on				
Bank Deposits	**7,213,749**		*8,904,559*	
Current Investments	**30,060,269**		*1,868,942*	
		37,274,018		*10,773,501*
Net Gain On Investments		**6,908,636**		*23,022,675*
Other Non-operating Income		**846,161**		*1,305,226*
TOTAL		**45,028,815**		*35,101,402*
J OPERATING AND MAINTENANCE EXPENSES				
Toll Management Charges		**18,461,971**		*16,931,621*
Insurance		**2,899,958**		*2,200,680*
Repairs & maintenance				
Toll Roads & bridges	**55,393,000**		*55,393,000*	
Civil Maintenance	**21,893,921**		*19,183,258*	
Electrical	**1,063,740**		*2,389,393*	
Plant & Machinery	**4,195,940**		*5,702,530*	
Others	**1,652,090**		*1,380,895*	
		84,198,691		*84,049,076*
Power & electricity charges		**10,738,058**		*10,066,611*
TOTAL		**116,298,678**		*113,247,988*
K EMPLOYEE BENEFIT EXPENSES				
Salaries, wages & bonus		**15,316,835**		*13,273,669*
Contribution to and provision for				
Provident and Other Funds		**278,620**		*263,748*
Gratuity Expense		**84,647**		*66,585*
Leave encashment		**73,042**		*43,373*
Staff welfare expenses		**391,198**		*224,741*
TOTAL		**16,144,342**		*13,872,116*

NOTES TO FINANCIAL STATEMENTS (Contd.)

	PARTICULARS	2012-13		2011-12	
		₹	₹	₹	₹
L	**ADMINISTRATIVE AND OTHER EXPENSES**				
	Rates & taxes		**101,085**		*71,698*
	Professional fees		**12,080,340**		*8,981,653*
	Auditors' Remuneration (Refer details below)		**452,889**		*282,108*
	Printing & stationery		**160,991**		*232,465*
	Postage & Communication		**581,484**		*507,357*
	Travelling & conveyance		**6,785,274**		*6,471,049*
	Miscellaneous expenses		**3,058,081**		*3,322,290*
	TOTAL		**23,220,144**		*19,868,620*
	Auditors' Remuneration (including service tax)				
	As Auditor				
	– Audit Fees		**333,709**		*224,720*
	– Tax Audit Fees		**28,090**		*27,575*
	Certification Fees		**57,865**		*23,323*
	Reimbursement of Expense		**33,225**		*6,490*
	TOTAL		**452,889**		*282,108*
M	**FINANCE COSTS**				
	Interest expenses				
	Interest on fixed term loans		**199,837,102**		*178,738,946*
	Interest on hedging of term loans		**28,671,507**		*54,605,735*
	TOTAL		**228,508,609**		*233,344,681*

N OTHER NOTES FORMING PART OF ACCOUNTS

N(1) CORPORATE INFORMATION

The Company has been awarded on Build Operate and Transfer (BOT) Annuity basis, the widening of existing two-lane seventy six kilometer stretch from KM 677.000 to 601.000 of National Highway No. 27 (formerly known as Km 340.00 to Km 264.00 on Palanpur – Swaroopgunj Section of National Highway No.14) in the State of Gujarat and Rajasthan and operation and maintenance thereof, under the Concession Agreement dated 28th March, 2006 with National Highways Authority of India. The Concession Agreement is for a period of 17.5 years from 24th September 2006, being the Commencement Date stated in clause 1.1 of the said agreement. At the end of Concession period, the entire facility will be transferred to NHAI.

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

The company recognises Gratuity and Compensated absences based on the Actuarial Valuation. The following table summarizes the components of the net benefit expense recognised in the statement of profit and loss.

Particulars	2012-13	2011-12
	₹	₹
1. Gratuity	**446,371**	*347,171*
A. Results of Actuarial Valuation	**95,699,060**	*52,186,273*
1. Valuation as on	**31st March 2013**	*31st March 2012*
2. Retirement Age	**58**	*58*
3. No of Employees	**11**	*11*
4. Present Value of Benefit Obligations	**273,718**	*189,071*
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	

NOTES TO FINANCIAL STATEMENTS (Contd.)

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	**273,718**	*189,071*
Less : Fair value of plan assets			
Amount to be recognised as liability or (asset)		**273,718**	*189,071*
B)	Amounts reflected in the Balance Sheet		
	Liabilities	**273,718**	*189,071*
	Assets	**–**	–

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

Particulars		2012-13 ₹	2011-12 ₹
1	Current service cost	**68,796**	*61,962.00*
2	Interest on Defined benefit obligation	**16,071**	*10,411.00*
3	Expected return on plan assets	**–**	–
4	Actuarial losses/(gains)	**(220)**	*(5,788.00)*
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)		**84,647**	*66,585*
I	Amount included in "employee benefit expenses"	**84,647**	*66,585*
II	Amount included as part of "finance costs"		
TOTAL (I + II)		**84,647**	*66,585*
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:

