

## DIRECTORS' REPORT

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

### 1. FINANCIAL RESULTS

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

(₹ Lakhs)

Description	2013-14	2012-13
Gross Fixed Assets	299.72	254.70
Depreciation and amortisation	193.39	174.98
Pre-Operative expenses pending allocation	(3,160.73)	(3,624.41)
Intangible assets under development including capital advances	39,180.02	29,603.02
<b>Profit Before Tax</b>	—	—
Prior Period Expenses	—	—
Provision for Taxes	—	—
<b>Profit After Tax</b>	—	—

### 2. PERFORMANCE OF THE COMPANY

The Toll Collections stood at ₹ 5454.26 lakhs for the year as against ₹ 5624.58 lakhs as against the previous year, signifying a decline by (3.03)%.

### 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: (₹.LAKHS)

As at 31st March 2014, the gross fixed assets (tangible and intangible) stood at ₹ 299.72 lakhs and the net fixed assets (tangible and intangible) stood at ₹ 106.34 lakhs. The capital work-in-progress stood at ₹ 39180.02 lakhs.

### 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)

- Expenditure in foreign currency : ₹ 6.13 Lakhs
- 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.

The tenure of Mr. S. Elangovan, who was appointed on 22.11.2010 as Manager of the Company, came to end on 21.11.2013. Consequent upon this, Mr. S. Elangovan was re-appointed as Manager of the Company for a period of three years with effect from 11.11.2013.

Ms. V. Chella resigned as the Company Secretary of the Company with effect from 22.07.2013, under the Companies Act, 1956.

## L&T CHENNAI TADA TOLLWAY LIMITED

### 11. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of your 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. Manoj Dave 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. Manoj Dave

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 Gianender & Associates., 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 139(1) of the Companies Act, 2013.

### 15. SUBSIDIARY COMPANIES :

Your Company has no Subsidiary Companies.

### 16. INTERNAL AUDITORS

M/s Grant Thornton India LLP is the Internal Auditors of the Company.

### 17. 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.

### 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, Employees of the Company, Staff and Management of the parent company.

For and on behalf of the Board

Place : Chennai  
Date : May 6, 2014

MANOJ DAVE  
Director

T. S. VENKATESAN  
Director

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF L&T CHENNAI - TADA TOLLWAY LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **L&T CHENNAI - TADA TOLLWAY LIMITED**, which comprise the Balance Sheet as at March 31, 2014, the statement of Profit and Loss and the 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 notified under the Companies Act, 1956 read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 audit in 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 financial statements 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 no loss- no profit for the year ended on that date; and
- c) In case of the Cash flow Statement, of the cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 of the Order.
2. As required by Section 227(3) of the Act, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014, from being appointed as a director in terms of Para (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **GIANENDER AND ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. 004661N

Place : Chennai  
Date : May 6, 2014

**G. K. AGRAWAL**  
Partner  
M. No. 081603

## **ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

Annexure referred to in paragraph 1 under the heading "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" of our report on even date

### **Re: L&T CHENNAI - TADA TOLLWAY LIMITED**

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) The Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, during the year no substantial disposal of fixed assets of the Company has taken place which would have affected its going concern status.
- (ii) The Company is engaged in the business of infrastructure development and maintenance and hence Para 4 (ii) (a), (b) and (c) of the companies (Auditor's report) Order 2003 relating to inventory are not applicable.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured, to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 the provision of paragraph 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the provision of paragraph 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for toll collection. During the course of our audit, we have not observed any major weakness in internal control system. Further, the provision of Paragraph 4(iv) with respect to sale of goods and purchase of inventory are not applicable to the Company.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, there are no particulars of contracts or arrangement during the year which are required to be entered in the register maintained pursuant to Section 301 of the Companies Act, 1956.
- b) paragraph 4(ii)(b) of the said order is not applicable, as there are no such transactions during the year.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and relevant rules framed there under are not acceptable to the Company.
- (vii) In our Opinion, the Company has an internal audit system commensurate with its size and nature of business.
- (viii) According to the information and explanations given to us, we are of the opinion that prima facie, cost records prescribed, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, are made and maintained.
- (ix) (a) The Company is generally regular in depositing all undisputed statutory dues relating to Income tax deducted at source, service tax and value added tax. We are informed that the provision of Provident Fund, Investor Education Protection Fund, Employee's State Insurance, Wealth Tax, Custom duty, Excise Duty, Cess is not applicable to the Company. As per records produced before us, there are no undisputed dues which were outstanding as on March 31, 2014 for a period over six month from the date of same become payable.
- b) According to information and explanation given to us, there are no statutory dues pending in respect of income-tax, sales tax, Value Added Tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute.
- (x) The Company has accumulated losses as at March 31, 2014 which is less than 50% of its net worth. The Company has not incurred cash losses as at the end of the financial year or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any 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 or a Nidhi / Mutual benefit fund / Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's report) Order 2003 are not applicable.
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. However, the surplus funds have been invested in mutual funds. Proper records have been maintained for the transaction and contacts for the investment in mutual funds and are updated on a timely basis. The investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

