

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 Rupees
Profit before depreciation & tax	47,58,37,979
Depreciation	35,85,36,429
Profit / (Loss) before tax	11,73,01,550
Provision for tax	1,99,35,398
Profit / (Loss) after tax	7,78,06,679
Balance brought forward from Previous year	(12,41,367)
Balance carried to Balance Sheet	76565312

2. PERFORMANCE OF THE COMPANY

We are glad to inform you that your Company has commenced its Commercial Operations with effect from March 24, 2009 and is generating Profits before Depreciation. During the initial period Depreciation will be high.

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. 5,37,19,61,010 and the net fixed assets stood at Rs. 5,01,26,04,840.

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 incurred expenditure in foreign currency : Interest Expenses – Rs. 10,68,46,031.

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.

During the year, Mr. Praveen Kumar Reddy, resigned as Manager of the Company. The Directors took note of his resignation at the Board Meeting held on February 17, 2009. Mr. Vijai Gupta, has been appointed as the Manager of the Company at the Directors Meeting held on March 22, 2010.

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;
- 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;

L&T INTERSTATE ROAD CORRIDOR LIMITED

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 respectively 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.

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.

Mr. R. Chandrasekaran retires by rotation at the Fifth Annual General Meeting of the Company and being eligible offers himself for re-appointment.

12. AUDIT COMMITTEE

The Audit Committee was constituted on April 22, 2009 and the members of the Audit Committee were Mr. M. H. Desai, Mr. B. Ramakrishnan and Mr. C. S. Damle. 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 :

1. Mr. B. Ramakrishnan
2. Mr. C. S. Damle and
3. Mr. T. S. Venkatesan

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 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. 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

R. CHANDRASEKARAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 26, 2010

AUDITORS' REPORT**TO THE MEMBERS OF L&T INTERSTATE ROAD CORRIDOR LIMITED**

We have audited the attached Balance Sheet of M/s L&T INTERSTATE ROAD CORRIDOR LTD as at March 31, 2010, the Profit & 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 (Auditors' 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 our audit;
 - b) in our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of the written representations received from the Directors of the Company as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the Directors are 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 Significant Accounting Policies in Schedule I and the Notes to Accounts in Schedule J, 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, Loss for the year ended on that date;
 - iii) in 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. 018533

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 Auditor's to the Members of L&T INTERSTATE ROAD CORRIDOR 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 its maintenance and hence the clauses 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 relating to inventory are not applicable.
- (iii) According to the information and the explanations given to us the Company has not granted or taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence reporting under Clause 4(iii)(a) to (g) does not arise.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures 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 is no transaction that needs to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and hence reporting under clause 4(v)(b) 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 were informed that the 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 regular in depositing undisputed statutory dues including 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 disputed statutory liabilities in respect of Income Tax, Service Tax and Cess.
- (x) The Company is registered for a period of less than five years and hence reporting on the accumulated losses and cash loss incurred during the financial year and in the immediately preceding financial year under clause 4(x) of the Companies (Auditor's Report) Order does not arise.
- (xi) The Company has not defaulted in repayment of dues to any banks or financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies 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 and other investments, it parks surplus funds in approved mutual fund investments. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, the Company has not raised funds on short term basis. Accordingly, 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 period.
- (xix) The Company has not issued debentures during the period and hence 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 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 instance of 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. 018533