Particulars		2012-13 ₹	2011-12 ₹
Opening balance of the present value of defined benefit obligation		**189,071**	*122,486*
Add:	Current service cost	**68,796**	*61,962*
Add:	Interest cost	**16,071**	*10,411*
Add:	Contribution by plan participants	**(220)**	*(5,788.00)*
	i) Employer	**–**	–
	ii) Employee	**–**	–
Add/(less):	Actuarial losses/(gains)	**(220)**	*(5,788)*
Less:	Benefits paid	**–**	–
Add:	Past service cost		
Add:	Business combinations/acquisition		
Closing balance of the present value of defined benefit obligation		**273,718**	*189,071*

NOTES TO FINANCIAL STATEMENTS (Contd.)

2. Compensated Absenses

A. Summary of Staff		
1. No of Employees	**11**	*11*
2. Projected actuarial value of benefit obligation in ₹	**339,308**	*266,266*
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	**8.10%**	*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 Explicit Assumption**	*No Explicit Assumption*
Contribution to the Provident Fund is made to Regional Provident fund office		

N(3) DISCLOSURES PURSUANT TO AS-18 - BORROWING COSTS

The borrowing costs capitalised during the year is ₹ Nil *(previous year : ₹ Nil)*

N(4) DISCLOSURES PURSUANT TO AS-17 (REVISED) - SEGMENT REPORTING

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

N(5) DISCLOSURES PURSUANT TO AS-18 - RELATED PARTY DISCLOSURES

A. List of Related Parties	**A. List of Related Parties**
Holding Company	L&T Infrastructure Development Projects Limited
Ultimate Holding Company	Larsen and Toubro Limited
Fellow Subsidiaries	L&T Vadodara Bharuch Tollway Limited Larsen & Toubro Infotech Limited L&T Krishnagiri Thopur Tollroad Limited L&T Ahmedabad-Maliya Tollway Limited L&T Samakhiali Gandhidham Tollway Limited Narmada Infrastructure Construction Enterprise Limited

B. Transactions with related parties:

Amount in ₹

Name / Relationship / Nature of transaction	**2012-13**			*2011-12*		
	Amount of transaction	**Due to**	**Due from**	*Amount of transaction*	*Due to*	*Due from*
L&T Infrastructure Development Projects Limited						
Purchase of Goods & Services	**277,063**	**-**	**-**	-	-	-
Reimbursement of Expenses to	**-**	**-**	**-**	-	-	-
Services received	**9,394,578**	**-**	**-**	*9,532,128*	-	-
Business support Services	**9,024,668**	**-**	**-**	*7,842,017*	-	-
Investment in Commercial Paper	**440,604,336**	**-**	**500,919,577**	*199,500,000*	-	*199,500,000*
Redemption of Commercial Paper	**303,000,000**	**-**		-	-	-
Total Accounts Payable (net)		**-**	**500,919,577**			*199,500,000*

NOTES TO FINANCIAL STATEMENTS (Contd.)

Name / Relationship / Nature of transaction	2012-13			*2011-12*		
	Amount of transaction	Due to	Due from	*Amount of transaction*	*Due to*	*Due from*
Larsen & Toubro Limited						
§ Reimbursement of Expenses to	**4,812,171**		**-**	*5,822,885*	*16,673*	
§ Payroll Processing	**202,248**		**4,412**	*198,540*		
§ Purchase of Capital Goods	**-**		**-**		*2,084,954*	
Total Accounts Receivable (net)			**4,412**		*2,101,627*	
L&T Vadodara Bharuch Tollway Limited						
§ Purchase of Commercial Paper	**60,315,241**					
§ Reimbursement of expenses to				*6,509*		
Total Accounts Receivable (net)						
L&T Krishnagiri Thopur Toll Road Limited						
§ Sale of Commercial Paper	**22,830,336**					
Total Accounts Receivable (net)						
L&T Samakhiali Gandhidham Tollway Limited						
§ Reimbursement of expenses from	**106,960**					
§ Sale of Fixed asset to				*17,563*		
§ Supply of Materials to				*174,400*		
L&T Infotech Limited						
§ Services received	**803,430**					
Total Accounts Receivable (net)						
L&T Ahmedabad Maliya Tollway Limited						
§ Reimbursement of expenses to	**106,960**					
Narmada Infrastructure Construction Enterprise Limited						
§ Purchase of Vehicle	**1**					

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

N(6) DISCLOSURES PURSUANT TO AS-19 - LEASES

(a) The Company has not taken any asset on finance lease. The income from cancellable operating lease is accounted on accrual basis.

(b) The Company has leased out residential premises under cancellable operating lease. Lease amount received is credited to statement of profit and loss.

