DIRECTORS' REPORT

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

1. FINANCIAL RESULTS

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

Description	2012-13 ₹ Lakhs	2011-12 ₹ Lakhs
Profit before depreciation & tax	**7,606.85**	*5,652.64*
Depreciation	**11,653.72**	*11,638.61*
Profit / (Loss) before tax	**(4,046.87)**	*(5,985.97)*
Prior Period Adjustments	**–**	–
Provision for tax	**0.58**	–
Profit / (Loss) after tax	**(4,047.45)**	*(5,985.97)*
Balance brought forward from Previous year	**(21,121.94)**	*(15,135.97)*
Balance carried to Balance Sheet	**(25,169.39)**	*(21,121.94)*

2. PERFORMANCE OF THE COMPANY

The revenue of the Company rose by 7% from ₹ 211.16 Cr in 2011-12 to ₹ 226.76 Cr in 2012-13.

3. DIVIDEND

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

4. CAPITAL EXPENDITURE

As at March 31, 2013, the gross fixed assets stood at ₹ 1,46,674.51 Lakhs and the net fixed assets stood at ₹ 1,01,919.94 Lakhs.

5. DEPOSITS:

The Company has not accepted any deposits from the public.

6. AUDITORS' REPORT:

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

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

a. Conservation of Energy

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

b. Technology Absorption

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

c. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

8. DISCLOSURE OF PARTICULARS:

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

9. PARTICULARS OF EMPLOYEES:

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

Mr. Atul Parmar resigned as a Manager on 04.12.2012. Consequent upon his resignation, Mr.Vishal Arora was appointed as the Manager of the Company under the Companies Act,1956 with effect from 04.12.2012.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;

2. that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a going concern basis; and
5. that proper systems are in place to ensure compliance of all laws applicable to the Company.

11. DIRECTORS

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

Mr. C. S. Damle and Mr. R. Chandrasekaran resigned as Directors of the Company on 04.07.2012.

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

12. AUDIT COMMITTEE

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

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

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

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

13. AUDITORS

The Auditors, M/s M. K. Dandeker & Co., Chartered Accountants, being statutory auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment.

Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

14. COMPLIANCE WITH VOLUNTARY CORPORATE GOVERNANCE GUIDELINES, 2009

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

A) SEPARATION OF OFFICES OF CHAIRMAN & CHIEF EXECUTIVE

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

B) REMUNERATION OF DIRECTORS

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

C) INDEPENDENT DIRECTORS

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

Number of Companies in which an Individual may become a Director

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

D) RESPONSIBILITIES OF THE BOARD

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

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

E) STATUTORY AUDITORS

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

F) INTERNAL AUDITORS

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

G) INTERNAL CONTROL

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

H) SECRETARIAL AUDIT

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

15. MAINTENANCE OF COST RECORDS COMPLIANCE REPORT

Pursuant to the provisions of rule 5 of The Companies (Cost Accounting Records) Rules, 2011, your Company is required to obtain a Maintenance of Cost Records Compliance Report from a Practicing Cost Accountant and the same is required to be filed with the Ministry of Corporate Affairs.

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

16. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place: Chennai	**B. RAMAKRISHNAN**	**T. S. VENKATESAN**
Date: April 29, 2013	*Director*	*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, 2013, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

v. In our opinion this Company is a going concern as explained in Note N (11) to the accounts.

vi. On the basis of written representations received from the directors, as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

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

K. J. DANDEKER
Partner
Chartered Accountants
Membership No. 018533.

Place : Chennai
Dated : April 29, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

With reference to the Annexure referred to in paragraph 1 of the report of the Auditors to the Members of **L&T VADODARA BHARUCH TOLLWAY LTD** on the accounts for the year ended March 31, 2013, we report that:

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

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

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

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

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

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

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

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

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

(viii) The Company is maintaining 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, 2013, there are no undisputed statutory dues payable for a period of more than six months from the date they became payable.

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

(x) The Company has accumulated losses of ₹ 2,516,938,615/- 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.
(Firm Regn. No. 000679S)

K. J. DANDEKER
Partner
Chartered Accountants
Membership No. 018533.

Place : Chennai
Dated : April 29, 2013

BALANCE SHEET AS AT MARCH 31, 2013

	Note	As at 31.03.2013		*As at 31.03.2012*	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	A	435,000,000		*435,000,000*	
(b) Reserves & Surplus	B	(2,516,938,615)		*(2,112,194,490)*	
			(2,081,938,615)		*(1,677,194,490)*
Non-current liabilities					
(a) Long-term borrowings	C(I)	11,518,260,751		*12,614,139,246*	
(b) Long-term provisions	C(II)	245,562,578		*175,431,984*	
			11,763,823,329		*12,789,571,230*
Current liabilities					
(a) Current maturities of long term borrowings	D(I)	984,800,000		*725,000,000*	
(b) Trade payables	D(II)	26,034,072		*48,597,555*	
(c) Other current liablities	D(III)	4,783,358		*3,226,737*	
(d) Short-term provisions	D(IV)	58,077		*84,183*	
			1,015,675,507		*776,908,475*
TOTAL			10,697,560,221		*11,889,285,215*
ASSETS					
Non-current assets					
(a) Fixed Assets					
(i) Tangible Assets	E(I)	73,505,558		*89,201,805*	
(ii) Intangible Assets	E(II)	10,118,487,949		*11,265,430,546*	
(iii) Intangible Assets under development	E(III)	7,885,877		*7,885,877*	
(b) Long-term loans and advances	E(IV)	2,355,178		*2,377,400*	
			10,202,234,562		*11,364,895,628*
Current Assets					
(a) Current investments	F(I)	367,424,726		*393,000,000*	
(b) Trade receivables	F(II)	12,694,432		*16,413,663*	
(c) Cash and Bank balances	F(III)	102,590,126		*110,871,646*	
(d) Short-term loans and advances	F(IV)	12,616,375		*4,104,278*	
			495,325,659		*524,389,587*
TOTAL			10,697,560,221		*11,889,285,215*
CONTINGENT LIABILITIES AND COMMITMENTS	G				
OTHER NOTES FORMING PART OF ACCOUNTS	N				
SIGNIFICANT ACCOUNTING POLICIES	O				