L&T CHENNAI TADA TOLLWAY LIMITED

- (xvi) According to the information and explanations given to us, and on the basis of books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that the term loan have been utilized for the purposes for which the loan were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) Based on the audit procedures performed and the information and explanations given to us by the management, the Company has not made 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) According to the information and explanations given to us, the Company has not issued debentures during the year. Accordingly, no security or charge needs to be created.
- (xx) According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **GIANENDER AND ASSOCIATES**  
*Chartered Accountants*  
Firm Regn. No. 004661N

Place : Chennai  
Date : May 6, 2014

**G. K. AGRAWAL**  
*Partner*  
M. No. 081603

**BALANCE SHEET AS AT MARCH 31, 2014**

	Note	As at 31.03.2014		As at 31.03.2013	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	A	42,00,00,000		42,00,00,000	
Reserves and surplus	B	(18,64,484)		(18,64,484)	
			41,81,35,516		41,81,35,516
<b>Non-current liabilities</b>					
Long-term borrowings	C(I)	2,85,93,45,028		1,96,46,62,028	
Long-term provisions	C(II)	16,77,699		12,11,136	
			2,86,10,22,727		1,96,58,73,164
<b>Current liabilities</b>					
Other current liabilities	D(I)	39,74,19,657		38,27,04,157	
Short-term provisions	D(II)	2,52,989		1,92,405	
			39,76,72,646		38,28,96,562
<b>TOTAL</b>			<b>3,67,68,30,889</b>		<b>2,76,69,05,242</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed assets					
Tangible assets	E(I)	1,06,33,637		79,72,390	
Intangible assets	E(II)	5		5	
Intangible assets under development	E(III)	3,54,70,89,618		2,57,72,39,731	
			3,55,77,23,260		2,58,52,12,126
Long-term loans and advances	F		5,48,38,910		2,06,22,344
<b>Current assets</b>					
Current investments	G(I)	2,48,54,548		—	
Cash and cash equivalents	G(II)	95,18,731		10,82,22,970	
Short-term loans and advances	G(III)	2,98,95,440		5,28,47,802	
			6,42,68,719		16,10,70,772
<b>TOTAL</b>			<b>3,67,68,30,889</b>		<b>2,76,69,05,242</b>
<b>CONTINGENT LIABILITIES</b>	H				
<b>COMMITMENTS (CAPITAL AND OTHERS)</b>	I				
<b>OTHER NOTES FORMING PART OF ACCOUNTS</b>	J				
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	K				

As per our report attached  
For **GIANENDER & ASSOCIATES**  
Chartered Accountants  
(Firm registration no.: 004661N)

For and on behalf of the Board

**G. K. AGRAWAL**  
Partner  
Membership No.: 081603  
Place : Chennai  
Date : May 6, 2014

**S. ELANGO VAN**  
Manager

Place : Chennai  
Date : May 6, 2014

**MANOJ DAVE**  
Director

**T. S. VENKATESAN**  
Director

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

	<u>Note</u>	<u>2013-14</u>	<u>2012-13</u>
<b>REVENUE</b>			
Revenue from Operations		-	-
Other income		-	-
<b>TOTAL REVENUE</b>		-	-
<b>EXPENSES</b>			
Operating expenses		-	-
Employee benefit expenses		-	-
Finance costs		-	-
Depreciation and amortisation		-	-
Other expenses		-	-
<b>TOTAL EXPENSES</b>		-	-
<b>Profit / (Loss) before tax</b>		-	-
Tax expense:			
Current tax		-	-
Deferred tax		-	-
<b>Profit / (Loss) after tax</b>		-	-
Earnings per equity share (Basic and diluted)	<b>J(9)</b>	-	-
Face value per equity share		<b>10.00</b>	<b>10.00</b>
<b>OTHER NOTES FORMING PART OF ACCOUNTS</b>	<b>J</b>		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>K</b>		

As per our report attached  
For **GIANENDER & ASSOCIATES**  
Chartered Accountants  
(Firm registration no.: 004661N)

