DIRECTORS' REPORT

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

I. FINANCIAL RESULTS

Sl. No	Particulars	2012-13 ₹ Lakhs	*2011-12 ₹ Lakhs*
1	Income for the year	**8549.63**	*0.00*
2	Less: Expenditure	**13358.63**	*0.00*
3	**Profit Before Depreciation & Tax (PBDT)**	**(4809.00)**	*0.00*
4	Less: Depreciation	**7704.10**	*0.00*
5	**Profit / (Loss) before tax (PBT)**	**(12513.10)**	*0.00*
6	Prior Period Adjustment	**0.00**	*(0.04)*
7	Less: Provision for tax	**0.00**	*0.00*
8	**Profit / (Loss) after tax (PAT)**	**(12513.10)**	*(0.04)*
9	**Balance brought forward from previous year**	**(0.04)**	*0.00*
10	**BALANCE CARRIED TO BALANCE SHEET**	**(12513.14)**	*(0.04)*

II. APPROPRIATIONS

There were no appropriations made during the year 2012-13.

III. DIVIDEND

The Directors of your Company express their inability to consider any dividend to be paid to the Shareholders of the Company for the year in the light of the losses incurred during the current financial period under review.

IV. PERFORMANCE OF THE COMPANY

Toll Operation of the Project started for all the Four Plazas on 04th April,12 except 7.40 K M for Godhra Bypass road in Section -II, achieved on 26th June, 2012.

V. CAPITAL EXPENDITURE

During the year, your Company has added fixed assets amounting to ₹ 2578.12 lakhs thereby the Gross fixed assets of the Company stood at ₹ 3028.28 Lakhs and the net fixed assets stood at ₹ 2572.73 Lakhs after charging off depreciation to an extent of ₹ 455.55 Lakhs as on March 31, 2013.

VI. AUDITORS' REPORT

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

VII. DEPOSITS

The Company has not accepted any deposits from the public.

VIII. MATERIAL CHANGES, IF ANY BETWEEN DATE OF THE BALANCE SHEET AND DATE OF THE DIRECTORS' REPORT

There are no material changes to be reported between date of the Balance Sheet and date of the Directors' Report.

IX. DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER THE COMPANIES' (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

– **CONSERVATION OF ENERGY**

As the Company is engaged in developing, operating and maintaining a bypass road the provisions relating to conservation of energy does not apply.

– **TECHNOLOGY ABSORPTION**

There was no Technology absorption during the year 2012- 13.

– **FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was usage of Foreign Exchange to the extent of ₹ 33.10 Lakhs (Indian equivalent) towards purchase of Highway Traffic Management System and Toll collection software and there were no Foreign Exchange earnings in the course of transactions during the year 2012-13.

X. 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.

XI. SUBSIDIARY COMPANIES

Your Company does not have any subsidiary companies under its purview.

XII. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

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

ii. 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 and of the profit of the Company for the year ended on that date;

iii. 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;

iv. That the annual accounts have been prepared on a going concern basis; and

v. That proper systems are in place to ensure compliance of all laws applicable to the Company.

XIII. DIRECTORS

Mr. B. Ramakrishnan, Director, who retires by rotation at this Annual General Meeting, being eligible, offer himself for reappointment.

Mr. C. S. Damle has submitted his resignation as Director with effect from 05-07-2012.

Mr. Manoj Dave has been appointed as Director of the Company from said date.

The present Directors are as follows:

a) Mr. T. S. Venkatesan

b) Mr. B. Ramakrishnan

c) Mr. Manoj Dave

XIV. AUDIT COMMITTEE

The Audit Committee consists of three non executive Directors. The present members of the committee are:

a) Mr. T.S.Venkatesan

b) Mr. B.Ramakrishnan

c) 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.

XV. REMUNERATION COMMITTEE

The Remuneration Committee consists of three non-executive Directors. The present members of the committee are:

a) Mr. T. S. Venkatesan

b) Mr. B. Ramakrishnan

c) 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.

XVI. AUDITORS

The Auditors, M/S H K Shah, 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.

XVII. 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 & MANAGER

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 the Company.

Number of Companies in which an Individual may become a Director

The Company has appraised 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. Grand Thornton is appointed to provide internal audit services to the Company replacing M/s.Kedia and Kedia Associates.

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.