Notes referred to above form an integral part of the Balance Sheet

As per our report attached

For and on behalf of the Board

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

T. V. KARTHIKEYAN
Secretary

B. RAMAKRISHNAN
Director

T. S. VENKATESAN
Director

K.J.DANDEKER
Partner
Membership No.018533
Place : Chennai
Date : April 29, 2013

Place : Chennai
Date : April 29, 2013

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

	Note	2012-2013 ₹	*2011-2012 ₹*
REVENUE			
Revenue from Operations	H	2,267,563,610	*2,111,555,722*
Other Income	I	42,719,410	*39,545,448*
TOTAL REVENUE		2,310,283,020	*2,151,101,170*
EXPENSES			
a) Operating and maintenance expenses	J	200,903,204	*191,663,381*
b) Employee benefit expenses	K	11,844,642	*12,477,141*
c) Administration and other expenses	L	43,465,926	*28,735,304*
d) Finance costs	M	1,293,383,832	*1,352,961,041*
e) Depreciation of Tangible Assets		18,429,144	*18,224,608*
f) Amortisation of Intangible Assets		1,146,942,597	*1,145,637,004*
TOTAL EXPENDITURE		2,714,969,345	*2,749,698,479*
Profit/(Loss) before Taxes		(404,686,325)	*(598,597,309)*
Tax expenses:			
Current tax		–	*–*
Fringe benefit tax-previous years		57,800	*–*
Profit/(Loss) After Taxes		(404,744,125)	*(598,597,309)*
Balance brought forward from previous year		(2,112,194,490)	*(1,513,597,181)*
Profit/(Loss) to be Carried Forward		(2,516,938,615)	*(2,112,194,490)*
Earnings per Equity share			
Basic/Diluted	N (6)	(9.30)	*(13.76)*
Face value		10.00	*10.00*
OTHER NOTES FORMING PART OF ACCOUNTS	N		
SIGNIFICANT ACCOUNTING POLICIES	O		

Notes referred to above form an integral part of the Profit and Loss Account

As per our report attached

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

For and on behalf of the Board

T. V. KARTHIKEYAN *Secretary*
B. RAMAKRISHNAN *Director*
T. S. VENKATESAN *Director*

K.J.DANDEKER
Partner
Membership No.018533
Place : Chennai
Date : April 29, 2013

Place : Chennai
Date : April 29, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2012-2013 ₹	2011-2012 ₹
A	**Cash Flow from operating activities**		
	Profit before tax (excluding extraordinary items)	**(404,686,325)**	*(598,597,309)*
	Adjustments for :		
	Depreciation and Amortisation	**1,165,371,741**	*1,163,861,612*
	Fringe benefit Tax	**(57,800)**	–
	Interest Expenses	**1,293,383,832**	*1,352,961,041*
	Interest Income	**(30,540,820)**	*(13,568,022)*
	(Profit) / Loss on sale of investments (net)	**(11,498,612)**	*(23,648,223)*
	Operating profit before working capital changes	**2,011,972,016**	*1,881,009,099*
	Adjustments For :		
	(Increase) / Decrease in short term loans and advances	**(8,512,097)**	*535,471*
	(Increase) / Decrease in long term loans and advances	**22,222**	*(3,228)*
	Increase / (Decrease) in non-current liabilities	**70,130,594**	*65,500,000*
	Increase / (Decrease) in current liabilities	**1,530,515**	*1,399,604*
	Increase / (Decrease) in trade Payables	**(22,563,483)**	*22,181,116*
	Increase / (Decrease) in trade receivables	**3,719,231**	–
	Cash generated from operations	**2,056,298,998**	*1,970,622,062*
	Direct taxes paid (net of refund)	**–**	–
	Net cash generated from operating activities	**2,056,298,998**	*1,970,622,062*
B	**Cash flow from Investing activities :**		
	Purchase of fixed assets	**(2,732,897)**	*(36,445,745)*
	Purchase of investments	**(2,315,508,429)**	*(3,529,777,842)*
	Sale of investments	**2,352,582,315**	*3,160,426,067*
	Dividend Received from other investement	**–**	–
	Interest received	**30,540,820**	*13,568,022*
	Net cash (used in) / generated from investing activities	**64,881,809**	*(392,229,500)*
C	**Cash flow from financing activities**		
	(Repayment) / proceeds from other borrowings	**(836,078,495)**	*(454,136,141)*
	Interest paid	**(1,293,383,832)**	*(1,352,961,041)*
	Net cash (used in) / generated from financing activities	**(2,129,462,327)**	*(1,807,097,182)*
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(8,281,520)**	*(228,704,620)*
	Cash and cash equivalents as at the beginning of the year	**110,871,646**	*339,576,266*
	Cash and cash equivalents as at end of the year	**102,590,126**	*110,871,646*