For and on behalf of the Board

**G. K. AGRAWAL**  
Partner  
Membership No.: 081603  
Place : Chennai  
Date : May 6, 2014

**S. ELANGO VAN**  
Manager  
Place : Chennai  
Date : May 6, 2014

**MANOJ DAVE**  
Director

**T. S. VENKATESAN**  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	2013-14 ₹	2012-13 ₹
<b>A Net profit / (loss) before tax and extraordinary items</b>	—	—
<b>Operating profit/(loss) before working capital changes</b>	—	—
<b>Adjustments for:</b>		
(Increase) / decrease in loans and advances	—	—
Increase / (decrease) in current liabilities and provisions	—	—
<b>Net cash generated from/(used in) operating activities</b>	—	—
Direct taxes paid	—	—
<b>Net Cash(used in)/generated from Operating Activities (A)</b>	—	—
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including pre-operative expenses)	(1,11,88,82,228)	(43,92,69,254)
Toll Collections	54,54,25,930	56,24,58,293
Additional Concession fee to NHAI	(11,50,25,157)	(11,28,75,617)
(Increase)/decrease in loans and advances	2,29,52,362	(5,19,09,170)
Increase/(decrease) in current liabilities and provisions	(5,60,11,353)	(8,65,05,340)
Interest paid	(32,99,86,460)	(23,77,97,376)
Purchase of current investments	(1,56,44,77,000)	(1,01,20,64,867)
Sale of current investments	1,55,11,68,549	1,02,31,00,961
Sale of fixed assets	14,628	3,66,812
Interest received	1,79,490	4,99,829
<b>Net cash (used in)/generated from investing activities (B)</b>	(1,06,46,41,239)	(35,39,95,729)
<b>C Cash flow from financing activities</b>		
Proceeds from long term borrowings	98,96,87,000	37,97,00,000
Repayment of long term borrowings	(2,37,50,000)	(1,22,00,000)
<b>Net cash (used in)/generated from financing activities (C)</b>	96,59,37,000	36,75,00,000
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	(9,87,04,239)	1,35,04,271
<b>Cash and Cash Equivalents as at the beginning</b>	10,82,22,970	9,47,18,699
<b>Cash and Cash Equivalents as at the end</b>	95,18,731	10,82,22,970

**Notes:**

- 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.
- Cash and cash equivalents represent cash and bank balances.
- Previous year figures are regrouped/reclassified wherever necessary.

As per our report attached  
For **GIANENDER & ASSOCIATES**  
Chartered Accountants  
(Firm registration no.: 004661N)

For and on behalf of the Board

**G. K. AGRAWAL**  
Partner  
Membership No.: 081603  
Place : Chennai  
Date : May 6, 2014

**S. ELANGO VAN**  
Manager  
Place : Chennai  
Date : May 6, 2014

**MANOJ DAVE**  
Director

**T. S. VENKATESAN**  
Director



**NOTES FORMING PART OF ACCOUNTS****NOTE A : SHARE CAPITAL****A(I) Share Capital authorised, issued, subscribed and paid up**

	As at 31.03.2014		As at 31.03.2013	
	No. of shares	₹	No. of shares	₹
<b>Authorised:</b>				
Equity shares of ₹ 10 each	45,000,000	45,00,00,000	45,000,000	45,00,00,000
<b>Issued, subscribed and fully paid-up:</b>				
Equity shares of ₹ 10 each	42,000,000	42,00,00,000	42,000,000	42,00,00,000

**A(II) Reconciliation of the number of equity shares and share capital**

	2013-14		2012-13	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	42,000,000	42,00,00,000	42,000,000	42,00,00,000
Issued during the year as fully paid	—	—	—	—
At the end of the year	42,000,000	42,00,00,000	42,000,000	42,00,00,000

**A(III) Terms / rights attached to equity 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.

**A(IV) Details of Shares held by Holding Company/Ultimate Holding Company/its Subsidiaries or Associates:**

	As at March 31, 2014		As at March 31, 2013	
	No. of shares	₹	No. of shares	₹
L&T Infrastructure Development Projects Limited (Holding Company - including nominees holding)	41,999,900	41,99,99,000	41,999,900	41,99,99,000
Larsen & Toubro Limited (Ultimate Holding Company - including nominees holding)	100	1,000	100	1,000

**A(V) Shareholders holding more than 5% shares in the Company:**

Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of shares	%	No. of shares	%
L&T Infrastructure Development Projects Limited (Holding Company - including nominees holding)	41,999,900	99.99	41,999,900	99.99

**A(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

**A(VII)** Calls unpaid : NIL; Forfeited Shares : NIL

As at 31.03.2014		As at 31.03.2013	
₹	₹	₹	₹

**NOTE B : RESERVES AND SURPLUS****Surplus/(Deficit) in Statement of Profit and loss:**

As per last Balance Sheet	(18,64,484)	(18,64,484)
Add: Profit/(Loss) for the year	—	—
	(18,64,484)	(18,64,484)
<b>TOTAL</b>	<b>(18,64,484)</b>	<b>(18,64,484)</b>

**NOTES FORMING PART OF ACCOUNTS**

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
<b>NOTE C(I) : LONG TERM BORROWINGS</b>				
Secured Term loans from banks (Refer notes below)				
Andhra Bank		90,52,00,000		45,61,20,000
IDBI		94,45,17,000		72,70,26,000
Vijaya Bank		74,65,12,028		57,91,92,028
United Bank of India		26,31,16,000		20,23,24,000
<b>TOTAL</b>		<b>2,85,93,45,028</b>		<b>1,96,46,62,028</b>

**C(I) (a) Details of term loans**

Particulars	Rate of interest (weighted average)		Terms of Repayment
	2013-14	2012-13	
Rupee Term loans	<b>Base rate (IDBI bank) + Applicable spread (fixed)</b>	<i>Base rate (IDBI bank) + Applicable spread (fixed)</i>	Repayable in unequal quarterly instalments commencing from December 31, 2013 till June 30, 2024, ranging from ₹ 1,18,75,000 to ₹ 26,12,50,000
Andhra Bank			
IDBI			
Vijaya Bank			
United Bank of India			

**C(I) (b) Nature of Security**

The term loan is secured by pari passu first charge on all the assets of the Company, including tangible and intangible both present and future except Project assets as defined in the Concession Agreement.

