DIRECTORS' REPORT

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

1. **FINANCIAL RESULTS**

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

Description	**2013-14 ₹ Lakhs**	*2012-13 ₹ Lakhs*
Profit before depreciation & tax	**3154.75**	*7606.85*
Depreciation	**11649.77**	*11653.72*
Profit / (Loss) before tax	**(8495.02)**	*(4046.87)*
Prior Period Adjustments	**–**	*–*
Provision for tax	**–**	*0.58*
Profit / (Loss) after tax	**(8495.02)**	*(4047.45)*
Balance brought forward from Previous year	**(25169.38)**	*(21121.95)*
Balance carried to Balance Sheet	**(33664.41)**	*(25169.38)*

2. **PERFORMANCE OF THE COMPANY**

The revenue of the Company rose by 9.78% from ₹ 22675.63 Lakhs in 2012-13 to ₹ 24893.78 Lakhs in 2013-2014.

3. **APPROPRIATION**

Appropriation of profits is not applicable to the Company.

4. **DIVIDEND**

The Board of Directors has not recommended any dividend for the year 2013-14

5. **CAPITAL EXPENDITURE**

As at March 31, 2014, the gross fixed assets stood at ₹ 146773.50 and the net fixed assets stood at ₹ 90369.84

6. **DEPOSITS**

Your Company has not accepted any deposits from the public.

7. **AUDITORS' REPORT**

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

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

A. **CONSERVATION OF ENERGY**

The operations of your Company are not energy intensive as Company is not engaged in manufacturing activity and your Company is not under the list of industries which should furnish information in form A (Rule 2).

B. **TECHNOLOGY ABSORPTION**

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

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO (₹ LAKHS)**

i. Expenditure in foreign currency: Interest Expenses : ₹ 15.64

ii. CIF value of Imports (in Rupees) : ₹ Nil

9. **DISCLOSURE OF PARTICULARS:**

As the primary object of your Company is Operation of the BOT Project, there are no particulars to be disclosed as per the Companies' (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

10. **PARTICULARS OF EMPLOYEES:**

There are no employees covered by the provisions of the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Mr. Vishal Arora resigned as Manager of the Company with effect from 01.05.2013

Consequent upon his resignation, Mr. Sanjay Mathur was appointed as the Manager of the Company under the Companies Act,1956 with effect from 01.05.2013.

11. 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, 2014;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a going concern basis.
5. that proper systems are in place to ensure compliance of all laws applicable to your Company.

12. DIRECTORS:

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

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

Mr. B. Ramakrishnan, Director of the Company who is liable to retire by rotation and being eligible has to offer himself for re-appointment.

13. AUDIT COMMITTEE

The Members of the Audit Committee are:

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

The role, terms of reference, the authority and power of Chairman are in conformity with the requirements of the Companies Act, 1956.

The Committee met periodically during the year and held discussions with the auditors on internal control systems and internal audit report.

14. STATUTORY 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.

15. SUBSIDIARY COMPANIES :

Your Company has no Subsidiary Companies.

16. INTERNAL AUDITORS

M/s Price Waterhouse Coopers are the Internal Auditors of the Company.

17. INTERNAL CONTROL

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

18. MAINTENANCE OF COST AUDIT COMPLIANCE REPORT

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

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

19. ACKNOWLEDGEMENTS:

The Directors acknowledge the invaluable support extended to the Company by the Financial Institutions, Bankers, and Employees of the Company, Staff and Management of the parent company.

For and on behalf of the Board

Place: Chennai
Date: May 5, 2014

T. S. VENKATESAN
Director

J. SUBRAMANIAN
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T VADODARA BHARUCH TOLLWAY LTD.

REPORT ON THE FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014,

b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and

c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

iii. The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;

iv. In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

v. In our opinion this Company is a going concern as explained in Note P (14) to the accounts.

vi. On the basis of written representations received from the directors, as on March 31, 2014, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For M. K. DANDEKER & CO.
(ICAI Reg No 000679S)

K. J. DANDEKER
Partner
Chartered Accountants
Membership No 018533

Place : Chennai
Dated : May 5, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the report of the Auditors to the Members of **L&T VADODARA BHARUCH TOLLWAY LTD.** on the accounts for the year ended March 31, 2014, we report that:

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) We are informed that the management of the Company has physically verified during the year all its fixed assets and no material discrepancies were noticed on such verification.

(c) The Company has not disposed of any of its fixed assets so as to affect the going concern status.

(ii) The Company is engaged in the business of infrastructure development and maintenance and hence the clauses 4 (ii) (a), (b) & (c) of the Companies (Auditor's Report) Order 2003 relating to inventory are not applicable.

(iii) According to the information & explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence reporting under clause-4 (iii) (b) to (g) of the Companies (Auditor's Report) Order 2003 does not arise.

(iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase of fixed assets. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.

(v) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and hence reporting under clause 4 (v)(b) of the Companies (Auditor's Report) Order 2003 does not arise .

(vi) The Company has not accepted deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act 1956. Hence Clause 4 (vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

(vii) In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.

(viii) The Company is maintaining the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues, Income tax, and other statutory dues during the year with the appropriate authorities. As at March 31, 2014, there are no undisputed statutory dues payable for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute of income tax.