Notes:

1. Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3; " Cash Flow Statement" as per Companies (Accounting Standard) Rules, 2006.
2. Previous year's figures have been regrouped/reclassified wherever applicable
3. Components of Cash and cash equivalents:-

	2012-2013	2011-2012
Balances with banks:		
-on current account	**318,075**	*691,470*
-on Fixed Deposits with less than 3 months maturity	**44,165,475**	*45,021,089*
-on Fixed Deposits with more than 3 months maturity	**40,119,502**	*53,210,832*
Cash in hand	**17,987,074**	*11,948,255*
TOTAL	**102,590,126**	*110,871,646*

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 : April 29, 2013

For and on behalf of the Board

T. V. KARTHIKEYAN *Secretary*
B. RAMAKRISHNAN *Director*
T. S. VENKATESAN *Director*

Place : Chennai
Date : April 29, 2013

NOTES FORMING PART OF ACCOUNTS

A SHARE CAPITAL

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

	As at 31.03.2013		*As at 31.03.2012*	
	No. of Shares	**₹**	*No. of Shares*	*₹*
Authorised Shares				
220,000,000 Equity Shares of ₹ 10/- each	**220,000,000**	**2,200,000,000**	*220,000,000*	*2,200,000,000*
Equity Shares with per value of ₹ 10 each				
Issued, Subscribed and Paid up shares				
Equity Shares of ₹ 10/- each fully paid up	**43,500,000**	**435,000,000**	*43,500,000*	*435,000,000*
	43,500,000	**435,000,000**	*43,500,000*	*435,000,000*

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

	As at 31.03.2013		*As at 31.03.2012*	
	No. of Shares	**₹**	*No. of Shares*	*₹*
Equity Shares:				
At the beginning of the year	**43,500,000**	**435,000,000**	*43,500,000*	*435,000,000*
Issued during the year as fully paid	**–**	**–**	*–*	*–*
Outstanding at the end of the year	**43,500,000**	**435,000,000**	*43,500,000*	*435,000,000*

A(III) Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

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

	Relationship	*As at 31.03.2013*	*As at 31.03.2012*
		₹	*₹*
L&T Infrastructure Development Projects Limited and its nominees 43,500,000/- equity shares of ₹ 10 each fully paid up	Holding Company	*435,000,000*	*435,000,000*

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

	As at 31.03.2013		*As at 31.03.2012*	
	No. of Shares	**Holding %**	*No. of Shares*	*Holding %*
Equity Shares of ₹ 10/- each fully paid	**43,500,000**	**100%**	*43,500,000*	*100%*
L&T Infrastructure Development Projects Limited, Holding Company and its nominees				

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

		As at 31.03.2013		As at 31.03.2012	
		₹	₹	₹	₹
B	**RESERVES & SURPLUS**				
	Surplus / (deficit) in the Statement of Profit and Loss				
	Balance as per the last financial statement		**(2,112,194,490)**		*(1,513,597,181)*
	Add: Profit / (Loss) for the period		**(404,744,125)**		*(598,597,309)*
	TOTAL		**(2,516,938,615)**		*(2,112,194,490)*
C(I)	**LONG-TERM BORROWINGS**				
	a) Term loans (Secured)				
	- From banks		**5,839,514,244**		*9,314,214,242*
	- From Financial Institutions		**3,302,321,507**		*880,000,004*
	b) Promoter's Sub debt (Unsecured)				
	L&T Infrastructure Development Projects Limited (Holding Company)		**1,740,000,000**		*1,740,000,000*
	c) Loans from Fellow Subsidiary (Unsecured)				
	Narmada Infrastructure Construction Enterprise Limited		**636,425,000**		*679,925,000*
	TOTAL		**11,518,260,751**		*12,614,139,246*

C(A1) DETAILS OF TERM LOANS: (SECURED) -INCLUDING CURRENT MATURITIES OF LONG TERM BORROWINGS-(Refer Note- D(I))

Particulars	Rate of Interest As at 31.03.2013	₹	Terms of Repayment
Term loans from Banks	**Base rate + applicable spread**	**6,424,514,244**	Repayable in 121 monthly unequal installments from June 2010 to June 2020 as per the Amortisation schedule of Common Loan agreement.
TOTAL		**6,424,514,244**	

C(A2) DETAILS OF FINANCIAL INSTITUTIONS: (SECURED)

	Particulars	Rate of Interest	₹	Terms of Repayment
1.	India Infrastructure Finance Company Limited	**Base rate + applicable spread**	**880,000,004**	Repayable in 121 monthly unequal installments from Jun 2010 to Jun 2020 as per the Amortisation schedule of Common Loan agreement.
2.	India Infrastructure Finance Company Limited - under 'Take out' finance Scheme	**Base rate + applicable spread**	**2,778,621,503**	Repayable in 89 monthly unequal installments from May 2012 to Jun 2020 as per the Amortisation schedule of Common Loan agreement.
	TOTAL		**3,658,621,507**	

C(A3) DETAILS OF PROMOTERS' SUB-DEBT: (UNSECURED)

Particulars	Rate of Interest	₹	Terms of Repayment
L&T Infrastructure Development Projects Limited	**Nil**	**1,740,000,000**	Repayable after settlement of Term Loan from Banks and Financial Institution. (See Note N(11))
TOTAL		**1,740,000,000**	

C(A4) DETAILS OF LOANS FROM FELLOW SUBSIDIARY: (UNSECURED)

Particulars	Rate of Interest As at 31.03.2013	₹	Terms of Repayment
Narmada Infrastructure Enterprise Construction Limited	**RBI Bank Rate**	**679,925,000**	Repayable in 36 quarterly installments from Mar 2012.
TOTAL		**679,925,000**	

NOTES FORMING PART OF ACCOUNTS (Contd.)