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
<b>C(I) (c) Presentation of term loans in Balance sheet is as follows:</b>				
Long term borrowings		2,85,93,45,028		1,96,46,62,028
Current maturities of long term borrowings		9,50,04,000		2,37,50,000
<b>TOTAL</b>		<b>2,95,43,49,028</b>		<b>1,98,84,12,028</b>

**NOTE C(II) : LONG TERM PROVISIONS**

Provision for employee benefits:

Gratuity (Refer note J(4)(b))	7,19,863	5,17,507
Compensated absences (Refer note J(4)(b))	9,57,836	6,93,629
<b>TOTAL</b>	<b>16,77,699</b>	<b>12,11,136</b>

**NOTE D(I) : OTHER CURRENT LIABILITIES**

Current maturities of long term borrowings (Refer note C(I)(c))	9,50,04,000	2,37,50,000
Due to:		
Related parties		
Holding Company	62,32,992	4,35,576
Ultimate Holding Company	6,57,24,205	1,98,17,960
	7,19,57,197	2,02,53,536
Statutory liabilities	72,43,819	33,42,126
Other payable	22,32,14,641	33,53,58,495
<b>TOTAL</b>	<b>39,74,19,657</b>	<b>38,27,04,157</b>

Note : There have been no 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.

**NOTES FORMING PART OF ACCOUNTS****As at 31.03.2014****As at 31.03.2013**

₹

₹

**NOTE D(II) : SHORT TERM PROVISIONS**

Provision for employee benefits:

Gratuity (Refer note J(4)(b))

**14,752**

5,813

Compensated absences (Refer note J(4)(b))

**2,38,237**

1,86,592

**TOTAL****2,52,989**

1,92,405

**NOTE E(I) : TANGIBLE ASSETS**

PARTICULARS	COST				DEPRECIATION				BOOK VALUE	
	As at 01.04.2013	Additions	Deletions	As at 31.03.2014	Upto 31.03.2013	For the year	On Deductions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Owned</b>										
Plant and equipment	70,28,245	8,925	—	<b>70,37,170</b>	19,40,429	7,67,343	—	<b>27,07,772</b>	<b>43,29,398</b>	50,87,816
Furniture and fixtures	3,68,072	20,32,541	—	<b>24,00,613</b>	1,20,937	93,887	—	<b>2,14,824</b>	<b>21,85,789</b>	2,47,135
Vehicles	6,70,670	—	—	<b>6,70,670</b>	61,165	92,581	—	<b>1,53,746</b>	<b>5,16,924</b>	6,09,505
Office equipment	24,96,198	1,70,482	—	<b>26,66,680</b>	15,94,597	4,79,847	—	<b>20,74,444</b>	<b>5,92,236</b>	9,01,601
Airconditioning and refrigeration	5,15,707	17,92,064	—	<b>23,07,771</b>	57,199	80,980	—	<b>1,38,179</b>	<b>21,69,592</b>	4,58,508
Computers, laptop and printers	17,75,839	5,49,227	51,200	<b>22,73,866</b>	11,08,014	3,37,887	11,733	<b>14,34,168</b>	<b>8,39,698</b>	6,67,825
<b>Total (A)</b>	<b>1,28,54,731</b>	<b>45,53,239</b>	<b>51,200</b>	<b>1,73,56,770</b>	<b>48,82,341</b>	<b>18,52,525</b>	<b>11,733</b>	<b>67,23,133</b>	<b>1,06,33,637</b>	
Previous year	1,00,34,620	36,51,089	8,30,978	<b>1,28,54,731</b>	29,96,206	22,37,685	3,51,550	<b>48,82,341</b>		79,72,390

**NOTE E(II) : INTANGIBLE ASSETS**

PARTICULARS	COST				AMORTISATION				BOOK VALUE	
	As at 01.04.2013	Additions	Deletions	As at 31.03.2014	Upto 31.03.2013	For the year	On Deductions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Owned</b>										
Toll equipments	1,26,15,672	—	—	<b>1,26,15,672</b>	1,26,15,667	—	—	<b>1,26,15,667</b>	<b>5</b>	5
<b>Total</b>	<b>1,26,15,672</b>	<b>—</b>	<b>—</b>	<b>1,26,15,672</b>	<b>1,26,15,667</b>	<b>—</b>	<b>—</b>	<b>1,26,15,667</b>	<b>5</b>	<b>5</b>
Previous year	1,26,15,672	—	—	1,26,15,672	9618,187	29,51,356	—	1,26,15,667	—	