XVIII. 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.

XIX. ACKNOWLEDGEMENTS

The Directors acknowledge the invaluable support extended to the Company by the Financial Institutions, Bankers, employees of the Company and management staff of the parent Company.

For and on behalf of the Board

Place : Chennai	**T. S. VENKATESAN**	**B. RAMAKRISHNAN**
Date : April 29, 2013	*Director*	*Director*

AUDITORS' REPORT

THE MEMBERS OF L&T HALOL-SHAMLAJI TOLLWAY LIMITED

Report on the Financial Statements.

We have audited the accompanying financial statements of **L&T HALOL-SHAMLAJI TOLLWAY LIMITED**, 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 the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 misstatement 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 Act 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 Profit and Loss Account, of the profit/ loss for the year ended on that date; and

(c) in the 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 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
   e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, 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.
   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For H. K. SHAH & CO.,
Chartered Accountants
Firm Regn. No. 109583/W

H. K. SHAH
(Partner)
M. No. 042758

Place: Ahmedabad
Date: April 30, 2013

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the our report of even date, to the members of **L&T HALOL-SHAMLAJI TOLLWAY LIMITED** 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 have been informed that, 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 nature of Company and nature of its assets. Discrepancies noticed on such verification have been properly dealt with books of account.

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

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

iii. (a) According to the information and the explanations given to us the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence reporting under Clause 4 (iii) (a) to (d) does not arise

(e) According to the information and the explanations given to us the Company has not accepted Unsecured Loan from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence reporting under Clause 4 (iii) (e) to (g) does not arise

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

v. In our opinion and according to the information and the explanations given to us, there is no transaction that needs to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and hence reporting under clause 4 (v) (b) does not arise.

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

vii. Company has internal audit system commensurate with its size and nature of its business, however there is a scope of major improvement in the same, with regards to frequency, application of scope, schedule of reporting , issuing final report.

viii. The Company is engaged in service activity and we were informed that maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to the Company.

ix. (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us there were no arrears of outstanding Statutory dues as at March 31, 2013 for the period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed statutory liabilities in respect of Income tax, Service Tax or any other Cess.

x. The Company is in existence for a period less than five years; hence reporting on accumulated losses under clause 4(x) of the Companies (Auditor's Report) Order 2003 is not required. However, the Company has incurred cash loss during the period.

xi. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank or financial institution. The Company has not issued any debentures.

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. Accordingly reporting on paragraph 4(xii) of the order is not applicable.

xiii. In our opinion the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore the provisions of any special statute applicable to the chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.

xiv. In our opinion and according to the information and the explanations given to us, though the Company is not dealing or trading in shares, securities, debentures and other investments, It parks surplus funds in approved mutual fund investments & Fixed Deposits. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments have been held by the Company in its own name.

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

xvi. In our opinion and according to the information and the explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

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

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

xix. The Company has not issued debentures during the period and hence no security or charge needs to be created.

xx. The Company has not raised any money by public issue during the period.

xxi. During the course of our test basis examination of the books of account, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instances of major fraud on or by the Company, noticed or reported during the period except as reported in note no. N(14).