C(A5) SECURITY FOR THE TERM LOANS FROM BANKS AND FINANCIAL INSTITUTIONS

Term loans and Loans from Financial Institutions are secured by,

i) Mortgage of immovable property by way of first charge having pari-pasu right on the Flat situated at Pune.

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

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
C(II) LONG-TERM PROVISIONS				
Periodic major maintenance		**244,055,675**		*174,300,000*
Provision for gratuity		**725,418**		*594,713*
Provision for leave encashment		**781,485**		*537,271*
TOTAL		**245,562,578**		*175,431,984*
D(I) CURRENT MATURITIES OF LONG TERM BORROWINGS				
a) Current maturities of long-term debt				
Term loans (Secured)				
- From banks		**585,000,000**		*636,000,000*
- From Financial Institution		**356,300,000**		*60,000,000*
b) Promoter's Sub debt (Unsecured)				
L&T Infrastructure Development Projects Limited, Holding Company				-
c) Loans from				
- Fellow Subsidiary		**43,500,000**		*29,000,000*
TOTAL		**984,800,000**		*725,000,000*
D(II) TRADE PAYABLES				
Due to small industries *		**–**		*–*
Due to others		**26,034,072**		*48,597,555*
TOTAL		**26,034,072**		*48,597,555*

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

	As at 31.03.2013		As at 31.03.2012	
D(III) OTHER CURRENT LIABILITIES				
Other payables				
- Due to Related parties				
Holding Company	**1,950,410**		*1,789,550*	
Ultimate Holding Company	**81,418**		*–*	
		2,031,828		*1,789,550*
- Statutory liabilities		**2,751,530**		*1,437,187*
TOTAL		**4,783,358**		*3,226,737*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
D(IV) SHORT TERM PROVISIONS				
Provisions for Employee Benefits				
Provision for gratuity		**25,271**		*44,292*
Provision for Leave encasement		**32,806**		*39,891*
TOTAL		**58,077**		*84,183*

E - FIXED ASSETS (Amount in ₹)

(I) Tangible Assets										
Particulars	*Cost*				Depreciation / Amortization				**Book Value**	
	As at 01.04.2012	Additions	Deletions	**As at 31.03.2013**	Up to 31.03.2012	For the year	Deductions	Up to 31.03.2013	**As at 31.03.2013**	*As at 31.03.2012*
Building	*2,519,202*	–		**2,519,202**	752,799	39,253		792,052	**1,727,150**	*1,766,403*
Office Equipments	*1,352,074*	7	140,683	**1,211,398**	914,404	320,854	125,938	1,109,320	**102,078**	*437,670*
Furniture & Fittings	*3,719,600*	32,890		**3,752,490**	2,001,264	265,010		2,266,274	**1,486,216**	*1,718,336*
Computers	*1,356,828*	354,592	275,215	**1,436,205**	1,095,947	220,761	249,845	1,066,863	**369,342**	*260,881*
Plant & Machinery	*142,239,022*	2,385,521		**144,624,543**	61,765,633	16,503,529		78,269,162	**66,355,381**	*80,473,389*
Vehicles	*8,858,501*	2		**8,858,503**	4,313,375	1,079,737		5,393,112	**3,465,391**	*4,545,126*
Total	***160,045,227***	**2,773,012**	**415,898**	**162,402,341**	**70,843,422**	**18,429,144**	**375,783**	**88,896,783**	**73,505,558**	
Previous year	*159,061,723*	*1,582,585*	*599,081*	***160,045,227***	*53,131,627*	*18,224,608*	*512,813*	*70,843,422*		*89,201,805*
(II) Intangible Assets										
Specialised Software	*275,000*	–	–	**275,000**	275,000	–	–	275,000	–	–
Toll Collection Rights	*14,504,773,563*	–	–	**14,504,773,563**	3,239,343,017	1,146,942,597	–	4,386,285,614	**10,118,487,949**	*11,265,430,546*
Total	***14,505,048,563***	–	–	**14,505,048,563**	**3,239,618,017**	**1,146,942,597**	–	**4,386,560,614**	**10,118,487,949**	
Previous year	*14,477,985,012*	–	–	***14,505,048,563***	*2,093,981,013*	*1,145,637,004*	–	*3,239,618,017*		*11,265,430,546*

"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."

(III) Intangible Assets under development										
Intangible Asset under development	*7,885,877*		–	**7,885,877**	–	–	–	–	**7,885,877**	*7,885,877*
Total	***7,885,877***	–	–	**7,885,877**	–	–	–	–	**7,885,877**	
Previous year	–	*7,885,877*	–	***7,885,877***			–	–		*7,885,877*
As a result of change in the accounting estimate for useful life of Office equipment and computers, the increase in the depreciation amount for the year is as follows:										
Office Equipment		₹ 93478								
Computers- Desktop		₹ 5413								
		₹ 98891								
Accordingly, the loss for the year shall be higher to the extent of additional depreciation charged.										