(x) The Company has accumulated losses of ₹ 3,36,64,41,512/- at the end of financial year, which are more than 50% of the Net Worth of the Company. However, the Company has not incurred cash losses in the current and immediately preceding financial 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 Ltd. 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.
(ICAI Reg No 000679S)

K. J. DANDEKER
Partner
Chartered Accountants
Membership No 018533

Place : Chennai
Dated : May 5, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at 31.03.2014		*As at 31.03.2013*	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	A	43,50,00,000		*43,50,00,000*	
Reserves and surplus	B	(3,36,64,41,512)		*(2,51,69,38,615)*	
			(2,93,14,41,512)		*(2,08,19,38,615)*
Non-current liabilities					
Long-term borrowings	C	10,43,28,81,475		*11,51,82,60,751*	
			10,43,28,81,475		*11,51,82,60,751*
Current liabilities					
Trade payables	D(I)	3,43,84,807		*2,70,57,754*	
Other current liabilities	D(II)	1,12,97,05,002		*98,85,59,676*	
Short-term provisions	D(III)	55,82,11,339		*24,56,20,655*	
			1,72,23,01,148		*1,26,12,38,085*
TOTAL			9,22,37,41,111		*10,69,75,60,221*
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	E(I)	5,69,92,298		*7,35,05,559*	
Intangible assets	E(II)	8,97,99,91,880		*10,11,84,87,949*	
Capital work-in-progress	E(III)	–		*78,85,877*	
			9,03,69,84,178		*10,19,98,79,385*
Long-term loans and advances	F		25,99,618		*23,55,178*
Current assets					
Current investments	G(I)	–		*36,74,24,726*	
Trade receivables	G(II)	–		*41,93,646*	
Cash and bank balances	G(III)	11,83,98,841		*10,96,10,888*	
Short-term loans and advances	G(IV)	6,57,58,474		*1,40,96,398*	
			18,41,57,315		*49,53,25,658*
TOTAL			9,22,37,41,111		*10,69,75,60,221*
CONTINGENT LIABILITIES	H				
COMMITMENTS	I				
OTHER NOTES FORMING PART OF ACCOUNTS	P				
SIGNIFICANT ACCOUNTING POLICIES	Q				

As per our report attached

For M.K.DANDEKER & CO.

Chartered Accountants

(Firm's Regn No. 000679S)

By the hand of

K.J.DANDEKER

Partner

Membership No. 018533

Place : Chennai

Date : May 5, 2014

For and on behalf of the Board of

SANJAY MATHUR	**T. S. VENKATESAN**	**J. SUBRAMANIAN**
Manager	*Director*	*Director*

Place : Chennai

Date : May 5, 2014

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

	Note	2013-14		2012-13	
		₹	₹	₹	₹
REVENUE					
Revenue from Operations	J	2,48,93,78,052		2,26,75,63,610	
Other income	K	2,36,73,880		4,25,06,884	
			2,51,30,51,932		2,31,00,70,494
Total Revenue			2,51,30,51,932		2,31,00,70,494
EXPENSES					
Operating expenses	L	81,75,05,998		20,95,62,463	
Employee benefit expenses	M	1,22,44,141		1,13,82,109	
Finance costs	N	1,31,72,77,794		1,29,33,88,257	
Depreciation and amortisation	E	1,16,49,77,149		1,16,53,71,741	
Administration and other expenses	O	5,05,49,747		3,50,52,249	
			3,36,25,54,829		2,71,47,56,819
Total Expenses			3,36,25,54,829		2,71,47,56,819
Profit/(loss) before tax			(84,95,02,897)		(40,46,86,325)
Tax Expense:					
Current tax		–		–	
Excess provision written back - prior year		–		57,800	
			–		57,800
Profit/(loss) after tax for the year			(84,95,02,897)		(40,47,44,125)
Earnings per equity share (Basic and Diluted)	P(9)		(19.53)		(9.30)
Face value per equity share			10.00		10.00
OTHER NOTES FORMING PART OF ACCOUNTS	P				
SIGNIFICANT ACCOUNTING POLICIES	Q				

As per our report attached

For M.K.DANDEKER & CO.
Chartered Accountants
(Firm's Regn No. 000679S)
By the hand of

K.J.DANDEKER
Partner
Membership No. 018533
Place : Chennai
Date : May 5, 2014

For and on behalf of the Board of

SANJAY MATHUR	**T. S. VENKATESAN**	**J. SUBRAMANIAN**
Manager	*Director*	*Director*

Place : Chennai
Date : May 5, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

		2013-14 ₹	2012-13 ₹
A	**Net profit / (loss) before tax and extraordinary items**	**(84,95,02,897)**	*(40,47,44,125)*
	Adjustment for		
	Depreciation and amortisation expense	**1,16,49,77,149**	*1,16,53,71,741*
	Interest expense	**1,31,72,77,794**	*1,29,33,88,257*
	Interest income	**(1,83,18,521)**	*(3,05,40,820)*
	(Profit)/loss on sale of current investments(net)	**(34,18,855)**	*(1,14,98,612)*
	(Profit)/loss on sale of fixed assets	**(26,50.00)**	*34,386*
	Operating profit before working capital changes	**1,61,10,12,020**	*2,01,20,10,827*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**–**	*(85,12,097)*
	Increase / (Decrease) in trade payables	**73,27,053**	*(2,25,63,483)*
	Increase / (Decrease) in other current liabilitites	**92,22,326**	*15,30,515*
	Increase / (Decrease) in short term provisions	**31,25,90,684**	*7,01,30,594*
	(Increase) / Decrease in loan term loans and advances	**(5,19,06,516)**	*70,42,984*
	(Increase) / Decrease in Trade Receivables	**41,93,646**	*37,19,231*
	(Increase) / Decrease in other current assets		
	Net cash generated from/(used in) operating activities	**1,89,24,39,213**	*2,06,33,58,571*
	Direct taxes paid (net of refunds)	**–**	
	Net Cash(used in)/generated from Operating Activities	**1,89,24,39,213**	*2,06,33,58,571*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(20,81,942)**	*(27,32,897)*
	Sale of fixed assets	**2,650**	*(34,386)*
	Purchase of current investments	**(75,89,00,000)**	*(2,31,55,08,429)*
	Sale of current investments	**82,23,18,855**	*2,35,25,82,315*
	Intercorporate deposits (placed)/refunded (net)	**30,74,24,726**	
	Dividend received from current investments		
	Interest received	**1,83,18,521**	*3,05,40,820*
	Net cash (used in)/generated from investing activities	**38,70,82,810**	*6,48,47,423*
C	**Cash flow from financing activities**		
	Repayment of long term borrowings	**(95,34,56,276)**	*(83,60,78,495)*
	Interest paid	**(1,31,72,77,794)**	*(1,29,33,88,257)*
	Net cash (used in)/generated from financing activities	**(2,27,07,34,070)**	*(2,12,94,66,752)*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**87,87,953**	*(12,60,758)*
	Cash and cash equivalents as at the beginning of the year	**10,96,10,888**	*11,08,71,650*
	Cash and cash equivalents as at the end of the year	**11,83,98,841**	*10,96,10,892*