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	571,600,000		541,171,640
Reserve & Surplus	B	76,565,312		—
Loan Fund			648,165,312	541,171,640
Secured Loan	C	4,340,315,333		4,765,599,885
Unsecured Loan		—		—
			4,340,315,333	4,765,599,885
TOTAL			4,988,480,645	5,306,771,525
APPLICATION OF FUNDS				
Fixed Assets				
Tangible Assets	D			
Gross Block		120,467,608		11,848,361
Less: Depreciation		8,999,943		567,657
Net Block			111,467,665	11,280,704
Intangible Assets				
Gross block		5,251,493,402		275,000
Less: Depreciation		350,356,227		252,084
Net block		4,901,137,175		22,916
Capital Work in progress - Carriageway		—		4,517,968,188
		4,901,137,175		4,517,991,104
Pre-operative expenses		—		954,256,735
			4,901,137,175	5,472,247,839
Investments	E		—	—
Current Assets, Loan and Advances				
Sundry Debtors	F	16,261,828		—
Cash and bank balances		204,362,984		120,686,199
Loans and advances		38,027,852		1,540,036,573
		258,652,664		1,660,722,772
Less : Current Liabilities & Provisions	G			
Liabilities		262,651,765		1,857,100,201
Provisions		20,125,094		(18,379,044)
		282,776,859		1,838,721,157
Net Current Assets			(24,124,195)	(177,998,385)
Miscellaneous Expenditure			—	—
(to the extent not written off or adjusted)				
Profit and Loss Account			—	1,241,367
TOTAL			4,988,480,645	5,306,771,525
SIGNIFICANT ACCOUNTING POLICIES				
NOTES FORMING PART OF ACCOUNTS				

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

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.

Chartered Accountants
(ICAI Registration No. 000679S)

K. J. DANDEKER

Partner
Membership No. 018533

Place : Chennai

Date : April 26, 2010

T. S. VENKATESAN

Director

Place : Chennai

Date : April 26, 2010

R. CHANDRASEKARAN

Director

B. RAMAKRISHNAN

Director

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

	Schedule	2009-2010 Rupees	2008-2009 Rupees
INCOME			
Fee Collection from user of facility		880,461,828	—
Other Income	H	7,056,225	911,288
TOTAL		887,518,053	911,288
EXPENDITURE			
Operating expenses	I	83,833,062	—
Administration and other expenses	J	138,045,270	—
Interest expenses	K	189,801,742	—
Depreciation & amortisation		358,536,429	—
TOTAL		770,216,503	—
Profit / (Loss) before Taxes		117,301,550	911,288
Less: Income Tax (Previous year 2006-2007)		19,559,473	—
Profit / (Loss) before current year taxes		97,742,077	—
Provision for taxes			
Current Tax		19,935,398	281,588
Deferred Tax		—	—
Fringe Benefit Tax		—	1,258,117
		19,935,398	1,539,705
Profit / (Loss) after Tax		77,806,679	(628,417)
Prior period items-preliminary expenses		—	612,950
Add: Balance brought forward from previous year		(1,241,367)	—
Balance carried to Balance Sheet		76,565,312	(1,241,367)
Earnings per share			
Basic and Diluted		1.76	(0.02)
Face value per share		10.00	10.00
SIGNIFICANT ACCOUNTING POLICIES	L		
NOTES FORMING PART OF ACCOUNTS	M		

The Schedules referred to above and the notes attached form an integral part of the Profit and Loss Account.

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

Place : Chennai
Date : April 26, 2010

T. S. VENKATESAN

Director

Place : Chennai
Date : April 26, 2010

R. CHANDRASEKARAN

Director

B. RAMAKRISHNAN

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	117,301,550	911,288
Adjustment for		
Depreciation	358,536,429	—
Dividend received	—	—
Interest paid	189,801,742	—
Interest received	(316,140)	(911,288)
(Profit) / Loss on sale of investments (net)	(5,870,585)	—
Operating Profit before Working Capital changes	659,452,996	—
Adjustment for		
(Increase) / Decrease in Inventories	—	—
(Increase) / Decrease in Sundry Debtors	(16,261,828)	—
(Increase) / Decrease in Loans and Advances	1,502,008,721	(781,906)
Increase / (Decrease) in trade payables	(1,555,944,298)	(364,566,567)
Cash generated from Operations	589,255,591	(365,348,473)
Direct taxes paid (net of refund)	(19,935,398)	(850,500)
Income Tax (previous year)	(19,559,473)	—
Net Cash from Operating Activities (A)	549,760,720	(366,198,973)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets (net)	112,387,274	(2,816,416,272)
Loans & Advances to fellow subsidiaries (net)	—	—
Purchase of investments	(759,038,014)	—
Sale of investments	759,038,014	—
Profit / (Loss) on sale of investments (net)	5,870,585	—
Dividend Received from Other Investments	—	—
Interest received	316,140	911,288
Net Cash (used in) / from Investing Activities (B)	118,573,999	(2,815,504,984)
C. Cash Flow from Financing Activities		
Issue of share capital	30,428,360	362,000,000
(Repayment) / proceeds from other borrowings	(425,284,552)	2,672,390,397
Interest paid	(189,801,742)	—
Net cash (used in) / from Financing Activities (C)	(584,657,934)	3,034,390,397
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	83,676,785	(147,313,560)
Cash and Cash Equivalents as at the beginning	120,686,199	267,999,759
Cash and Cash Equivalents as at the end	204,362,984	120,686,199