For H. K. SHAH & CO.,
Chartered Accountants
Firm Regn. No. 109583/W

H. K. SHAH
(Partner)
M. No. 042758

Place: Ahmedabad
Date: April 30, 2013

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at 31.03.2013 ₹	₹	*As at 31.03.2012* ₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	**A**	**1,305,000,000**		*1,305,000,000*	
Reserves & Surplus	**B**	**(1,258,012,268)**		*(6,701,324)*	*1,298,302,243*
			46,987,732		*1,298,298,676*
Non-current liabilities					
Long-term borrowings	**C(I)**	**11,908,800,000**		*10,139,851,000*	
Long-term provisions	**C(II)**	**1,363,086**		*1,068,162*	
			11,910,163,086		*10,140,919,162*
Current liabilities		**–**		*–*	
Current maturity of long term borrowings	**D(I)**	**52,200,000**		*9,664,434*	
Other Current Liabilities	**D(II)**	**934,609,892**		*655,401,667*	
Short-term provisions	**D(III)**	**57,853**		*79,576*	*993,720,560*
			986,867,745		*665,145,677*
TOTAL			**12,944,018,563**		*12,104,363,515*
ASSETS					
Non-current assets					
Fixed Assets					
Tangible Assets	**E(I)**	**257,273,188**		*41,546,908*	
Intangible Assets	**E(II)**	**12,003,577,851**		*–*	
Capital work-in-progress	**E(III)**	**–**		*193,875,171*	
Intangible Assets under Development	**E(IV)**	**–**		*11,668,394,273*	
Long term Loan & Advances	**E(V)**	**1,752,157**		*1,630,658*	
			12,262,603,195		*11,905,447,010*
Current Assets					
Cash and Bank Balances	**F(I)**	**674,013,165**		*194,390,572*	
Short-term loans and advances	**F(II)**	**7,302,202**		*4,425,933*	
Other current assets	**F(III)**	**100,000**		*100,000*	
			681,415,368		*198,916,505*
TOTAL			**12,944,018,563**		*12,104,363,515*
CONTINGENT LIABILITIES AND COMMITMENTS	**G**				
OTHER NOTES FORMING PART OF ACCOUNTS	**N**				
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	**O**				

The accompanying notes form an integral part of the Balance Sheet.

As per our report attached
H. K. SHAH & CO.
Chartered Accountants
(Registration No.109583/W)

H. K. SHAH
Partner
Membership No. 042758

Place : Ahmedabad
Date : April 30, 2013

For and on behalf of the board

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 29, 2013

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

Particulars	Note No.	2012-13 ₹	2012-13 ₹	*2011-12* ₹	*2011-12* ₹
REVENUE					
Revenue from Operations	**H**	**837,476,303**		–	
Other Income	**I**	**17,486,688**		–	
Total Revenue			**854,962,991**		–
EXPENSES					
Operating and maintenance expenses	**J**	**126,035,280**		–	
Employee benefit expenses	**K**	**20,270,529**		–	
Administration and other expenses	**L**	**40,841,873**		–	
Finance costs	**M**	**1,148,715,317**			
Depreciation and Amortisation expense		**770,410,936**		–	
Total Expenses			**2,106,273,935**		–
Profit / (Loss) Before Exceptional & extraordinary items and Tax			**(1,251,310,944)**		–
Exceptional items			**–**		–
Prior Period Adjustments			**–**		*(3,567)*
Profit/(Loss) before Taxes			**(1,251,310,944)**		*(3,567)*
Tax expense:					
Current tax		**–**		–	
Deferred tax		**–**	**–**	–	*(30,396)*
Profit/(Loss) after tax			**(1,251,310,944)**		*(3,567)*
Earnings per share					
- Basic / Diluted	**N**		**(9.59)**		*(0.00)*
- Nominal value of shares			**10.00**		*10.00*
Contingent liabilities and Commitments	**G**				
Other Notes forming part of Accounts	**N**				
Summary of Significant Accounting Policies	**O**				

The accompanying notes form an integral part of the Balance Sheet.

As per our report attached
H. K. SHAH & CO.
Chartered Accountants
(Registration No.109583/W)

H. K. SHAH
Partner
Membership No. 042758

Place : Ahmedabad
Date : April 30, 2013

For and on behalf of the board

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 29, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Particulars	2012-13 ₹	2011-12 ₹
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax & extraordinary items	(1,251,310,944)	–
	Adjustment for :		
	Depreciation and amortisation	770,410,936	–
	Interest paid	1,148,715,317	–
	(Profit) / Loss on sale of investments (net)	(16,550,858)	–
	Interest on FD	(884,027)	–
	Prior period adjustments	–	(3,567)
	Operating Profit before working capital changes	650,380,424	(3,567)
	Adjustments For :		
	(Increase) / Decrease in Loans and Advances	(2,997,768)	626,869
	(Increase) / Decrease in Other current assets	294,924	(100,000)
	Increase / (Decrease) in Other current liabilities	279,208,225	(328,215,999)
	Increase / (Decrease) in Short term provisions	(21,723)	709,277
	Cash generated from operations	926,864,081	(326,983,420)
	Direct taxes	–	–
	Net Cash from Operating Activities (A)	926,864,081	(326,983,420)
B.	**CASH FLOW(USED IN)/ GENERATED FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets (including Preoperative Expenses)	(1,127,445,621)	(3,659,190,243)
	Purchase of Investments	–	(513,622,108)
	Sale of Investments	16,550,858	515,629,654
	Dividend Received	–	8,449
	Interest on fixed deposit	884,027	–
	Net Cash / (used in) from Investing Activities (B)	(1,110,010,736)	(3,657,174,247)
C.	**Cash Flow from Financing Activities :**		
	Finance Costs	(1,148,879,751)	–
	Secured Loans from Banks & Financial Institutions	1,184,300,000	3,048,600,000
	Unsecured loans from promoters	627,349,000	770,000,000
	Net cash (used in) / generated from Financing Activities (C)	662,769,249	3,818,600,000
	Net increase in cash and cash equivalents (A+B+C)	479,622,594	(165,557,667)
	Cash and Cash equivalents as at the beginning	194,390,572	359,948,239
	Cash and Cash equivalents as at the end	674,013,166	194,390,572