N(7) DISCLOSURES PURSUANT TO AS-20 - EARNINGS PER SHARE

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

Particulars	2012-13	*2011-12*
	₹	₹
Basic / Diluted		
Profit after tax as per Accounts	**87,081,913**	*95,699,060*
PAT available to Equity Share holders	**87,081,913**	*95,699,060*
Weighted Average number of shares	**57,160,000**	*57,160,000*
Basic / Diluted EPS	**1.52**	*1.67*

NOTES TO FINANCIAL STATEMENTS (Contd.)

N(8) DISCLOSURES PURSUANT TO AS-28 - IMPAIRMENT OF ASSETS

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

N(9) TAXATION

"The company is governed by the provisions of section 115JB of the Income Tax Act 1961 ie Minimum Alternate Tax. Since the tax under the normal computation is less. Accordingly provision for a sum of ₹ 21,788,528 *(Previous Year: ₹ 23,926,260)* has been made. "The Company does not have taxable wealth under Wealth Tax Act, 1957 and hence no provision for wealth tax has been made."

N(10) EFFECTS OF CHANGES IN FOREIGN CURRENCY RATES

Pursuant to amendment of AS-11- "Effects of changes in Foreign Currency Rates" by the Central Government vide notification dated 31st March 2009, the company has decided to adopt the option provided in the notification with respect to capitalization of exchange differences as part of fixed assets and as a result the entire exchange difference has been added to Toll collection rights. Since the company was hitherto following the treatment for the years ending 31st March, 2007 to 31st March 2013,there is no impact of the amendment in the accounts vis-à-vis what was followed earlier.

N(11) PROVISIONS

a) During the current year the Company has provided for periodic Major Maintenance of ₹ 5,53,93,000 in respect of its resurfacing obligation every five years, as per Schedule L Clause 4.3.1 of the Concession Agreement with NHAI.

Description	Opening Balance as on 1-4-2012	Addition during the year	Paid/Reversed during the year	Balance as on 31-3-2013
Major Maintenance Reserve	221,286,000	55,393,000	-	276,679,000
TOTAL	**221,286,000**	**55,393,000**	**-**	**276,679,000**

N(12) TAXES ON INCOME

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

N(13) FOREIGN CURRENCY TRANSACTIONS

PARTICULARS	2012-13	*2011-12*
Interest Expenses	**71,539,285**	*61,475,242*
CIF Value of Imports	**NIL**	*NIL*

N(14) PREVIOUS YEAR FIGURES

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

O SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Accounting:

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

2 Revenue:

a) Annuity collections 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) License fees for wayside amenities are accounted on accrual basis, based on contract.

e) Rental income is accounted as and when as and when the amount is due and recovery is certain.

f) 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

(ii) Post-Employment Benefits

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

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

The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

(iii) Long Term Employee Benefits

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

4 Fixed Assets

Tangible

Tangible Fixed Assets are stated at original cost less accumulated depreciation

Intangible Assets and Amortization

Intangible assets are recognized as per the criteria specifies in Accounting Standard (AS) 26 Intangible Assets issued by the Institute of Chartered Accountants of India and approved under the Companies Acts (Rules) and are amortized as follows:

a. Specialized Software: over a period of three years.

b. Toll Collection Rights representing right to receive six monthly annuity 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.

Such Toll Collection Rights on completion are capitalized as Intangible Asset and are amortised over the period of rights given under the Concession Agreement as they represent right to receive annuity during the concession period.

5 Depreciation

Depreciation on assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. Assets constructed / installed on land taken on lease are amortised over a period of the rights given under the concession agreement.

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

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

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

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

Assets below ₹ 5000 are written off at the rate of 100%

6 Intangible Assets and amortisation

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

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

Specialised Software: Over the period of toll collection rights

NOTES TO FINANCIAL STATEMENTS (Contd.)

7 Investments

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

Investment made in commercial papers are stated at cost at which the same are acquired

8 Leases

a) Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified 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 provided 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 Profit & Loss Account as and when the amount is due and the recovery is certain

9 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.

10 Taxes on Income

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

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

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

11 Impairment of Assets

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

a. The provision for impairment loss, if any required; or

b. The reversal, if any, required of impairment loss recognized in previous period Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

a. In the case of an individual asset, at the higher of the net selling price and the value in use;

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

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

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

12 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

(c) Contingent Liability is disclosed in the case of

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

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

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

Contingent Assets are neither recognized, nor disclosed.

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

13 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.

14 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

15 The company is engaged only in one line of business and the operating cycle for the company shall be 12 months

16 Foreign Currency Transactions

(i) The reporting currency of the Company is the Indian Rupee.

(ii) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items carried at historical cost denominated in a foreign currency, are reported using the exchange rate on the date of the transaction.

(iii) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognized as income or expense in the period in which they arise.

(iv) Premium on forward contracts were amortized over the period of forward contract.

As per our report attached

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

K. J. DANDEKER
Partner
Membership No. 018533

Place : Chennai
Date : April 24, 2013

For and on behalf of the Board

R. SRIDHAR
Secretary

B. RAMAKRISHNAN
Director

J. SUBRAMANIAN
Director

Place : Chennai
Date : April 24, 2013