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
E(IV) LONG TERM LOANS AND ADVANCES				
Security Deposit				
Unsecured, Considered good				
Electricity Deposit		**2,318,178**		*2,340,400*
Telephone Deposit		**12,000**		*12,000*
Value Added Tax Deposit		**25,000**		*25,000*
TOTAL		**2,355,178**		*2,377,400*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
F(I) CURRENT INVESTMENTS				
Current Investments, valued at lower of cost or market value, unless stated otherwise				
Mutual Fund				
L&T Liquid Fund - Growth		**60,000,000**		-
Commercial paper issued by holding Company				
7.75% CP, 2013 , L&T IDPL	**–**		*393,000,000.00*	
9.00% CP, 2014 , L&T IDPL	**100,022,627**		–	
8.75% CP, 2014 , L&T IDPL	**207,402,099**		–	
		307,424,726		*393,000,000*
TOTAL		**367,424,726**		*393,000,000*
Aggregate amount of Quoted Investments		**–**		–
Aggregate amount of Unquoted Investments		**367,424,726**		*393,000,000*
TOTAL		**367,424,726**		*393,000,000*
F(II) TRADE RECEIVABLES				
Outstanding for a period exceeding six months from the due date of payment				
Unsecured, Considered good				
Others		**12,694,432**		*16,413,663*
TOTAL		**12,694,432**		*16,413,663*
F(III) CASH AND BANK BALANCES				
Balances with banks				
on Current account	**318,075**		*691,470*	
on Term deposits Including interest accrued thereon (with less than 3 months maturity)	**44,165,475**		*45,021,089*	
Cash on hand	**17,987,074**		*11,948,255*	
		62,470,624		*57,660,814*
Other Bank Balances				
on Term Deposits including interest accrued thereon (with more than 3 months maturity)		**40,119,502**		*53,210,832*
TOTAL		**102,590,126**		*110,871,646*
F(IV) SHORT TERM LOANS AND ADVANCES				
Other Loans and Advances				
Advance Tax - Net of Previous Years Provisions		**3,252,168**		*2,789,430*
Others		**9,364,207**		*1,314,848*
TOTAL		**12,616,375**		*4,104,278*

G CONTINGENT LIABILITIES AND COMMITMENTS

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

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

	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account (net of advances)	**847,514**	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

		2012-2013		2011-2012	
		₹	₹	₹	₹
H	**REVENUE FROM OPERATIONS**				
	Fee Collections from users of Facility		**2,267,563,610**		*2,111,555,722*
	TOTAL		**2,267,563,610**		*2,111,555,722*
I	**OTHER INCOME**				
	a) Interest Income on				
	Bank Deposits	**5,064,981**		*9,852,114*	
	Current Investments	**25,303,272**		*3,681,676*	
	Others	**172,567**		*34,232*	
			30,540,820		*13,568,022*
	b) Net Gain on Sale of Investments		**11,498,612**		*23,648,223*
	c) Other Non-operating Income		**679,978**		*2,329,203*
	TOTAL		**42,719,410**		*39,545,448*
J	**OPERATING AND MAINTENANCE EXPENSE**				
	Toll Management charges		**42,828,744**		*39,167,831*
	Insurance		**6,167,918**		*4,276,467*
	Repairs & maintenance				
	Toll Roads & bridges	**69,755,675**		*65,500,000*	
	Civil and Route	**54,793,167**		*54,107,980*	
	Electrical	**1,420,053**		*1,043,554*	
	Toll / HTMS	**3,827,229**		*6,950,267*	
	Plant & Machinery	**1,673,677**		*1,101,857*	
			131,469,801		*128,703,658*
	Power & electricity charges		**20,436,741**		*19,515,425*
	TOTAL		**200,903,204**		*191,663,381*
K	**EMPLOYEE BENEFIT EXPENSE**				
	Salaries, wages & bonus		**10,524,391**		*11,274,179*
	Contribution to and provision for				
	Provident fund		**473,976**		*481,107*
	Gratuity		**(6,051)**		*130,497*
	Leave encashment		**361,258**		*209,296*
	Staff welfare expenses		**491,068**		*382,062*
	TOTAL		**11,844,642**		*12,477,141*
L	**ADMINISTRATIVE AND OTHER EXPENSE**				
	Rates & taxes		**155,239**		*70,600*
	Professional fees		**24,836,387**		*9,281,159*
	Auditors' Remuneration (Refer details below)		**522,473**		*384,951*
	Printing & stationery		**1,069,803**		*1,385,627*
	Postage & Communication		**849,314**		*818,756*
	Travelling & conveyance		**8,271,784**		*8,833,288*
	Miscellaneous expenses		**7,760,926**		*7,960,923*
	TOTAL		**43,465,926**		*28,735,304*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	2012-2013 ₹	2011-2012 ₹
Auditors Remuneration		
Audit Fees	**458,429**	*337,080*
Tax Audit Fees	**28,090**	*27,575*
In other capacity		
Certification Fees	**35,954**	*19,303*
Reimbursement of Expense	**–**	*993*
TOTAL	**522,473**	*384,951*

		2012-2013 ₹	2011-2012 ₹
M	**FINANCE COSTS**		
	Interest expenses		
	Interest on Term Loan	**1,230,754,269**	*1,341,964,465*
	Interest others	**62,629,563**	*10,996,576*
	TOTAL	**1,293,383,832**	*1,352,961,041*

N OTHER NOTES FORMING PART OF ACCOUNTS

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 107.700 to 192.000 of National Highway No. 8 (formerly known as Km 108.00 to Km 192.00 on Vadodara - Bharuch Section of National Highway No.8) in the State of Gujarat and operation and maintenance thereof, under the Concession Agreement dated 12 July, 2006 with National Highways Authority of India. The Concession Agreement is for a period of 15 years from 8th January 2007, 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.