Notes:

1 Cash flow statement has been prepared under the Indirect Method as stated in the Accounting Standard-3.'Cash Flow Statements' as specified in the Companies (Accounting Standards) Rules, 2006.

2 Previous year's figures have be en regrouped/reclassified wherever applicable.

3 Components of Cash and cash equivalents:-

	2012-13	2011-12
Balances with banks:		
– on current account	3,906,360	9,355,572
– on Fixed Deposits with less than 3 months maturity	662,505,570	180,000,000
Cash in hand	7,601,235	5,035,000
TOTAL	674,013,165	194,390,572

As per our report attached
H. K. SHAH & CO.
Chartered Accountants
(Registration No.109583/W)

H. K. SHAH
Partner
Membership No. 042758

Place : Ahmedabad
Date : April 30, 2013

For and on behalf of the board

T. S. VENKATESAN *Director*

B. RAMAKRISHNAN *Director*

Place : Chennai
Date : April 29, 2013

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2013		*As at 31.03.2012*	
	No of Shares	₹	*No of Shares*	₹
NOTE A: SHARE CAPITAL				
(I) Share capital authorised, issued, subscribed and paid up:				
Authorised Shares				
Equity Shares of ₹10/- each	**131,000,000**	**1,310,000,000**	*131,000,000*	*1,310,000,000*
Issued, Subscribed and Paid up shares				
Equity Shares of ₹10/- each fully paid up	**130,500,000**	**1,305,000,000**	*130,500,000*	*1,305,000,000*
TOTAL		**1,305,000,000**		*1,305,000,000*
(II) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:				
Equity Shares:				
At the beginning of the period	**130,500,000**	**1,305,000,000**	*130,500,000*	*1,305,000,000*
Issued during the year as fully paid	**–**	**–**	*–*	*–*
Outstanding at the end of the period	**130,500,000**	**1,305,000,000**	*130,500,000*	*1,305,000,000*

(III) Terms / Rights attached to Equity Shares

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

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

	Relationship	**As at 31.03.2013** ₹	*As at 31.03.12* ₹
L&T Infrastructure Development Projects Limited & its nominees	Holding Company		
13,04,99,900/- equity shares of ₹10 each fully paid up		**1,304,999,000**	*1,304,999,000*
Larsen and Toubro Limited	Ultimate Holding Company		
100/- equity shares of ₹10 each fully paid up		**1,000**	*1,000*

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

	As at 31.03.2013		*As at 31.03.2012*	
	No of Shares	**%**	*No of Shares*	*%*
Equity Shares of ₹10/- each fully paid				
L&T Infrastructure Development Projects Limited, Holding Company & its nominees	**130,499,900**	**100%**	*130,499,900*	*100%*
Larsen and Toubro Limited, Ultimate Holding Company	**100**	**0.00%**	*100*	*0.00%*

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

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
NOTE B: RESERVES & SURPLUS				
Surplus / (deficit) in the Statement of Profit and Loss				
Balance as per the last financial statement	**(6,701,324)**		*(6,697,757)*	
Add: Profit/(Loss) for the period	**(1,251,310,944)**		*(3,567)*	
		(1,258,012,268)		*(6,701,324)*
TOTAL		**(1,258,012,268)**		*(6,701,324)*