**NOTES FORMING PART OF ACCOUNTS****NOTE E(III) : INTANGIBLE ASSETS UNDER DEVELOPMENT**

	As at April 1, 2013 ₹	For the year ₹	As at March 31, 2014 ₹
<b>Toll Collection Rights</b>			
Construction cost	2,90,14,03,556	84,53,32,678	3,74,67,36,234
Other direct costs	3,82,76,853	7,81,49,557	11,64,26,410
<b>TOTAL (A)</b>	<b>2,93,96,80,409</b>	<b>92,34,82,235</b>	<b>3,86,31,62,644</b>
<b>b) Pre-operative expenses pending allocation</b>			
Salaries and wages	4,82,89,099	1,66,03,211	6,48,92,310
Contribution to and provisions for :			
Provident fund (Refer Note J(4)(a))	20,67,892	8,03,947	28,71,839
Gratuity (Refer Note J(4)(b)(ii))	5,23,320	2,11,295	7,34,615
Leave encashment (Refer Note J(4)(b)(ii))	12,31,413	3,68,914	16,00,327
Staff welfare expenses	50,94,911	32,18,072	83,12,983
Insurance	63,21,793	22,41,675	85,63,468
Additional Concession fee to NHAI	33,46,22,100	11,50,25,156	44,96,47,256
Concession fee to NHAI	5	1	6
Security charges	1,68,77,637	83,51,077	2,52,28,714
Toll management charges	4,78,88,497	2,09,24,637	6,88,13,134
Ambulance services	54,07,374	15,36,000	69,43,374
Operation and maintenance fee	1,59,95,488	48,18,322	2,08,13,810
Power and fuel	1,48,86,287	81,49,965	2,30,36,252
Rent, rates and taxes (Refer note J(8))	59,90,991	40,11,923	1,00,02,914
Travelling and conveyance	2,32,06,526	86,27,159	3,18,33,685
Communication expenses	18,97,511	8,62,277	27,59,788
Printing and stationery	34,01,118	10,29,834	44,30,952
Professional fees (Refer note (b) below)	12,35,91,667	3,85,10,991	16,21,02,658
Bank charges and bank guarantee charges	88,23,473	7,03,461	95,26,934
Repairs and maintenance	11,64,49,429	3,41,14,345	15,05,63,774
Prior period adjustment	13,09,637	–	13,09,637
Depreciation and amortisation	1,78,79,670	18,52,525	1,97,32,195
Miscellaneous expenses	79,21,499	15,43,083	94,64,582
Interest on term loans (Refer note J(5))	63,72,73,469	32,99,86,460	96,72,59,929
<b>Less:</b>			
Toll collections	1,78,07,49,452	54,54,25,930	2,32,61,75,382
Other income	2,86,42,032	1,17,00,748	4,03,42,780
<b>TOTAL (B)</b>	<b>(36,24,40,678)</b>	<b>4,63,67,652</b>	<b>(31,60,73,026)</b>
<b>GRAND TOTAL (A+B)</b>	<b>2,57,72,39,731</b>	<b>96,98,49,887</b>	<b>3,54,70,89,618</b>

(b) Professional fees includes Auditors' remuneration (excl. service tax) as follows:

Particulars	2013-14	2012-13
a) As auditor	2,69,500	2,50,000
b) For taxation matters	25,000	–
c) For Company law matters	30,000	–
d) For other services	1,42,520	88,200
<b>TOTAL</b>	<b>4,67,020</b>	<b>3,38,200</b>

**NOTES FORMING PART OF ACCOUNTS**

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
<b>NOTE F : LONG TERM LOANS AND ADVANCES</b>		
Capital advance		
Unsecured, considered good	5,48,38,910	2,06,22,344
<b>TOTAL</b>	<b>5,48,38,910</b>	<b>2,06,22,344</b>

**NOTE G(I) : CURRENT INVESTMENTS**

Investment in mutual funds - Quoted (Refer note below)	2,48,54,548	—
<b>TOTAL</b>	<b>2,48,54,548</b>	<b>—</b>

**Note:**

Particulars	Face Value (₹)	No. of units	Book Value (₹)	Market Value (₹)
HDFC Cash Management fund - Savings Plan	10.00	72,966.908	18,74,251	19,54,527
IDFC Cash fund - Growth (Regular Plan)	1,000.00	11,404.627	1,76,70,297	1,77,77,639
Baroda Pioneer Liquid fund - Plan A Growth	1,000.00	3,631.251	53,10,000	53,40,207
<b>TOTAL</b>			<b>2,48,54,548</b>	<b>2,50,72,373</b>