NOTES

- Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 - "Cash Flow Statement" as specified by the Company (Accounting Standard) Rules, 2006.
- Cash and Cash Equivalents represent Cash and Bank Balances.
- Previous year's figures have been regrouped / reclassified wherever applicable.

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.Chartered Accountants
(ICAI Registration No. 000679S)**K. J. DANDEKER**Partner
Membership No. 018533Place : Chennai
Date : April 26, 2010**T. S. VENKATESAN**

Director

Place : Chennai
Date : April 26, 2010**R. CHANDRASEKARAN**

Director

B. RAMAKRISHNAN

Director

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - A				
SHARE CAPITAL				
Authorised				
5,80,00,000 Equity Shares of Rs. 10 each		580,000,000		580,000,000
Issued, Subscribed & Paid-up		571,600,000		541,171,640
57,160,000 Equity Shares of Rs. 10 each fully paid-up of the above 30,42,836 shares of Rs. 10 each issued and allotted during the year (The entire shares are held by L&T Infrastructure Development Projects Limited, the Holding Company and its nominees) <i>(previous year Company has issued and allotted 3,62,00,000 shares of Rs. 10 each)</i>				
TOTAL		571,600,000		541,171,640
SCHEDULE - B				
RESERVES & SURPLUS				
Profit and Loss Account		76,565,312		(1,241,367)
TOTAL		76,565,312		(1,241,367)
SCHEDULE - C				
SECURED LOAD				
Term Loan from Banks and Financial Institutions				
From Banks				
Citi Bank		486,832,180		538,295,460
Bank of Baroda		950,800,000		890,482,222
ADCB		2,027,295,152		2,408,577,985
From Financial Institutions				
IIFCL		875,388,001		928,244,218
(All the above loans are secured by <i>pari passu</i> charge on all the movable and immovable properties both present and future of the Company and hypothecation of all movable and immovable properties present and future including book debt, stock-in trade, intangible assets, uncalled share capital etc)				
		-		-
TOTAL		4,340,315,333		4,765,599,885

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

PARTICULARS	COST			DEPRECIATION / AMORTISATION			BOOK VALUE	
	As at 01.04.2009 Rupees	Additions Rupees	As at 31.03.2010 Rupees	Up to 31.03.2009 Rupees	For the year Rupees	Up to 31.03.2010 Rupees	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
TANGIBLE ASSETS								
Building - Flat	2,473,000	320,350	2,793,350	198,651	158,742	357,393	2,435,957	2,274,349
Office Equipments	525,618	1,189,640	1,715,258	39,369	79,452	118,821	1,596,437	486,249
Furniture & Fittings	1,008,093	907,841	1,915,934	82,383	222,019	304,402	1,611,532	925,710
Computers	771,599	423,686	1,195,285	196,295	169,841	366,136	829,149	575,304
Plant & Machinery	3,685,868	98,485,487	102,171,355	24,293	6,858,587	6,882,880	95,288,475	3,661,575
Motor Vehicle	3,384,183	7,292,243	10,676,426	26,666	943,645	970,311	9,706,115	3,357,517
INTANGIBLE ASSETS								
Specialised Software	275,000	–	275,000	252,084	22,916	275,000	–	22,916
Toll Road & Bridges	–	5,251,218,402	5,251,218,402	–	350,081,227	350,081,227	4,901,137,175	–
Total	12,123,361	5,359,837,649	5,371,961,010	819,741	358,536,429	359,356,170	5,012,604,840	11,303,620
<i>Previous year</i>	<i>3,950,152</i>	<i>8,173,209</i>	<i>12,123,361</i>	<i>389,564</i>	<i>430,177</i>	<i>819,741</i>	<i>–</i>	<i>–</i>
Capital Work-in-progress							–	4,517,968,188
Grand Total							5,012,604,840	4,529,271,808