2. Disclosures pursuant to AS 15 (Revised) - Employee Benefits

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

Particulars	**2012-13**		*2011-12*	
	₹	₹	₹	₹
1 GRATUITY				
A. Results of Actuarial Valuation				
1. Valuation as on	**March 31, 2013**		*March 31, 2012*	
2. Retirement Age	**58**		*58*	
3. No of Employees	**23**		*23*	
4. Present Value of Benefit Obligations	**750,689**		*639,005*	
B. Principal rules to compute Benefit Obligations				
1. Salary reckoned for calculating benefit obligations	**As per rule of the Company**		*As per rule of the Company*	
2. Vesting Period	**5 years of Gratuity**		*5 years of Gratuity*	
3. Benefit formula for Gratuity for all exits except death	**B1 X Completed year of Service X 15/26 subject to benefit having vested**			
4. Benefit formula for Gratuity on death	**Same as B3 but no vesting condition**			
The amounts recognised in Balance Sheet are as follows:				
A) Present value of defined benefit obligation				
– Wholly funded	**–**		*–*	
– Wholly unfunded	**750,689**		*639,005*	
Less : Fair value of plan assets				
Amount to be recognised as liability or (asset)	**750,689**		*639,005*	

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2012-13		2011-12	
	₹	₹	₹	₹
B) Amounts reflected in the Balance Sheet				
Liabilities	**750,689**		*639,005*	
Assets	**–**		–	
The amounts recognised in the Statement of Profit and loss are as follows:				
1 Current service cost	**129,915**		*138,046*	
2 Interest on Defined benefit obligation	**54,315**		*41,952*	
3 Expected return on plan assets	**–**		–	
4 Actuarial losses/(gains)	**(190,281)**		*(49,501)*	
TOTAL (1 TO 10)	**(6,051)**		*130,497*	
I Amount included in “employee benefit expenses”	**(6,051)**		*130,497*	
II Amount included as part of “finance costs”	**–**		–	
TOTAL (I + II)	**(6,051)**		*130,497*	
Actual return on plan assets				

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

Particulars	2012-13		2011-12	
Opening balance of the present value of defined benefit obligation	**639,005**		*508,508*	
Add: Current service cost	**129,915**		*138,046*	
Add: Interest cost	**54,315**		*41,952*	
Add: Contribution by plan participants				
i) Employer	**–**		–	
ii) Employee	**–**		–	
Add/(less): Actuarial losses/(gains)	**(190,281)**		*(49,501)*	
Less: Benefits paid			–	
Add: Past service cost	**117,735**		–	
Add: Business combinations/acquisition	**–**		–	
Closing balance of the present value of defined benefit obligation	**750,689**	**–**	*639,005*	–

2. COMPENSATED ABSENSES				
A. Summary of Staff				
1. No of Employees	**23**		*23*	
2. Projected actuarial value of benefit obligation in ₹	**814,291**		*577,162*	
B. Principle rule to compute benefit Obligations				
1. Salary reckoned for calculating Benefit obligations	**As per rule of the Company**		*As per rule of the Company*	
2. Benefit formula for all exits.	**B1 X Leave Balance / 30**			
3. Summary of Actuarial Assumptions				
A. Mean Financial Assumptions				
1. Discount Rate per unit per annum	**8.10%**		*8.50%*	
2. Salary escalation rate per unit per annum	**6.00%**		*6.00%*	
3. Expected rate of return on Plan Assets per unit per annum	**N.A.**		*N.A.*	
B. Mean Demographic Assumptions				
1. Mortality Rate	**LIC 94 - 96 Rates**		*LIC 94 - 96 Rates*	
2. Withdrawal / Attrition Rate	**5% for all age**		*5% for all age*	
3. Disability / Ill health retirement	**No Explicity Assumption**		*No Explicity Assumption*	

Contribution to the Provident Fund is made to Regional Provident fund office.

NOTES FORMING PART OF ACCOUNTS (Contd.)

3. **DISCLOSURES PURSUANT TO AS 17 - "SEGMENT REPORTING"**

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

4. **DISCLOSURES PURSUANT TO AS 18 - "RELATED PARTY DISCLOSURES "**

A. List of Related Parties	A. List of Related Parties
Holding Company	L&T Infrastructure Development Projects Limited
Ultimate Holding Company	Larsen and Toubro Limited
Fellow Subsidiaries	L&T Urban Infrastructure Limited
	L&T Chennai Tada Tollway Limited
	Narmada Infrastructure Construction Enterprise Limited
	L&T Devihalli Hassan Tollway Limited
	L&T Rajkot Vadinar Tollway Limited
	L&T Krishnagiri Thopur Toll Road Limited
	L&T Western India Tollbridge Limited
	L&T Samakhiali Gandhidham Tollway Limited
	L&T Ahmedabad-Maliya Tollway Limited
	L&T Halol-Shamlaji Tollway Limited
	L&T Interstate Road Corridor Limited
	L&T Krishnagiri Walajahpet Tollway Limited
	L&T Panipat Elevated Corridor Limited
	L&T PNG Tollway Limited
	L&T Western Andhra Tollway Limited
	L&T Seawoods Private Limited
	L&T BPP Tollway Limited