	As at March 31, 2014 ₹	As at March 31, 2013 ₹
<b>NOTE G(II) : CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
In current accounts	41,99,003	60,55,915
In deposit accounts with maturity less than three months (including interest accrued thereon)	—	9,83,71,647
	<b>41,99,003</b>	<b>10,44,27,562</b>
Cheques on hand	78,390	—
Cash on hand	52,41,338	37,95,408
Other bank balances	—	—
<b>TOTAL</b>	<b>95,18,731</b>	<b>10,82,22,970</b>

**NOTE G(III) : SHORT TERM LOANS AND ADVANCES**

Unsecured, considered good:		
Security deposits	14,50,744	15,50,434
Prepaid taxes	1,05,26,419	64,00,689
Prepaid expenses	2,67,432	18,19,251
Utility shifting recoverable	69,62,264	4,07,70,405
Others	1,06,88,581	23,07,023
<b>TOTAL</b>	<b>2,98,95,440</b>	<b>5,28,47,802</b>

**NOTE H : CONTINGENT LIABILITIES**

Contingent liabilities as at March 31, 2014 ₹ Nil. (previous year: Nil)

**NOTE I : COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹ 3,00,65,78,603. (previous year: ₹ 4,03,96,97,247).

## NOTES FORMING PART OF ACCOUNTS

### NOTE J : OTHER NOTES FORMING PART OF ACCOUNTS

#### J(1) Corporate Information

L&T Chennai Tada Tollway Limited, a Special Purpose Vehicle (SPV) incorporated for the purpose of widening of existing four lanes to six lanes from KM 11.00 to KM 54.40 on Chennai-Tada Section of NH 5 in the state of Tamilnadu under Concession Agreement dated June 3, 2008 with the National Highways Authority of India to be executed as BOT (TOLL) on DBFO Pattern under NHDP Phase V. The Concession Agreement is for a period of 15 years from the Appointed Date stated in clause 3.1 of the said agreement.

**J(2)** The Statement of Profit and loss has been drawn to comply with the provisions of the Companies Act, 1956. However the Company has not commenced commercial operations.

**J(3)** The Company has not earned any income in foreign currency during the year. (*previous year: Nil*). The expenditure in foreign currency during the year is ₹ 6,13,290 (*previous year : Nil*).

**J(4)** Disclosure pursuant to Accounting Standard (AS) 15 (Revised) on Employee benefits:

(a) Defined contribution plan:

An amount of ₹ 8,03,947 (*previous year: ₹ 6,38,935*), being contribution made to provident fund is recognised as Employee benefit expense and included under Pre-operative expenses pending allocation.

(b) Defined benefit plans:

(i) The amounts recognised in Balance Sheet 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
		₹	₹	₹	₹
A)	Present value of defined benefit obligation				
	– Wholly funded	–	–	–	–
	– Wholly unfunded	7,34,615	5,23,320	11,96,073	8,80,221
		7,34,615	5,23,320	11,96,073	8,80,221
	Less : Fair value of plan assets	–	–	–	–
	Amount to be recognised as liability or (asset)	7,34,615	5,23,320	11,96,073	8,80,221
B)	Amounts reflected in the Balance Sheet				
	Liabilities	7,34,615	5,23,320	11,96,073	8,80,221
	Assets	–	–	–	–
	<b>Net Liability / (asset)</b>	<b>7,34,615</b>	<b>5,23,320</b>	<b>11,96,073</b>	<b>8,80,221</b>

(ii) The amounts recognised in the Statement of Profit and loss (Pre-operative expenses pending allocation) 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
		₹	₹	₹	₹
1	Current service cost	66,874	51,204	94,124	1,26,131
2	Interest on Defined benefit obligation	44,482	30,789	74,819	38,842
3	Actuarial losses/(gains)	99,939	79,103	1,99,971	2,58,285
4	Past service cost	–	–	–	–
	<b>Total (1 to 4)</b>	<b>2,11,295</b>	<b>1,61,096</b>	<b>3,68,914</b>	<b>4,23,258</b>
I	Amount included in "employee benefit expenses"	2,11,295	1,61,096	3,68,914	4,23,258
II	Amount included as part of "finance costs"	–	–	–	–
	<b>Total (I + II)</b>	<b>2,11,295</b>	<b>1,61,096</b>	<b>3,68,914</b>	<b>4,23,258</b>

**NOTES FORMING PART OF ACCOUNTS**

- (iii) 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	5,23,320	3,62,224	880,221	4,56,963
Add: Current service cost	66,874	51,204	94,124	1,26,131
Add: Interest cost	44,482	30,789	74,819	38,842
Add: Contribution by plan participants				
i) Employer	–	–	–	–
ii) Employee	–	–	–	–
Add/(less): Actuarial losses/(gains)	99,939	79,103	1,99,971	2,58,285
Less: Benefits paid	–	–	53,062	–
Add: Past service cost	–	–	–	–
Closing balance of the present value of defined benefit obligation	7,34,615	5,23,320	11,96,073	8,80,221
Current liability	14,752	5,813	2,38,237	1,86,592
Non-current liability	7,19,863	5,17,507	9,57,836	6,93,629

- (iv) Principal actuarial assumptions at the Balance Sheet date :

Particulars		As at March 31, 2014	As at March 31, 2013
1	Discount rate	8.50%	8.50%
2	Salary growth rate	6.00%	6.00%
3	Attrition rate	5.00%	5.00%

**J(5) Disclosure pursuant to Accounting Standard (AS) 16 “Borrowing Costs”**

Borrowing cost included under Intangible assets under development for the year ₹ 32,99,86,460 (*previous year* : ₹ 23,77,97,376).