Note: The Company is yet to receive the share certificate conveying its ownership of the undivided share of land from the co-operative housing society formed by the apartment holders.

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

Details of Investment Purchase and sold during the year	Face Value Rs. Per unit	Nos	Cost (Rs.)
TATA - Growth Plan - Retail	10	7,022,521.226	100,000,000.00
Tata Floater Fund Growth	10	7,444,346.073	100,014,045.05
Reliance Liquidity Fund - Growth Option	10	7,357,918.592	100,000,000.00
Reliance Medium Term Fund Retail - Growth Plan Option	10	5,358,711.310	100,011,772.67
HDFC - Growth Plan - Retail	10	5,302,536.203	100,000,000.00
HDFC - Growth Plan - Wholesale	10	7,773,517.276	154,012,195.83
TOTAL		40,259,551	654,038,014

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - F				
CURRENT ASSETS, LOANS AND ADVANCES				
Sundry Debtors				
Unsecured, considered good				
Outstanding for more than six months	–		–	
Others	16,261,828		–	
		16,261,828		–
Cash and Bank Balances				
Cash on hand	–		5,148	
Balances with scheduled banks				
On current account	23,061,537		20,669,226	
On Fixed Deposits [Including interest accrued there on Rs. 16,096]	180,027,921		11,825	
On margin money deposit accounts	1,273,526		100,000,000	
		204,362,984		120,686,199
Loans & Advances				
Unsecured, considered good				
Intercompany deposits	–		–	
Advance recoverable in cash or in kind or value to be received	38,027,852		1,540,036,573	
		38,027,852		1,540,036,573
TOTAL		258,652,664		1,660,722,772
SCHEDULE - G				
CURRENT LIABILITIES & PROVISIONS				
Liabilities				
Sundry Creditors				
Due to				
Micro, small & medium Industries	–		–	
Others	262,651,765		–	
		262,651,765		–
Provisions for				
Income Tax	19,935,398		–	
Fringe Benefit Tax	–		–	
Gratuity	76,485		97,328	
Leave Encashment	113,211		41,121	
		20,125,094		138,449
TOTAL		282,776,859		138,449

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - H				
OTHER INCOME				
Interest Income from				
Interest on Fixed Deposit (including TDS Receivable 62,659)	316,140		—	
Interest on Inter Corporate Deposit from fellow subsidiaries	—		—	
		316,140		—
Dividend Income from current investments		—		—
Exchange Gain		—		—
Profit on sale of current investments (net)		5,870,585		—
Miscellaneous income		869,500		—
TOTAL		7,056,225		—
SCHEDULE - I				
OPERATING EXPENSES				
Toll Management Fees		9,711,495		—
Security Services		808,971		—
Salaries, wages & bonus		7,953,584		—
Contribution to and provision for				
Provident fund	165,460		—	
Gratuity	(20,843)		—	
Leave encashment	85,090		—	
		229,707		—
Staff welfare expenses		206,302		—
Cost of services		899,687		178,102
Consultancy charges				
Insurance		2,082,682		—
Repairs & maintenance				
Toll Roads & bridges	16,282,486		—	
Civil Maintenance	22,031,875		—	
Electrical	10,715,945		—	
Building	1,252,196		—	
Plant & Machinery	855,735		—	
Others	919,186		—	
		52,057,423		—
Power & electricity charges		9,883,211		—
TOTAL		83,833,062		178,102