Notes:

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 "Cash flow Statement" as specified in the Companies (Accounting Standards) Rules 2006.
2. Cash and cash equivalents represent cash and bank balances and deposits accounts.
3. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached

For M.K.DANDEKER & CO.
Chartered Accountants
(Firm's Regn No. 000679S)
By the hand of

K.J.DANDEKER
Partner
Membership No. 018533
Place : Chennai
Date : May 5, 2014

For and on behalf of the Board of

SANJAY MATHUR — *Manager*
T. S. VENKATESAN — *Director*
J. SUBRAMANIAN — *Director*

Place : Chennai
Date : May 5, 2014

NOTES FORMING PART OF ACCOUNTS

	As at 31.03.2014		*As at 31.03.2013*	
	No. of Shares	**₹**	*No. of Shares*	*₹*
NOTE A				
Share Capital				
(i) Authorised, issued, subscribed and paid up				
Authorised:				
Equity shares of ₹ 10 each	**22,00,00,000**	**2,20,00,00,000**	*22,00,00,000*	*2,20,00,00,000*
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	**4,35,00,000**	**43,50,00,000**	*4,35,00,000*	*43,50,00,000*
(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:				
At the beginning of the year	**4,35,00,000**	**43,50,00,000**	*4,35,00,000*	*43,50,00,000*
Issued during the year as fully paid	**–**	**–**	*–*	*–*
At the end of the year	**4,35,00,000**	**43,50,00,000**	*4,35,00,000*	*43,50,00,000*

(iii) Terms / rights attached to shares

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

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

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

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

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

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

	As at 31.03.2014		*As at 31.03.2013*	
	No. of Shares	**₹**	*No. of Shares*	*₹*
Holding Company				
L&T Infrastructure Development Projects Limited (including nominee holding) (Holding Company)	**4,35,00,000**	**43,50,00,000**	*4,35,00,000*	*43,50,00,000*
	4,35,00,000	**43,50,00,000**	*4,35,00,000*	*43,50,00,000*

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

	As at 31.03.2014		*As at 31.03.2013*	
	No. of Shares	**%**	*No. of Shares*	*%*
L&T Infrastructure Development Projects Limited (including nominee holding) (Holding Company)	**4,35,00,000**	**100.00**	*4,35,00,000*	*100.00*

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014		*As at 31.03.2013*	
	₹	₹	₹	₹
NOTE B				
Reserves and surplus				
Surplus/(Deficit) as per Statement of Profit and loss:				
As per last Balance Sheet	**(2,51,69,38,615)**		*(2,11,21,94,490)*	
Add: Profit/(Loss) for the year	**(84,95,02,897)**		*(40,47,44,125)*	
		(3,36,64,41,512)		*(2,51,69,38,615)*
TOTAL		**(3,36,64,41,512)**		*(2,51,69,38,615)*
NOTE C				
Long term borrowings				
Term Loans (Secured)				
- Term Loan-I from banks	**5,87,90,97,979**		*5,83,95,14,244*	
- Term Loan-II from banks	**2,41,99,25,000**		*–*	
- From Financial Institutions [Refer Note- C(a) and C(b)]	**2,13,38,58,496**		*3,30,23,21,507*	
		10,43,28,81,475		*9,14,18,35,751*
Promoter's Sub debt (Unsecured)				
L&T Infrastructure Development Projects Limited		**–**		*1,74,00,00,000*
Loans from Fellow Subsidairy (Unsecured)				
Narmada Infrastructure Construction Enterprise Limited		**–**		*63,64,25,000*
TOTAL		**10,43,28,81,475**		*11,51,82,60,751*

C(a) Details of Term Loans

Particulars	Rate of Interest	Terms of Repayment
	As at March 31, 2014	
Term Loan -I	Base rate + Applicable Spread (of respective banks)	(I) Term Loan 1 -Repayable in 87 monthly unequal instalments from April 2013 to June 2020.
Term Loan -II	Base rate + Applicable Spread (of respective banks)	(II) Term Loan 2 - Fully repayable in March 2021
IIFCL- Takeout Finance Scheme	Base rate + Applicable Spread	(III) IIFCL Take out Loan repayable in 77 unequal installment from April 2013 to August 2019

C(b) Nature of Security for the Term Loans from Banks and Financial Institutions

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

C(c) Presentation of term loans in the Balance sheet is as follows:

Particulars	As at 31.03.2014	*As at 31.03.2013*
(i) Long term borrowings	**10,43,28,81,475**	*11,51,82,60,751*
(ii) Current maturities of long term borrowings	**1,11,67,23,000**	*98,48,00,000*
TOTAL	**11,54,96,04,475**	*12,50,30,60,751*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014		*As at 31.03.2013*	
	₹	₹	₹	₹
NOTE D(I)				
Trade payables				
Due to related parties :				
Holding Company				
L&T Infrastructure Development Projects Limited	**22,98,029**		*19,50,410*	
Ultimate Holding Company				
Larsen & Toubro Limited	**17,31,739**		*81,418*	
		40,29,768		*20,31,828*
Others		**3,03,55,039**		*2,50,25,926*
TOTAL		**3,43,84,807**		*2,70,57,754*

Note D(I)(a)

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

	As at 31.03.2014		*As at 31.03.2013*	
	₹	₹	₹	₹
NOTE D(II)				
Other current liabilities				
Current maturities of long term borrowings				
Term Loans (Secured)				
- From Banks	**74,82,87,000**		*58,50,00,000*	
- From Financial Institution	**36,84,36,000**		*35,63,00,000*	
Loans from Fellow Subsidairy (Unsecured)	**–**		*4,35,00,000*	
(Narmada Infrastructure Construction Enterprise Limited)				
		1,11,67,23,000		*98,48,00,000*
Interest accrued and due on borrowings		**21,04,514**		*–*
Statutory liabilities		**12,22,322**		*27,91,530*
Others		**96,55,166**		*9,68,146*
TOTAL		**1,12,97,05,002**		*98,85,59,676*
NOTE D(III)				
Short term provisions				
Provision for employee benefits				
Gratuity	**8,73,082**		*7,50,689*	
Compensated absences	**8,70,450**		*8,14,291*	
		17,43,532		*15,64,980*
Others :				
Periodic major maintenance [Refer Note P(11)]	**55,64,67,807**		*24,40,55,675*	
		55,64,67,807		*24,40,55,675*
TOTAL		**55,82,11,339**		*24,56,20,655*

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE E(I) - Tangible Assets

(Amount in ₹)

Particulars	Cost				Depreciation				Book Value	
	As at 01.04.2013	Additions	Deductions	**As at 31.03.2014**	Upto 31.03.2013	For the year	Deductions	**Upto 31.03.2014**	**As at 31.03.2014**	*As at 31.03.2013*
Owned										
Building	25,19,202	–	–	**25,19,202**	7,92,052	39,253	–	**8,31,305**	**16,87,897**	*17,27,150*
Plant and Equipment	14,46,24,544	10,23,190	89,000	**14,55,58,734**	7,82,69,162	1,67,73,656	–	**9,50,42,818**	**5,05,15,916**	*6,63,55,382*
Furniture and fixtures	37,52,490	–	–	**37,52,490**	22,66,274	2,64,424	–	**25,30,698**	**12,21,792**	*14,86,216*
Vehicles	88,58,503	4,57,634	–	**93,16,137**	53,93,112	11,46,060	–	**65,39,172**	**27,76,965**	*34,65,391*
Office equipment	12,11,398	5,87,400	–	**17,98,798**	11,09,320	2,21,616	–	**13,30,936**	**4,67,862**	*1,02,078*
Computers, laptops and printers	14,36,205	1,38,843	1,04,000	**14,71,048**	10,66,863	1,50,194	67,875	**11,49,182**	**3,21,866**	*3,69,342*
Total	16,24,02,342	22,07,067	1,93,000	**16,44,16,409**	8,88,96,783	1,85,95,203	67,875	**10,74,24,111**	**5,69,92,298**	*7,35,05,559*
Previous year	*16,00,45,227*	*27,73,012*	*4,15,898*	***16,24,02,342***	*7,08,43,422*	*1,84,29,144*	*3,75,783*	***8,88,96,783***		

NOTE E(II) - Intangible Assets

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at 01.04.2013	Additions	Deductions	**As at 31.03.2014**	Upto 31.03.2013	For the year	Deductions	**Upto 31.03.2014**	**As at 31.03.2014**	*As at 31.03.2013*
Specialized Software	2,75,000			**2,75,000**	2,75,000	–		**2,75,000**	**–**	–
Toll collection rights (Refer notes below)	14,50,47,73,563	78,85,877	–	**14,51,26,59,440**	4,38,62,85,614	1,14,63,81,946	–	**5,53,26,67,560**	**8,97,99,91,880**	*10,11,84,87,949*
Total	14,50,50,48,563	78,85,877	–	**14,51,29,34,440**	4,38,65,60,614	1,14,63,81,946	–	**5,53,29,42,560**	**8,97,99,91,880**	*10,11,84,87,949*
Previous year	*14,50,50,48,563*	–	–	***14,50,50,48,563***	*3,23,96,18,017*	*1,14,69,42,597*	–	***4,38,65,60,614***		

Notes:

"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

(Amount in ₹)

Particulars	Cost				Amortisation				Book Value	
	As at 01.04.2013	Additions	Deductions	**As at 31.03.2014**	Upto 31.03.2013	For the year	Deductions	**Upto 31.03.2014**	**As at 31.03.2014**	*As at 31.03.2013*
Intangible Asset under development	78,85,877		78,85,877	**–**	–	–	–	**–**	**–**	*78,85,877*
Total	78,85,877	–		**–**	–	–	–	**–**	**–**	*78,85,877*
Previous year	–	*78,85,877*		***78,85,877***	–			**–**		