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2013		*As at 31.03.2012*	
	₹	**₹**	*₹*	*₹*
NOTE C(I): LONG TERM BORROWINGS				
Term Loans				
– Secured Loan				
From Banks	**9,069,950,000**		*8,007,200,000*	
Allahabad Bank	**1,789,400,000**		*1,591,400,000*	
Bank of Baroda	**–**		*383,100,000*	
Corporation Bank	**–**		*383,100,000*	
HDFC Bank	**735,600,000**		*654,300,000*	
Indian Bank	**994,100,000**		*884,100,000*	
Oriental Bank of Commerce Bank	**1,540,850,000**		*1,370,400,000*	
Syndicate Bank	**1,326,000,000**		*1,237,600,000*	
Uco Bank	**1,690,000,000**		*1,503,200,000*	
IndusInd Bank	**994,000,000**			
From Financial Institutions	**1,183,850,000**		*1,105,000,000*	
		10,253,800,000		*9,112,200,000*
Loans and advances from related parties				
– Unsecured Loan				
Loan from Holding Company	**350,000,000**	**–**		
Mezannine Debt from Holding Company	**1,305,000,000**		*1,027,651,000*	
		1,655,000,000		*1,027,651,000*
TOTAL		**11,908,800,000**		*10,139,851,000*

Details of Terms of Term Loans as at March 31, 2013:

Particulars	Details
1. Interest rate	i) Floating rate i.e., Base rate of Allahabad Bank(Lead Bank) plus 125 basis points (11.45% as on March 31, 2013), interest payable on monthly basis.
2. Repayment terms	i) 141 monthly unequal installments. ii) Repayment starts from November 2012.
3. Security for the term loans	The Term Loans are secured by pari-passu charge on all the assets, including tangible and intangible assets of the Company, both present and future, except project assets as defined in Concession Agreement.
4. Presentation of Term Loans in Balance Sheet	(i) Long Term borrowings ₹ 10,253,800,000/- (ii) Current maturities of Long term borrowings ₹ 52,200,000/- "

Details of Terms of Loans and Advances from related parties as at March 31, 2013:

Particulars	Details
1. Mezzanine Debt from Holding Company	It is provided as quasi-equity without any interest.
2. Loan from Holding Company	8.50% as at March 31, 2013 i.e., RBI bank rate.

	As at 31.03.2013		*As at 31.03.2012*	
	₹	**₹**	*₹*	*₹*
NOTE C(II) - LONG TERM PROVISIONS				
Provisions for Employee Benefits				
Provision for Gratuity (Note G-3)	**543,355**		*530,369*	
Provision for Leave Encashment (Note G-3)	**819,731**		*537,793*	–
		1,363,086		*1,068,162*
TOTAL		**1,363,086**		*1,068,162*

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
NOTE D(I): CURRENT MATURITIES OF LONG TERM BORROWINGS				
Current maturities of long-term borrowings				
– Secured Loan				
From Banks	**45,950,000**		*8,400,000*	
From Financial Institutions	**6,250,000**		*1,100,000*	–
		52,200,000		*9,500,000*
Interest accrued on borrowings		**–**		*164,434*
TOTAL		**52,200,000**		*9,664,434*
NOTE D(II): OTHER CURRENT LIABILITIES				
Other Payables				
- Due to Micro and small enterprises *	**–**		–	
- Due to Ultimate Holding Company	**1,381,995**		*527,361,782*	
- Due to Holding Company	**3,002,438**		–	
- Statutory liabilities	**1,698,042**		*19,115,850*	
- Sundry Creditors	**67,958,821**		*91,859,814*	
		74,041,296		*638,337,446*
Liability for Expenses (includes uncertified EPC bills)		**860,568,595**		*17,064,221*
TOTAL		**934,609,892**		*655,401,667*

* There have been no claimed transactions during the year 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*	
NOTE D(III): SHORT TERM PROVISIONS				
Provisions for Employee Benefits				
Provision for Gratuity	**13,123**		*39,536*	
Provision for Leave Encashment	**44,730**		*40,040*	
		57,853		*79,576*
TOTAL		**57,853**		*79,576*