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

	2009-2010		2008-2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - J				
ADMINISTRATION AND OTHER EXPENSES				
Rent		141,204		—
Rent, Rates & taxes		577,012		—
Professional fees		6,399,185		—
Toll Roads & bridges				
Printing & stationery		309,719		
Bank Charges		830,651		
Postage & Communication		391,287		
Travelling & conveyance		5,574,671		198,292
Exchange loss		120,424,475		—
Loss on sale of investments (net)		—		—
Miscellaneous expenses		3,397,066		
TOTAL		138,045,270		198,292
SCHEDULE - K				
INTEREST EXPENSES				
Interest on fixed loans		189,801,742		—
Interest - others		—		—
TOTAL		189,801,742		—

SCHEDULE - L**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 fixed assets and intangible 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

- Annuity collections are accounted for as and when the amount is accrued and when the recovery of the same is certain.
- Other items of income are accounted as and when the right to receive is 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 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:

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

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

Such Carriageway on completion are capitalized as Intangible Asset and are amortised over the period of rights given under the Concession Agreement as they represent right to receive annuity 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. 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, and based on the expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and qualified 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.

6. 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 year in which they are incurred.

7. Employee Benefits

Provisions for / contributions to retirement benefit schemes are made as follows (as per AS 15):

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

8. Investments

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

9. Lease

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

10. Foreign Currency Transactions and Derivatives

- a. The reporting currency of the Company is the Indian Rupee.
- b. Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.
- c. 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 recognized as income or expense in the operations phase in which they arise.
- d. Premium on forward contracts are amortised over the period of forward contract.

11. Provisions, Contingent Liabilities and Contingent Assets

Provisions 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, nor disclosed.

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

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**12. Impairment of Assets**

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

- the provision for impairment loss, if any, required; or
- the reversal, if any, required of impairment loss recognized in previous periods.

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

Recoverable amount is determined:

- in the case of an individual asset, at the higher of net selling price and value in use;
- in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and 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 use of its useful life.)

SCHEDULE – M**NOTES FORMING PART OF ACCOUNTS**

- 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 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 March 28, 2006 with National Highways Authority of India. The Concession Agreement is for a period of 17.5 years from September 24, 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.
- As per the provisions of Concession Agreement, the Company achieved the Commercial Operation as on March 24, 2009.
- The Company does not have any taxable wealth under the provisions of the Wealth Tax Act, 1957.
- There have been no claimed transactions during the year with Micro and Small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence, reporting details of principal and interest does not arise.
- 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.
- Estimated amount of contracts remaining to be executed on capital account (net of advances) is Rs. NIL (Previous year: Rs. 10,61,41,897).
- Managerial remuneration for the year has been charged to the accounts as below.

Remuneration Rupees

Remuneration	2009-2010 Rupees	2008-2009 Rupees
Salary	NIL	7,46,994
Contribution to Provident Fund	NIL	30,240
Total	NIL	7,77,234

- Auditor's Remuneration (excluding service tax)

Remuneration	2009-2010 Rupees	2008-2009 Rupees
Audit Fees	1,50,000	1,00,000
Certification Expenses	1,000	—
Reimbursement of Expenses	500	—

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

9. Disclosure of Related Parties / Related Party Transactions

A. List of related parties

Holding companies	:	L&T Infrastructure Development Projects Limited (Holding Company)
		Larsen & Toubro Limited (Ultimate Holding Company)
Fellow subsidiaries	:	L&T Urban Infrastructure Limited
		L&T Rajkot - Vadinar Tollway Limited
		L&T Halol - Shamlaji Tollway Limited
		L&T PNG Tollway Limited
		L&T Western Andhra Tollway Limited
		L&T Vadodara Bharuch Tollway Limited