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
NOTE F		
Long term loans and advances		
Unsecured, considered good		
Security deposits	**25,99,618**	*23,55,178*
TOTAL	**25,99,618**	*23,55,178*

	Face Value per unit	Number of units As at 31.03.2013	As at 31.03.2014 ₹	As at 31.03.2013 ₹
NOTE G(I)				
Current investments				
Current Investment, Values at lower of cost or Market Value , Unless state otherwise				
Investment in Mututal funds - Quoted				
L&T Liquid fund growth	1,000	37,334.47	–	*60,000,000*
(37334.47 units of NAV value ₹ 1608.78)				
Commercial paper issued by holding Company				
9.00% CP, 2014, L&T IDPL			–	*10,00,22,627*
8.75% CP, 2014, L&T IDPL			–	*20,74,02,099*
TOTAL			–	*36,74,24,726*

Details of Quoted/Unquoted investments:

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Aggregate amount of Quoted current investment and market value thereof;		
Book Value	–	*6,00,00,000*
Market Value	–	*6,00,62,909*

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
NOTE G(II)		
Trade receivables		
Unsecured, considered good		
Others	–	*41,93,646*
TOTAL	–	*41,93,646*
NOTE G(III)		
Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
In current accounts	**7,62,02,503**	*3,18,076*
Cash on hand	**1,36,52,130**	*1,79,87,075*
Other bank balances		
In deposit accounts with maturity less than three months (including interest accrued thereon)	**2,85,44,208**	*9,13,05,737*
TOTAL	**11,83,98,841**	*10,96,10,888*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
NOTE G(IV)		
Short term loans and advances		
Unsecured, considered good		
Related parties:		
Holding Company (L&T Infrastructure Projects Ltd.-Mobilisation Advance paid)	5,88,25,627	–
Advances recoverable in cash or kind	–	21,000
Others	69,32,847	1,40,75,398
TOTAL	6,57,58,474	1,40,96,398

NOTE H

Contingent liabilities in the form of guarantees have been issued of ₹ 1,00,000/- *(previous year: ₹ 1,00,000)* as at March 31, 2014.

NOTE I

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

	2013-14 ₹	2012-13 ₹
Estimated amount of contracts remaining to be executed on capital account (net of advances)	4,00,00,000	8,47,514

	2013-14 ₹	2012-13 ₹
NOTE J		
Revenue from operations		
Operating revenue:		
Toll Collections	2,48,93,78,052	2,26,75,63,610
TOTAL	2,48,93,78,052	2,26,75,63,610

	2013-14 ₹	2013-14 ₹	2012-13 ₹	2012-13 ₹
NOTE K				
Other income				
Interest income from:				
Bank deposits	66,79,037		50,64,981	
Commercial Paper	1,14,86,724		2,53,03,272	
Others	1,52,760		1,72,567	
		1,83,18,521		3,05,40,820
Profit on sale of current investments		34,18,855		1,14,98,612
Profit/(loss) on disposal of fixed assets		2,650		(34,386)
Other income		19,33,854		5,01,838
TOTAL		2,36,73,880		4,25,06,884

NOTES FORMING PART OF ACCOUNTS (Contd.)

	2013-14		2012-13	
	₹	₹	₹	₹
NOTE L				
Operating expenses				
Toll Management fees		**4,13,49,573**		*3,75,57,942*
Security services		**69,89,538**		*52,70,802*
Insurance		**64,15,439**		*61,67,918*
Repairs and maintenance				
Periodic Major Maintenance Expenses [Refer P(11)]	**64,49,85,866**		*6,97,55,675*	
Toll road & bridge	**6,95,62,473**		*5,46,04,524*	
Plant and machinery	**1,50,77,666**		*66,81,729*	
Others	**3,36,915**		*3,13,027*	
		72,99,62,920		*13,13,54,955*
Professional fees		**1,24,89,157**		*87,74,105*
Power and fuel		**2,02,99,371**		*2,04,36,741*
TOTAL		**81,75,05,998**		*20,95,62,463*
NOTE M				
Employee benefit expenses				
Salaries, wages and bonus		**97,73,456**		*94,41,480*
Contributions to and provisions for:				
Provident fund (Refer P(3)(i))	**4,73,000**		*4,73,976*	
Gratuity (Refer P(3)(ii))	**1,22,393**		*(6,051)*	
Compensated absences (Refer P(3)(ii))	**1,35,983**		*3,61,258*	
		7,31,376		*8,29,183*
Staff welfare expenses		**17,39,309**		*11,11,446*
TOTAL		**1,22,44,141**		*1,13,82,109*
NOTE N				
Finance costs				
Interest on Term Loans	**1,28,27,76,376**		*1,21,51,34,248*	
Interest on Unsecured Loan from Fellow subsidiary	**14,25,048**		*6,26,29,563*	
Other Finance Cost	**3,30,76,370**		*1,56,24,446*	
		1,31,72,77,794		*1,29,33,88,257*
TOTAL		**1,31,72,77,794**		*1,29,33,88,257*
NOTE O				
Administration and other expenses				
Concession fee	**1**		*1*	
Rent, Rates and taxes	**2,04,720**		*1,55,239*	
Professional fees (Refer note (a) below)	**2,24,54,547**		*2,03,75,079*	
Postage and communication	**3,85,834**		*8,49,314*	
Printing and stationery	**11,65,995**		*10,69,803*	
Travelling and conveyance	**8,32,686**		*7,50,582*	
CSR expenses	**10,494**		*–*	
Repairs and Maintenance - Others	**1,17,47,093**		*76,36,048*	
Miscellaneous expenses	**1,37,48,377**		*42,16,183*	
		5,05,49,747		*3,50,52,249*
TOTAL		**5,05,49,747**		*3,50,52,249*

NOTES FORMING PART OF ACCOUNTS (Contd.)