NOTE E(I): TANGIBLE ASSETS

Particulars	COST				DEPRECIATION				NET CARRYING 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*
Tangible Assets										
Computers	2,985,019	1,584,333	695,929	**3,873,423**	*917,459*	934,342	287,580	**1,564,221**	**2,309,202**	*2,067,560*
Furniture & Fixtures	822,585	11,732,221	251,520	**12,303,286**	*365,375*	1,226,023	82,912	**1,508,486**	**10,794,800**	*457,210*
Office Equipment	1,333,444	1,104,761	12,990	**2,425,215**	*402,784*	589,270	10,000	**982,054**	**1,443,161**	*930,660*
Vehicles	21,092,378		2,052,676	**19,039,702**	*1,319,172*	2,944,968	355,298	**3,908,842**	**15,130,860**	*19,773,206*
Plant & Machinery	18,782,817	26,812,080		**45,594,897**	*464,545*	5,757,015	–	**6,221,560**	**39,373,337**	*18,318,272*
Toll Collection System		85,093,262		**85,093,262**		12,156,180		**12,156,180**	**72,937,082**	
HTMS		134,498,870		**134,498,870**		19,214,124		**19,214,124**	**115,284,746**	
Total	**45,016,243**	**260,825,527**	**3,013,115**	**302,828,655**	*3,469,335*	**42,821,922**	**735,790**	**45,555,467**	**257,273,188**	*41,546,908*
Previous year	3,437,657	*41,578,586*	–	*45,016,243*	*985,415*	*2,483,920*	–	*3,469,335*		
NOTE E(II): INTANGIBLE ASSETS										
Toll Collection Rights	–	12,738,058,701	6,991,283	**12,731,067,418**	–	727,612,278	122,711	**727,489,567**	**12,003,577,851**	–
Total	**–**	**12,738,058,701**	**6,991,283**	**12,731,067,418**	**–**	**727,612,278**	*122,711*	**727,489,567**	**12,003,577,851**	**–**
Previous year	–	–	–	–	–	–	–	–		

NOTES TO FINANCIAL STATEMENTS (Contd.)

Note:

i. As per para 63 of the 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 started to amortise the Toll Collection Rights on a straight line basis over the Concession period.

ii. Two Nos. Prefabricated porta cabins included in Intangible Assets transferd to Group Company at net WDV.

Particulars	**COST**				**DEPRECIATION**				**NET CARRYING 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*
NOTE E(III): CAPITAL WORK IN PROGRESS										
Capital Work in Progress	193,875,171	25,716,961	219,592,132	–	–	–	–	–	–	*193,875,171*
Total	**193,875,171**	**25,716,961**	**219,592,132**	–	–	–	–	–	–	*193,875,171*
Previous year	68,801,284	*125,073,887*		*193,875,171*	–	–	–	*3,469,335*		
NOTE E(IV): INTANGIBLE ASSETS UNDER DEVELOPMENT										
Capital Work in Progress	9,666,388,430	1,037,466,116	10,703,854,546	–	–	–	–	–	–	*9,666,388,430*
Pre Operative Expenses	2,002,005,843	32,198,313	2,034,204,155	–	–	–	–	–	–	*2,002,005,843*
Total	**11,668,394,273**	**1,069,664,428**	**12,738,058,701**	–	–	–	–	–	–	*11,668,394,273*
Previous year	8,175,388,579	*3,493,005,695*	–	*11,668,394,273*	–	–	–	–		

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
NOTE E(IV): LONG TERM LOANS AND ADVANCES				
Security Deposit				
Unsecured, Considered good		**1,752,157**		*1,630,658*
TOTAL		**1,752,157**		*1,630,658*
NOTE F(I): CASH AND BANK BALANCES				
Cash and cash equivalents				
Cash on hand		**7,601,235**		*5,035,000*
Balances with Banks				
on Current account	**3,906,360**		*9,355,572*	
on Term deposits Including interest accrued there on (with less than 3 months maturity)	**662,505,570**		*180,000,000*	
		666,411,930		*189,355,572*
TOTAL		**674,013,165**		*194,390,572*

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2013		*As at 31.03.2012*	
	₹	₹	₹	₹
NOTE F(II): SHORT TERM LOANS AND ADVANCES				
Security Deposit				
Unsecured, Considered good		–		–
VAT Deposit	25,000		25,000	
CST Deposit	10,000		–	
		35,000		*25,000*
Other Loans and Advances				
Group Companies	118,410			
Unsecured, Considered good	1,278,293		919,716	
Prepaid Expenses	5,861,191		3,432,396	
Others	9,308		48,821	
		7,267,202		*4,400,933*
TOTAL		7,302,202		*4,425,933*
NOTE F(III): OTHER CURRENT ASSETS				
Margin Money Deposit	100,000		100,000	
(against Bank Guaruntee issued to Telecom Department)				
TOTAL		100,000		*100,000*

NOTE G: CONTINGENT LIABILITIES AND COMMITMENTS

(I) Bank guarantee in favour of Depart of Teleceom ₹1,00,000/-

(II) Revenue Share Claim based on realisable fee to GSRDC ₹ 8,570,994/- vide their letter dated 18th December, 2012 and not considered as payable vide our office letter dated 2nd January, 2013.