B. **Transactions with related parties:**

Amount in ₹

Name	2012-13			*2011-12*		
	Amount of transaction	**Due to**	**Due from**	*Amount of transaction*	*Due to*	*Due from*
L&T Infrastructure Development Projects Limited (Holding Company)						
§ Reimbursement of Expenses from	**75,515**	**–**	**–**	*203,549*	*–*	*–*
§ Reimbursement of Expenses to	**366**	**–**	**–**	*–*	*–*	*–*
§ Services received	**25,473,495**	**1,950,410**	**–**	*23,290,481*	*1,679,550*	*–*
§ Business support Services	**12,313,393**	**–**	**–**	*4,028,008*	*–*	*–*
§ Investment in Commercial Paper	**367,208,019**	**–**	**307,424,726**	*393,000,000*	*–*	*393,000,000*
§ Redemption of Commercial Paper	**266,500,000**	**–**		*–*	*–*	*–*
§ Unsecured Loan (Subordinate Debt)	**–**	**1,740,000,000**	**–**	*–*	*1,740,000,000*	*–*
TOTAL ACCOUNTS PAYABLE (NET)		**1,741,950,410**	**307,424,726**		*1,741,679,550*	*393,000,000*
Larsen & Toubro Limited (Ultimate Holding Company)						
§ Cost of Services	**202,248**	**–**	**–**	*198,540*	*–*	*–*
§ Reimbursement of Expenses	**258,691**	**–**	**–**	*67,251*	*–*	*–*
§ HTMS Equipment bills	**2,801,006**	**–**	**–**	*–*	*–*	*–*
§ Employee reimbursements	**9,370,988**	**81,418**		*9,339,889*		
L&T Urban Infrastructure Limited						
§ Reimbursement of Expenses to	**–**	**–**	**–**	*103,785*	*–*	*–*
L&T Chennai Tada Tollway Limited						
§ Reimbursement of Expenses from	**–**	**–**	**–**	*6,509*	*–*	*–*
§ Change money Received	**–**	**–**	**–**	*–*	*–*	*–*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Name	2012-13			2011-12		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
Narmada Infrastructure Construction Enterprise Limited						
§ Long Term Loan Received	–	679,925,000	–	715,000,000	708,925,000	–
§ Long term Loan Refunded	29,000,000	–	–	6,075,000	–	–
§ Reimbursement of Expenses to	–	–	–	576,898	–	–
§ Asset Purchased	12	–	–	85,842	–	–
§ Sale of Scrap	–	–	–	94,342	–	–
§ Change Money Provided	–	–	–	9,500,000	–	–
§ Interest Paid on Long Term Loan	62,629,563	–	–	10,996,576	–	–
§ Reimbursement of Expenses from	256,391	–	–	–	–	–
L&T Devihalli Hassan Tollway Limited						
§ Reimbursement of Expenses from	–	–	–	6,509	–	–
L&T Rajkot Vadonar Tollway Limited						
§ Reimbursement of Expenses from	388,416	–	–	144,731	–	–
§ Change money Provided	4,680,000	–	–	3,090,000	–	–
§ Asset Purchased	32,892	–	–	–	–	–
L&T Krishnagiri Thopur Toll Road Limited						
§ Reimbursement of Expenses from	–	–	–	6,509	–	–
L&T Western India Tollbridge Limited						
§ Reimbursement of Expenses from	757,793	–	–	930,201	–	–
L&T Samakhiali Gandhidham Tollway Limited						
§ Reimbursement of Expenses from	531,274	–	–	528,784	–	–
§ Change money Provided	1,770,000	–	–	15,375,000	–	–
§ Sale of Scrap	–	–	–	103,600	–	–
§ Reimbursement of Expenses to	236,476	–	–		–	–
§ Soil note received	3,735,000	–	–		–	–
L&T Ahmedabad Maliya Tollway Limited						
§ Reimbursement of Expenses from	413,919	–	–	65,409	–	–
§ Change money Provided	660,000	–	–	–	–	–
L&T Halol Shamlaji Tollway Limited						
§ Reimbursement of Expenses from	257,459	–	–	191,704	–	–
§ Change money Provided	1,200,000	–	–	2,900,000	–	–
§ Reimbursement of Expenses to	149,267	–	–		–	–
L&T Interstate Road Corridor Limited						
§ Reimbursement of Expenses from	–	–	–	6,509	–	–
§ Sale of Commercial Paper	180,052,543	–	–		–	–
L&T Krishnagiri Walajahpet Tollway Limited						
§ Reimbursement of Expenses from	–	–	–	19,527	–	–
§ Change money Provided	–	–	–	115,000	–	–
L&T Panipat Elevated Corridor Limited						
§ Reimbursement of Expenses to	–	–	–	18,230	–	–
L&T PNG Tollway Limited						
§ Reimbursement of Expenses from	100,297	–	–	6,509	–	–
§ Change money Provided	590,000	–	–		–	–
L&T Western Andhra Tollway Limited						
§ Reimbursement of Expenses from	–	–	–	4,540	–	–
L&T Seawoods Private Limited						
§ Reimbursement of Expenses to	–	–	–	116,056	–	–
L&T BPP Tollway Limited						
§ Reimbursement of Expenses to	19,900	–	–	–	–	–
§ Change money Provided					–	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

5. **Disclosures pursuant to AS 19 - "Leases"**

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

(b) The Company has leased out residential premises under cancellable operating lease. Lease amount received is credited to Statement of Profit and Loss.