N(a) Professional fees includes Auditors remuneration (excluding service tax) as follows:

		2013-14	*2012-13*
		₹	₹
a)	As auditor	**4,48,800**	*4,08,000*
b)	For taxation matters	**42,500**	*25,000*
c)	For other services	**61,500**	*32,000*
	TOTAL	**5,52,800**	*4,65,000*

P(1) Corporate Information

The Company has been awarded on Build Operate and Transfer (BOT) basis, the widening of existing four-lane eighty three kilometer stretch from KM 108.700 to 192.000 of National Highway No. 8 in the State of Gujarat and operation and maintenance thereof, under the Concession Agreement dated July 12, 2006 with National Highways Authority of India. The Concession Agreement is for a period of 15 years from January 8, 2007, being the Commencement Date stated in clause 1.1 of the said agreement. Commercial Date of Operation started on 3rd June 2009. At the end of Concession period (i.e January 7, 2022) , the entire facility will be transferred to NHAI.

P(2) Foreign Currency Transaction

The Company has incurred the expenditure of ₹ 15,64,113/- (EUR 18552.08) in foreign currency during the year for toll software support service *(previous year: ₹ Nil).*

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

(i) Defined contribution plan:

An amount of ₹ 4,73,000 *(previous year : ₹ 4,73,976)* being contribution made to recognised provident fund is recognised as expense and included under Employee benefit expense (Note M) in the Statement of Profit and loss.

(ii) Defined benefit plans:

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

Particulars		**Gratuity plan**		**Compensated absences**	
		As at 31.03.2014	*As at 31.03.2013*	**As at 31.03.2014**	*As at 31.03.2013*
		₹	₹	₹	₹
A)	Present value of defined benefit obligation				
	- Wholly funded	**–**	–	**–**	–
	- Wholly unfunded	**8,73,082**	*7,50,689*	**8,70,450**	*8,14,291*
		8,73,082	*7,50,689*	**8,70,450**	*8,14,291*
	Less : Fair value of plan assets	**–**	–	**–**	–
	Amount to be recognised as liability or (asset)	**8,73,082**	*7,50,689*	**8,70,450**	*8,14,291*
B)	Amounts reflected in the Balance Sheet				
	Liabilities	**8,73,082**	*7,50,689*	**8,70,450**	*8,14,291*
	Assets	**–**	–	**–**	–
Net Liability / (asset)		**8,73,082**	*7,50,689*	**8,70,450**	*8,14,291*

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	Gratuity plan		Compensated absences	
	As at 31.03.2014	*As at 31.03.2013*	**As at 31.03.2014**	*As at 31.03.2013*
	₹	₹	₹	₹
1 Current service cost	**1,21,156**	*1,29,915*	**83,794**	*98,425*
2 Interest on Defined benefit obligation	**60,806**	*54,315*	**63,624**	*39,586*
3 Expected return on plan assets				
4 Actuarial losses/(gains)	**(1,52,916)**	*(1,90,281)*	**(1,49,471)**	*1,14,675*
5 Past service cost	**93,347**	–	**1,15,823**	*1,08,572*
6 Actuarial gain/(loss) not recognised in books	**–**	–	**–**	–
7 Adjustment for earlier years	**–**	–	**–**	–
Total (1 to 7)	**1,22,393**	*(6,051)*	**1,13,770**	*3,61,258*
I Amount included in “employee benefit expenses”	**1,22,393**	*(6,051)*	**1,13,770**	*3,61,258*
II Amount included as part of “finance costs”	**–**	–	**–**	–
Total (I + II)	**1,22,393**	*(6,051)*	**1,13,770**	*3,61,258*
Actual return on plan assets	**–**	–	**–**	–

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

Particulars	Gratuity plan		Compensated absences	
	As at March 31, 2014	*As at March 31, 2013*	**As at March 31, 2014**	*As at March 31, 2013*
	₹	₹	₹	₹
Opening balance of the present value of defined benefit obligation	**7,50,689**	*6,39,005*	**8,14,291**	*5,77,162*
Add: Current service cost	**121,156**	*1,29,915*	**83,794**	*98,425*
Add: Interest cost	**60,806**	*54,315*	**63,624**	*39,586*
Add: Contribution by plan participants				
i) Employer	**–**	–	**–**	*98,756*
ii) Employee	**–**	–	**–**	–
Add/(less): Actuarial losses/(gains)	**(1,52,916)**	*(1,90,281)*	**(1,49,471)**	*1,14,675*
Less: Benefits paid	**–**		**57,612**	*2,22,885*
Add: Past service cost	**93,347**	*1,17,735*	**1,15,823**	*1,08,572*
Closing balance of the present value of defined benefit obligation	**8,73,082**	*7,50,689*	**8,70,449**	*8,14,291*

d) Principal actuarial assumptions at the Balance Sheet date:

Particulars	As at 31.03.2014	*As at 31.03.2013*
1) Discount rate	**9.10%**	*8.10%*
2) Salary growth rate	**6.00%**	*6.00%*
3) Attrition rate	**5% at younger ages reducing to 1% at older ages**	*5% at younger ages reducing to 1% at older ages*