**J(6) Disclosure pursuant to Accounting Standard (AS) 17 “Segment Reporting”**

The Company is engaged in the business of construction, operation and maintenance of Toll road project 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.

**J(7) 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 (“L&T IDPL”)
Ultimate Holding Company	Larsen & Toubro Limited
Fellow Subsidiaries (disclosed where transactions existed in the current and the previous year)	L&T Western Andhra Tollways Limited
	L&T Krishnagiri Thopur Tollroad Limited
	L&T Transportation Infrastructure Limited
	PNG Tollway Limited
	L&T Devihalli Hassan Tollway Limited
	L&T Krishnagiri Walajahpet Tollway Limited

**NOTES FORMING PART OF ACCOUNTS**

- b) Disclosure of related party transactions (incl. service tax wherever applicable):

Particulars		2013-14	2012-13
		₹	₹
<b>1 Holding Company</b>			
<b>L&amp;T Infrastructure Development Projects Limited</b>			
• Purchase of goods and services		1,94,98,862	1,55,57,488
• Advance paid		95,311	13,69,742
• Reimbursement of expenses to		5,500	–
<b>2 Ultimate Holding Company</b>			
<b>Larsen &amp; Toubro Limited</b>			
• EPC bills		–	2,25,31,908
• Purchase of goods and services		21,23,548	2,02,248
• Reimbursement of expenses to		21,27,551	30,12,056
<b>3 Fellow Subsidiaries</b>			
<b>L&amp;T Western Andhra Tollways Limited</b>			
• Reimbursement of expenses from		575	729
<b>L&amp;T Krishnagiri Thopur Tollroad Limited</b>			
• Coins transportation		5,00,000	8,50,000
• Reimbursement of expenses from		–	5,08,450
• Reimbursement of expenses to		–	10,907
<b>L&amp;T Transportation Infrastructure Limited</b>			
• Advance paid		–	19,583
<b>PNG Tollway Limited</b>			
• Reimbursement of expenses to		–	22,11,350
<b>L&amp;T Devihalli Hassan Tollway Limited</b>			
• Purchase of fixed assets		18,151	–
<b>L&amp;T Krishnagiri Walajahpet Tollway Limited</b>			
• Reimbursement of expenses to		17,600	–

- c) Amount due to/from related parties (Net):

(Amount in ₹)

Particulars		Due (to)/ from	
		As at March 31, 2014	As at March 31, 2013
<b>1 Holding Company</b>			
	L&T Infrastructure Development Projects Limited	(62,32,992)	(4,35,576)
<b>2 Ultimate Holding Company</b>			
	Larsen & Toubro Limited	(6,57,24,205)	(1,98,17,960)

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

**J(8) Disclosure pursuant to Accounting Standard (AS) 19 “Leases”**

The Company has not entered into any finance lease. The Company has taken office premises and Guest house under cancellable operating lease. These agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases for the year ₹ 40,00,200 (previous year: ₹ 56,02,028) is included in Intangible assets under development.

**J(9) Disclosure pursuant to Accounting Standard (AS) 20 “Earnings per share”**

(Amount in ₹)

Particulars	2013-14	2012-13
<b>Basic and diluted</b>		
Profit/(loss) after tax as per accounts (A) (₹)	–	–
Weighted average number of equity shares outstanding (B)	4,20,00,000	4,20,00,000
Earnings per share (₹) (A/B)	–	–
Face value per equity share (₹)	10.00	10.00



## NOTES FORMING PART OF ACCOUNTS

### J(10) Disclosure pursuant to Accounting Standard (AS) 22 “Accounting for Taxes on Income”

The Company does not have taxable income as per the provisions of Income Tax Act, 1961 and hence no provision for Current tax is made during the year. There are no timing differences between Accounting income and Taxable income and hence no provision for Deferred tax is made during the year.

### J(11) Disclosure pursuant to Accounting Standard (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 in the accounts.

### J(12) Disclosure pursuant to Accounting Standard (AS) 29 “Provisions, Contingent Liabilities and Contingent Assets”

No provisions were recognised during the year. Disclosure in respect of Contingent liabilities is given under Note G to the Balance Sheet.

J(13) The Company does not have taxable wealth under the provisions of Wealth Tax Act, 1957 and hence no provision is made for Wealth Tax during the year.

J(14) The Company is not covered under the provisions of Payment of Bonus Act, 1965 and hence no provision is made during the year.