	2012-2013	
	₹	₹
NOTE H: REVENUE FROM OPERATIONS		
Fee Collections - From users of the facility	932,705,538	
Less: Additional Concession Fee to GSRDC	(95,229,235)	837,476,303
TOTAL		837,476,303
NOTE I: OTHER INCOME		
a) Interest Income on		
Bank Deposits	884,027	
Others	51,803	935,830
b) Net Gain on Current Investments		16,550,858
TOTAL		17,486,688

NOTES TO FINANCIAL STATEMENTS (Contd.)

	2012-2013	
	₹	₹
NOTE J: OPERATING AND MAINTENANCE EXPENSES		
Toll Management Fees		**9,409,883**
Toll Manpower & Security Charges		**66,533,687**
Repairs & maintenance		
Plant & Machinery	**851,145**	
Electrical Maintenance	**577,906**	
Civil Maintenance	**14,932,553**	
Other	**154,203**	**16,515,807**
Power & Fuel		**10,950,012**
Professional Fees		**22,625,889**
Concession & Lease Fee		**2**
TOTAL		**126,035,280**

* Previous Year figures are not provided since this is first year of commercial operation.

NOTE K: EMPLOYEE BENEFIT EXPENSES		
Salaries, wages & bonus		**16,929,469**
Contribution to and provision for		
- Provident fund	**1,246,454**	
- Gratuity	**(22,473)**	
- Leave encashment	**398,972**	**1,622,953**
Staff welfare expenses		**1,718,107**
TOTAL		**20,270,529**

NOTE L: ADMINISTRATATIVE AND OTHER EXPENSES		
Rent		**87,500**
Rates & taxes		**32,148**
Professional fees		
Auditor's Remuneration	**284,476**	
Others	**11,290,025**	**11,574,501**
Printing & stationery		**385,768**
Postage & Communication		**1,459,159**
Bank Charges		**3,738,926**
Travelling & Conveyance		**12,797,704**
Insurance Expenses		**4,578,732**
Sundry Others		**6,187,435**
TOTAL		**40,841,873**

NOTE M: FINANCE COSTS		
Interest expenses		
Interest on Term Loan	**1,147,081,334**	
Interest on Unsecured Loan	**326,027**	
Interest Others	**10,666**	
Other Finance Cost	**1,297,290**	**1,148,715,317**
TOTAL		**1,148,715,317**

* Previous Year figures are not provided since this is first year of commercial operation.

NOTES TO FINANCIAL STATEMENTS (Contd.)

NOTE N: OTHER NOTES FORMING PART OF ACCOUNTS

N(1) CORPORATE INFORMATION

The Company has been awarded a concession agreement by Gujarat State Road Development Corporation Limited (GSRDC) on Build Operate and Transfer (BOT) basis, the widening of existing two-lane, 173.06 kilometers Road stretch covering Halol-Godhra-Shamlaji to make it four lane divided Carriageway facility under Viability Gap Funding scheme of Government of India and operation and maintenance thereof, by way of the Concession Agreement dated 17th September, 2008 executed between the Company and GSRDC. The Concession is for a period of 20 years from the appointed date, 12th Sep 2009 including the construction period.and ends on 11th September 2029. At the end of the concession period the entire facility will be transferred to GSRDC. The Company has achieved commercial operation on April 04, 2012 for all the four Sections and started toll collection from the said date except for 7.40 Km road stretch of Godhra Bypass in Section-II for which commercial operation started from 26th June 2012.

N(2) PROVISION FOR TAXATION

(i) No provision for current tax has been made on income as the Company does not have taxable income under the provision of the Income Tax Act, 1961.