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

Sl. No.	Nature of transaction	Amount of Transaction Rupees	Amount Due to Rupees	Amount Due From Rupees
1	Larsen & Toubro Limited (Ultimate Holding Company)			
i)	Purchase of Goods & Services	12,48,57,007 (2,57,12,39,797)	NIL (38,35,02,924)	NIL (NIL)
ii)	Reimbursement of Exp.	6,91,785 (2,50,210)	NIL (2,50,210)	NIL (NIL)
iii)	Advance for electrical items (Toll Plaza)	NIL (2,83,90,296)	NIL (NIL)	NIL (NIL)
2	L&T Infrastructure Development Projects Limited (Holding Company)			
i)	Purchase of Goods & Services	1,10,29,274 (3,16,97,937)	NIL (NIL)	186,270 (NIL)
ii)	Reimbursement of Exp	14,97,147 (10,16,131)	NIL (NIL)	NIL (NIL)
iii)	Subscription of Equity	3,04,28,360 (36,20,00,000)	NIL (NIL)	NIL (NIL)
3	L&T Urban Infrastructure Limited			
i)	Reimbursement of Exp	674,426 (NIL)	NIL (NIL)	NIL (NIL)
4	L&T Vadodara Bharuch Tollway Limited			
i)	Reimbursement of Exp	112,496 (NIL)	NIL (NIL)	NIL (NIL)
5	L&T Western Andhra Tollway Limited			
i)	Reimbursement of Exp	317,339 (NIL)	NIL (NIL)	NIL (NIL)
6	L&T Rajkot - Vadinar Tollway Private Limited			
i)	Reimbursement of Exp	2,423 (NIL)	NIL (NIL)	NIL (NIL)
7	L&T Halol - Shamlaji Tollway Limited			
i)	Reimbursement of Exp	706,899 (NIL)	NIL (NIL)	NIL (NIL)
8	L&T PNG Tollway Private Limited			
i)	Reimbursement of Exp	772,546 (NIL)	NIL (NIL)	NIL (NIL)

Note: Figures in brackets relate to previous year

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

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

10. Employee Benefits

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

A Results of Actuarial Valuation - Gratuity

	March 31, 2010	March 31, 2009
1. Valuation as on		
2. Retirement Age	As per rule of the Company	As per rule of the Company
3. No. of Employees	9	6
4. Notional Benefit Obligations (Accrued benefits) on Current Salary in Rupees	115,658	1,14,462
5. Present Value of Benefit Obligations in Rupees	76,485	97,328

B Principle Rules to Compute Benefit Obligations

1. Salary reckoned for calculating Benefit Obligations	As per rule of the Company
2. Vesting Period	5 Years for Gratuity
3. Benefit formula for Gratuity for all exits except death	B1 X Completed year of service X 15/26 subject to benefit having vested
4. Benefit formula for Gratuity on death	Same as B3 but no vesting condition

(3) Leave Salary Valuation

A Summary of Staff data

1. No. of Employees	9	6
2. Notional benefit obligations on current salary in rupees	167,113	48,655
3. Projected actuarial value of benefit obligation in rupees	113,211	41,121

B Principle rules to compute benefit obligations

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

(4) Summary of Actuarial Assumptions

A Mean Financial Assumptions

1. Discount Rate per unit per annum	7.00%	6.50%
2. Salary escalation rate per unit per annum	6%	6%
3. Expected rate of return on Plan Assets per unit per annum	N.A	N.A

B Mean Demographic assumptions

1. Mortality rate	LIC 94-96 Rates	
2. Withdrawal	5% for all age	15% for all age
3. Disability	No Explicit Assumption	No Explicit Assumption

11. (a) Expenditure in foreign currency

Particulars	2009-2010 Rupees	2008-2009 Rupees
Travel expenses	NIL	1,02,456
Interest Expenses	10,68,46,031	14,46,29,148
(b) CIF Value of Imports (in Rupees)	4,87,045	35,16,234

12. The Company has taken office premises on cancellable operating lease. Lease rent amounting to Rs. 1,30,000 (Previous year Rs. 4,79,400) has been paid during the current financial year.