6. **Disclosures pursuant to AS 20 - "Earnings per share"**

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

Particulars	**2012-13**	*2011-12*
	₹	₹
Basic / Diluted		
Profit after tax as per Accounts	**(404,744,125)**	*(598,597,309)*
PAT available to Equity Share holders	**(404,744,125)**	*(598,597,309)*
Weighted Average number of shares	**43,500,000**	*43,500,000*
Basic / Diluted EPS	**(9)**	*(14)*

7. **Disclosure pursuant to AS 28- "Impairment of assets"**

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

8. **Taxation**

The Company does not have taxable wealth under Wealth Tax Act, 1957 and hence no provision for wealth tax has been made.

9. **Provisions**

During the current year the Company has provided for periodic Major Maintenance of ₹ 6,97,55,675 in respect of its resurfacing obligation every five years, as per Schedule L Clause 4.3.7 of the Concession Agreement with NHAI.

Description	*Opening Balance as on 1-4-2012*	Addition during the year	Paid/Reversed during the year	**Balance as on 31-3-2013**
Major Maintenance Reserve	*174,300,000*	69,755,675	–	**244,055,675**
TOTAL	*174,300,000*	69,755,675	–	**244,055,675**

10. **Foreign currency transactions**

There were no foreign currency earnings, expenditure and imports by the Company during the current and previous year.

11. **Events occuring after Balance Sheet Date**

On April 5, 2013 the Company has executed loan agreements with banks to refinance the project to the extent of ₹ 971.243 Crores. And accordingly the existing senior lenders, sub-debt lenders (other than IIFCL- under 'Takeout' finance scheme) and Promoter's sub-debt were repaid on April 10, 2013.

12. **Going concern basis**

The financial statements are prepared on a going concern basis on the basis that, L&T Infrastructure Development Projects Limited, will continue to provide or arrange to provide financial support to the Company to enable the Company discharge its obligations as and when they fall due.

13. **Previous year figures :** The Company has reclassifed / regrouped the previous year figures wherever necessary.

O SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

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

2 Income

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

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

c) Interest income is accrued at applicable rates.

NOTES FORMING PART OF ACCOUNTS (Contd.)

d) License fees for wayside amenities are accounted on accrual basis, based on contract.

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

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

3 Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

(a) Defined Contribution Plans

The Company’s obligation to employees provident fund is a defined contribution plan.

The contribution paid/payable is recognized in the period in which the employee renders the related service.

(b) Defined Benefit Plans

The Company’s obligation towards gratuity is a defined benefit plan.

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

(iii) Long Term Employee Benefits

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

4 Fixed Assets

Tangible

Tangible Fixed Assets are stated at original cost less accumulated depreciation

Intangible Assets and Amortization

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

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

b. Toll Collection Rights representing right to receive fees from users of facility are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such Carriageway comprises of construction cost, negative grant and other preoperative costs incurred during the construction phase. Such Toll Collection Rights on completion are capitalized as Intangible Asset and are amortised over the period of rights given under the Concession Agreement as they represent right to receive fees from users of facility during the concession period.

5 Depreciation

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

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

Category of Asset	Depreciation Rate (% p.a.)
Building – Residential	2.00%
Office Equipment	25.00%
Computers – Desktop	25.00%
Computers – Laptop	25.00%
Furniture and Fixtures	10.00%
Motor Cars	14.29%
Motor Bike	9.50%

NOTES FORMING PART OF ACCOUNTS (Contd.)

Category of Asset	Depreciation Rate (% p.a.)
Air conditioners	25.00%
Toll Equipments	14.29%
Plant and Machinery	11.11%

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

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

Assets below ₹ 5,000/- have been depreciated at the rate of 100%.

Amortisation

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

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

(b) Specialised Software: Over the period of 3 years

6 Investments

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

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

7 Leases

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

b) Assets provided on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss as and when the amount is due and the recovery is certain"

8 Borrowing Cost

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

9 Taxes on Income

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

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

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

10 Impairment of Assets

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

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

b. The reversal, if any, required of impairment loss recognized in previous period"

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

Recoverable amount is determined:

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

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

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

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

NOTES FORMING PART OF ACCOUNTS (Contd.)

11 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

(c) Contingent Liability is disclosed in the case of

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

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

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

Contingent Assets are neither recognized, nor disclosed.

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

12 Cash Flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

under the indirect method, the net profit is adjusted for the effects of:

I. Transactions of a non-cash nature

II. Any deferrals or accruals of past or future operating cash receipts or payments and

III. Items of income or expense associated with investing or financing cash flows.

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

13 Operating cycle for current and non-current classification

The Company is enagaged only in one line of business and the operating cycle shall be 12 months.

14 Commitments

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

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

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

As per our report attached

For and on behalf of the Board

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

T. V. KARTHIKEYAN *Secretary*

B. RAMAKRISHNAN *Director*

T. S. VENKATESAN *Director*

K.J.DANDEKER
Partner
Membership No.018533
Place : Chennai
Date : April 29, 2013

Place : Chennai
Date : April 29, 2013