J(15) Previous year figures are regrouped/reclassified wherever necessary.

## NOTE K : SIGNIFICANT ACCOUNTING POLICIES

### 1 Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (“GAAP”), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government. However, certain 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.

### 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. Per share data are presented in Indian Rupees to two decimal places

### 3 Revenue recognition

- (i) Fee collection from the users of the facility are accounted as and when it becomes due and the recovery is certain.
- (ii) Dividend income is accounted when the right to receive the same is established.
- (iii) Interest income is accrued at applicable interest rate on time proportionate basis.
- (iv) Other items of income are accounted as and when the right to receive arises.

### 4 Tangible Fixed assets

Fixed Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation, accumulated amortization and cumulative impairment.

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

### 5 Intangible assets

Intangible asset is recognised 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.

Carriageway representing Toll collection rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such carriageway comprises of construction cost and other pre-operative costs incurred during the construction phase.

Administrative and other general overhead expenses net of income from temporary investments, incurred upto the date of commencement of commercial operations that are specifically attributable to the construction/acquisition of the Intangible assets is allocated and capitalised as part of cost of the asset. Other expenses have been written off in the year of incurrence of such expenditure““““

## NOTES FORMING PART OF ACCOUNTS

### 6 Depreciation and amortisation

#### a) Depreciation

Depreciation on assets has been provided on straight-line basis at the rates specified in the schedule XIV to the Companies Act, 1956. In respect of the following asset categories depreciation is provided at rates in line with their estimated useful lives.

Category of Asset	Depreciation Rate (%)
Furniture and fixtures	10.00%
<b>Vehicles</b>	
Motor cars	14.29%
Motor bikes	9.50%
<b>Plant and Equipment General</b>	
Desktops, Laptops, Printers, Scanners, Multi-functional devices	25.00%
Air conditioning and Refrigeration equipments	8.33%
Office equipments	25.00%

Depreciation on additions (including assets costing less than ₹ 5,000) / deductions is calculated pro-rata from / to the month of additions / deductions.

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.

#### b) Amortisation

Toll equipments installed for collecting toll upto Commercial Operations date are amortised over a period of three years.

### 7 Impairment of assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain whether they are recorded in excess of their recoverable amount. Where carrying values exceed this recoverable amount, assets are written down to their recoverable amount.

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

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

Impairment loss, if any is recognised when the carrying amount of an asset or group of assets, as the case may be, exceeds the recoverable amount.

Recoverable amount is determined:

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

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

### 8 Employee benefits

The following are the accounting policies of the Company with regard to 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. 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 the Defined Contribution Plan. The contribution paid / payable under the scheme is recognised during the period in which the employee renders the related service.

##### (b) Defined benefit plans:

The employees gratuity fund scheme is a defined benefit plan. The present value of the obligation under such Defined Benefit Plan is determined based on actuarial valuation using Projected Unit Credit Method, which recognises 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 in the Statement of Profit and loss/included in Pre-operative expenses.

## NOTES FORMING PART OF ACCOUNTS

### (iii) Other 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.

### 9 Investments

Investments, which are readily realisable 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 other than temporary in nature and determined separately for each individual investment. Current investments are stated at lower of cost or fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

### 10 Foreign currency transactions

- (i) The reporting currency of the Company is Indian Rupee.
- (ii) Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate applicable on the date of transaction.
- (iii) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried at historical cost are reported using the exchange rate on the date of the transaction.
- (iv) 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 recognised as income or expense in the period/included in Pre-operative expenses in which they arise

### 11 Borrowing costs

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

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

In accordance of Accounting Standard (AS) 16 "Borrowing Costs", income earned on investment (short term) of funds intermittently surplus but inextricably linked with the project is set off against related borrowing costs.

### 12 Taxes on income

Taxes on income for the current year are determined on the basis of taxable income and tax credits computed in accordance of 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 relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised 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 realised.

Other deferred tax assets are recognised 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.

### 13 Leases

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 included under Intangible assets under development on accrual basis.

### 14 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money 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 changes in value, are not included as part of cash and cash equivalents.

### 15 Provisions, contingent liabilities and contingent assets

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

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

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

## NOTES FORMING PART OF ACCOUNTS

Contingent liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a present obligation when no reliable estimate is possible and
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

### 16 Commitments

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

- i) Estimated amount of contracts remaining to be executed on capital account and not provided for.
- ii) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management.

### 17 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. However till the commencement of commercial operations the cash flows are segregated into investing and financing activities only.

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As per our report attached  
For **GIANENDER & ASSOCIATES**  
Chartered Accountants  
(Firm registration no.: 004661N)

For and on behalf of the Board

**G. K. AGRAWAL**  
Partner  
Membership No.: 081603  
Place : Chennai  
Date : May 6, 2014

**S. ELANGO VAN**  
Manager  
Place : Chennai  
Date : May 6, 2014

**MANOJ DAVE**  
Director

**T. S. VENKATESAN**  
Director