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

13. As per Accounting Standard 22 on taxes on Income, the Company has a deferred tax asset/liability as given below:

Deferred Tax liabilities	March 31, 2010	March 31, 2009
On account of difference between carrying amount of fixed assets in the books and as per Income Tax Act, 1961	32,30,36,232	<i>NIL</i>
TOTAL	32,30,36,232	<i>NIL</i>
Less : Deferred Tax Assets		
Unpaid statutory liabilities debited to Profit & Loss A/c	51,514	<i>NIL</i>
Gratuity liabilities	25,406	<i>NIL</i>
TOTAL	76,920	<i>NIL</i>
Net Deferred Tax (Assets) / Liabilities	32,29,59,312	<i>NIL</i>

The Company has not provided for any Deferred Tax Liability in the books as the timing differences arising on account of difference as per Income Tax Act, 1961 and books of accounts are expected to get reversed during the tax holiday period under Section 80IA of the Income Tax Act, 1961.

14. Segment Reporting – The Company is in the business of operating and maintaining a toll bridge and the majority of its income represents toll collections. Hence, operations are under single business and geographical segment.
15. Pursuant to amendment of AS-11- “Effects of changes in Foreign Currency Rates” by the Central Government vide notification dated March 31, 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 Carriageway. Since the Company was hitherto following the treatment for the years ending March 31, 2007, March 31, 2008 and March 31, 2009, there is no impact of the amendment in the accounts vis-à-vis what was followed earlier.
16. Basic and Diluted Earning per share (EPS) Computed in accordance with Accounting Standards (AS 20) “Earning per Share”

Basic and Diluted	2009-2010	2008-2009
Profit after tax per Accounts (Rs.)	9,73,66,152	<i>(6,28,417)</i>
PAT available to equity shareholders (Rs.)	9,73,66,152	<i>(6,28,417)</i>
Weighted average number of shares	5,52,00,913	<i>4,15,47,301</i>
Basic / Diluted EPS (Rupees)	1.76	<i>(0.02)</i>

17. The Company does not have transactions during the year attracting provisions of the following Accounting Standards:
Valuation of Inventories – AS 2
18. Figures for the previous year have been regrouped / reclassified wherever necessary.
19. The comparative figures for previous years for profit and loss account are not available since this is the first year of commercial operations for the Company and the said expenditure was transferred to pre-operative expenditure.

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

Place : Chennai
Date : April 26, 2010

T. S. VENKATESAN

Director

Place : Chennai
Date : April 26, 2010

R. CHANDRASEKARAN

Director

B. RAMAKRISHNAN

Director

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

Registration No. U45203TN2006PLC058735

State Code 18

Balance Sheet Date 31/03/2010
Date Month Year**II. Capital raised during the year** (Amount in Rs. Thousands)Public Issue
NILRights Issue
NILBonus Issue
NILPrivate Placement
362000**III. Position of Mobilisation and Deployment of funds** (Amount in Rs. Thousands)Total Liabilities
4988481Total Assets
4988481**Sources of Funds**Paid-up Capital (including advance)
571600Reserves & Surplus
76565Unsecured Loans
4340315Deferred Tax Liability
4340315**Application of Funds**Net Fixed Assets
5012605Investments
NIL+ - Net Current Assets
- 24124Misc. Expenditure
NILDeferred Tax Asset
NILAccumulated Losses
NIL**IV. Performance of Company** (Amount in Rs. Thousands)Turnover (incl. other income)
887518Total Expenditure
770217+ - Profit / Loss Before Tax
+ 117302+ - Profit / Loss After Tax
+ 77807Earnings per share in Rs.(Basic)
- 1.76Dividend Rate %
NIL**V. Generic Names of Three Principal Products / Services of the Company** (as per monetary terms)Item Code: N.A.
(ITC Code)

Product Description INFRASTRUCTURE PROJECT ON BOT

For and on behalf of the Board

Place : Chennai
Date : April 26, 2010T. S. VENKATESAN
DirectorR. CHANDRASEKARAN
DirectorB. RAMAKRISHNAN
Director