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

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

P(5) Segment Information

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

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

a) List of related parties

Holding Company :	L&T Infrastructure Development Projects Limited
Ultimate Holding Company :	Larsen & Toubro Limited
Fellow Subsidiaries :	L&T Ahmedabad Maliya Tollway Limited
	L&T Halol Shamlaji Tollway Limited
	L&T Rajkot-Vadinar Tollway Limited
	L&T Samakhiali Gandhidham Tollway imited
	Narmada Infrastructure Construction Enterprise Limited
	L&T Western India Tollbridge Limited
	L&T Interstate Road Corridor Limited
	L&T BPP Tollway Limited
	PNG Tollway Limited
	L&T Panipat Elevated Corridor Limited

b) Disclosure of related party transactions:

Particulars	**2013-14**	*2012-13*
	₹	₹
Holding Company		
L&T Infrastructure Development Projects Limited		
• Investment in Commercial Paper	**–**	*36,72,08,019*
• Redemption of Commercial Paper	**30,74,24,726**	*26,65,00,000*
• Business Support Service	**1,70,12,248**	*1,23,13,393*
• Purchase of goods and services	**2,79,71,291**	*2,54,73,495*
• Reimbursement of expenses to	**71,25,659**	*366*
• Reimbursement of expenses from	**7,20,538**	*75,515*
• Unsecured Loan repayment	**1,74,00,00,000**	–
• MMR Running Bills accounted	**33,25,73,734**	–
• MMR Advance paid	**9,20,83,000**	–
• MMR Advance recovered	**3,32,57,373**	–
Ultimate holding company		
Larsen & Toubro Limited		
• Cost of service	**2,47,192**	*2,02,248*
• Reimbursement of expenses to	**–**	*2,58,691*
• HTMS Equipment bills paid	**–**	*28,01,066*
• Employee Reimbursement paid	**98,28,359**	*93,70,988*
• Software Support Service	**20,87,817**	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2013-14	2012-13
	₹	₹
Fellow Subsidiaries		
L&T Ahmedabad Maliya Tollway Limited		
• Reimbursement of expenses to	**22,487**	–
• Reimbursement of expenses from	**7,50,422**	*4,13,919*
• Change Money Provided	**–**	*6,60,000*
• Change Money Received	**13,75,000**	–
• Assets Sold	**36,125**	–
• Assets Purchased	**4,98,238**	–
L&T Halol Shamlaji Tollway Limited		
• Reimbursement of expenses to	**–**	*1,49,267*
• Reimbursement of expenses from	**5,64,496**	*2,57,459*
• Change Money Provided	**8,00,000**	*12,00,000*
L&T Rajkot-Vadinar Tollway Limited		
• Reimbursement of expenses to	**36,895**	–
• Reimbursement of expenses from	**4,41,921**	*3,88,416*
• Change Money Provided	**36,50,000**	*46,80,000*
• Assets Purchased	**–**	*32,892*
L&T Samakhiali Gandhidham Tollway imited		
• Reimbursement of expenses to	**3,01,664**	*2,36,476*
• Reimbursement of expenses from	**6,06,477**	*5,31,274*
• Change Money Provided	**67,90,027**	*17,70,000*
• Soil note received	**–**	*37,35,000*
Narmada Infrastructure Construction Enterprise Limited		
• Long Term Loan Received		–
• Long Term Loan Refunded	**67,99,25,000**	*2,90,00,000*
• Interest paid on long Term loan	**14,25,048**	*6,26,29,563*
• Assets purchased	**–**	*12*
• Reimbursement of expenses from	**1,74,719**	*2,56,391*
L&T Western India Tollbridge Limited		
• Reimbursement of expenses from	**11,99,940**	*7,57,793*
L&T Interstate Road Corridor Limited		
• Sale of Commercial Paper	**–**	*18,00,52,543*
L&T BPP Tollway Limited		
• Reimbursement of expenses to	**19,000**	*19,900*
PNG Tollway Limited		
• Reimbursement of expenses from	**1,22,688**	*1,00,297*
• Change Money Provided	**16,00,000**	*5,90,000*
L&T Panipat Elevated Corridor Limited		
• Reimbursement of expenses to	**53,350**	–
• Change Money Received	**24,25,000**	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

(Amount in ₹)

Particulars	Amounts due (to)/from	
	As at 31.03.2014	*As at 31.03.2013*
Holding Company		
L&T Infrastructure Development Projects Limited		
- Share Capital	**(43,50,00,000)**	*(43,50,00,000)*
- Promoter's Sub debt	**–**	*(1,74,00,00,000)*
- Mobilisation Advance	**5,88,25,627**	*–*
- Commercial Paper	**–**	*30,74,24,726*
- Sundry creditors	**(1,89,26,716)**	*(19,50,410)*
Ultimate Holding Company		
Larsen & Toubro Limited		
- Sundry creditors	**(17,31,739)**	*(20,31,828)*
Fellow Subsidiaries		
Narmada Infrastructure Construction Enterprise Limited		
- Sundry creditors	**–**	*(67,99,25,000)*

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

e) 26% of shares held by L&T Infrastructure Development Projects Limited (Holding Company) are pledged as Security with Senior and Sub Lenders.

f) The Holding Company L&T Infrastructure Development Projcts Limited has issued Bank guarantees on bahalf of L&T Vadodara Bharuch Tollway Limited of an amount of ₹ 78,55,00,000/- as Debt Service Reserve to senior lenders as per Facility Agreement as on March 31, 2014.

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

The Company has taken premises on cancellable operating lease. Lease rent amounting to ₹ 54,000/- *(PY ₹ Nil)* has been charged to Profit & Loss Acount.

P(8) Major components of deferred tax liabilities and deferred tax assets

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

P(9) Disclosure pursuant to Accounting Standard (AS) 20 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS 20) "Earnings per share".

Particulars		**2013-14**	*2012-13*
		₹	₹
Basic and Diluted			
Profit after tax as per accounts (₹)	A	**(84,95,02,897)**	*(40,47,44,125)*
Weighted average number of shares outstanding	B	**4,35,00,000**	*4,35,00,000*
Basic and Diluted EPS (₹)	A / B	**(19.53)**	*(9.30)*
Face value per equity share (₹)		**10.00**	*10.00*

P(10) Disclosure pursuant to Accounting Standard (AS) 28 "Impairment of Assets"

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

P(11) Disclosures pursuant to Accounting Standard (AS) 29 - "Provisions, Contingent Liabilities and Contingent Assets"

a) Movement in provisions:

Particulars	**Major Maintenance Reserve (₹)**
Opening Balance as at 01.04.2013	24,40,55,675
Additional provision during the year	64,49,85,866
Provision used/reversed during the year	(33,25,73,734)
Provision transferred due to transfer of business	–
Balance as at 31-3-2014	55,64,67,807
Represented as:	
- Long Term Provision	–
- Short Term Provision	55,64,67,807

b) Nature of provisions:

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

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

As per clause 4.3.7 of concession agreement dated July 12, 2006; the periodic maintenance shall be carried out once every 5th year (from COD). The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept, based on estimates, a provision for major maintenance expenses is provided for in the books annually.

c) Contingent Liabilities:

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

P(12) The Company operates in the infrastructure business sector which involves huge capital investments. The Company's networth has been eroded. However the loss incurred so far is startup in nature and the Management expects that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the Company. Accordingly, the financial statements have been prepared on going concern basis.

P(13) Previous Year Figures

Corresponding figures of previous year have been regrouped/reclassified wherever necessary.

Q SIGNIFICANT ACCOUNTING POLICIES

Q(1) Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles ("GAAP"), 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 claims, which are not ascertainable / acknowledged by customers, are not taken into account.

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

Q(2) Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees rounded off to the nearest Rupee. Per share data are presented in Indian Rupees to two decimals places.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Q(3) Revenue recognition

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

A. Revenue from Operations

a. **Service income**

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

b. **Other Operating Income**

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

B. Other income

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

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

Q(4) Employee benefits

i. Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits such as salaries, wages, short term compensated absences etc. and the expected cost of bonus, exgratia are recognized in the period in which the employee renders the related service.

ii. Post employment benefits

(a) Defined contribution plans:

State Governed Provident Fund linked with Employee Pension Scheme is Defined Contribution Plans. The contribution paid/ payable under the scheme is recognized during 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 **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 rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of profit and loss.

iii. Long term employee benefits:

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

Q(5) Tangible fixed assets

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

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

Q(6) Depreciation

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

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.

Where there is a revision of the estimated useful life of an asset, the unabsorbed depreciable amount is charged over the revised remaining useful life.

The following asset categories are depreciated at higher rates in line with their estimated useful life.

	Category of Asset	**Rate of Depreciation (% p.a)**
i	Furniture and fixture	**10.00%**
ii	Office equipment	**25.00%**
iii	Computers - Desktops and laptops	**25.00%**

NOTES FORMING PART OF ACCOUNTS (Contd.)

	Category of Asset	Rate of Depreciation (% p.a)
iv	Plant and Equipment	**11.11%**
v	Motor Cars	**14.29%**
vi	Motor bike	**9.50%**
vii	Building - Residential	**2.00%**
viii	Toll equipment	**14.29%**

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

Items below ₹ 5000/- have been depreciated at the rate of 100%.

Q(7) Intangible assets and amortisation

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

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

Toll Collection Rights representing Carriageways 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 Carriage ways comprises construction cost and other preoperative costs incurred during the implementation phase being shown as Intangible asset. Such Carriage ways on completion are capitalized as Intangible Asset and amortised over the period of rights given under the Concession Agreement as they represent right to collect Toll revenue during the concession period.

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

Q(8) Investments

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

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

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

Q(9) Impairment of assets

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

(i) the provision for impairment loss, if any; and

(ii) the reversal of impairment loss recognised in previous periods, if any,

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

Recoverable amount is determined :

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

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

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

Q(10) Foreign Currency Transactions

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

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

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

Q(11) Cash and bank balances

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

Q(12) Borrowing costs

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

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

Q(13) Taxes on income

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

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

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

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

Q(14) Segment accounting

Particulars Segments assets and liabilities include those directly identifiable with respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The Company is engaged only in the business of developing and operating the Roads, Bridges and Bypass road. Accordingly furnishing segment details is not applicable. Further the Company is carrying on its business in only one geographical segment and hence furnishing details of geographical segment also does not arise.

Q(15) Leases

Operating Leases

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

(ii) Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

Q(16) Provisions, Contingent liabilities and contingent assets

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

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

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

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

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

Contingent Liability is disclosed in the case of

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

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

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

Contingent Assets are neither recognized, nor disclosed.

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

Q(17) Commitments

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

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

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

Q(19) Cash Flow Statement

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

(i) transactions of a non-cash nature

(ii) any deferrals or accruals of past or future operating cash receipts or payments and

(iii) items of income or expense associated with investing or financing cash flows.

Rate of Interest

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

As per our report attached

For M.K.DANDEKER & CO.
Chartered Accountants
(Firm's Regn No. 000679S)
By the hand of

K.J.DANDEKER
Partner
Membership No. 018533
Place : Chennai
Date : May 5, 2014

For and on behalf of the Board of

SANJAY MATHUR *Manager*

T. S. VENKATESAN *Director*

J. SUBRAMANIAN *Director*

Place : Chennai
Date : May 5, 2014