(ii) No provision has been made for Wealth Tax, as the Company does not have taxable wealth under the provisions of the Wealth Tax Act, 1957.

(iii) The Company is eligible for deduction under Section 80IA of the Income Tax Act 1956 and the concession period of the Company's project falls within the tax holiday period as defined in the Section 80IA. " Since deferred tax on timing difference between Accounting Income and Taxable Income that arise during the year is reversing during such Tax Holiday Period, no deferred tax assets/ liability arises and accordingly no provision is made in the accounts.

N(3) EMPLOYMENT 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.

1. **Gratuity**

Particulars	2012-13	2011-12
A. Results of Actuarial Valuation		
1. Valuation as on	**31st March 2013**	*31st March 2012*
2. Retirement Age	**58 Yrs.**	*58 Yrs.*
3. No of Employees	**56**	*60*
4. Present Value of Benefit Obligations	**556,478**	*569,905*
B. Principal rules to compute Benefit Obligations		
1. Salary reckoned for calculating benefit obligations	**Basic Pay**	*Basic Pay*
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:

Particulars	2012-13	2011-12
	₹	₹
A) Present value of defined benefit obligation		
– Wholly funded	**–**	–
– Wholly unfunded	**556,478**	*569,905*
Less : Fair value of plan assets	**–**	–
Amount to be recognised as liability or (asset)	**556,478**	*569,905*
B) Amounts reflected in the Balance Sheet		
Liabilities		
Current	**13,123**	*39,536*
Non-Current	**543,355**	*530,369*
Assets	**–**	–

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

Particulars	2012-13	2011-12
	₹	₹
1 Current service cost	**210,764**	*226,837*
2 Interest on Defined benefit obligation	**48,442**	*17,278*
3 Expected return on plan assets	**–**	–
4 Actuarial losses/(gains)	**(281,679)**	*36,925*
5 Past service cost	**–**	*79,438*
6 Effect of Curtailment or settlement	**–**	–
I Amount included in “employee benefit expenses”	**(22,473)**	*360,478*
II Amount included as part of “finance costs”	**–**	–
TOTAL (I + II)	**(22,473)**	*360,478*
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	**569,905**	*209,427*
Add: Current service cost	**210,764**	*226,837*
Add: Interest cost	**48,442**	*17,278*
Add: Contribution by plan participants		
i) Employer		
ii) Employee		
Add/(less): Actuarial losses/(gains)	**(281,679)**	*36,925*
Less: Benefits paid	**–**	–
Add: Past service cost	**–**	*79,438*
Add: Transfer in obligation	**9,046**	–
Closing balance of the present value of defined benefit obligation	**556,478**	*569,905*

2. Compensated Absenses

A. Summary of Staff		
1. No of Employees	**56**	*60*
2. Projected actuarial value of benefit obligation (in ₹)	**864,461**	*577,833*
B. Principle rule to compute benefit Obligations		
1. Salary reckoned for calculating Benefit obligations	**Basic Pay**	*Basic Pay*
2. Benefit formula for all exits.	**B1 X Leave Balance / 26**	

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% at younger age reducing to 1% at older age**	*5% for all age*
3. Disability / Ill health retirement	**No Explicit Assumption**	*No Explicit Assumption*

4. Employees Provident Fund

Contribution to the Provident Fund, made to regional provident fund office has been recognised on actual liability basis.

NOTES TO FINANCIAL STATEMENTS (Contd.)

N(4) LEASE

The Company has taken premises on cancelable operating lease. Lease rent amounting to ₹ 87,500/- *(PY ₹ 8,87,226/-)* has been charged to Profit & Loss Account.

N(5) EARNINGS PER SHARE

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

Particulars	2012-13	2011-12
	₹	₹
Basic / Diluted		
Profit after tax as per Accounts	**(1,251,310,944)**	*(3,567)*
PAT available to Equity Share holders	**(1,251,310,944)**	*(3,567)*
Total / Weighted Average number of shares	**130,500,000**	*130,500,000*
Basic / Diluted EPS	**(9.59)**	*(0.00)*

N(7) FOREIGN CURRENCY TRANSACTION

Details of foreign currency transactions entered and paid by the Company:

Particulars	2012-13	2011-12
	₹	₹
Payment for purchase of Highway Traffic Management System and Toll Collection Software in ₹.	**33,10,069/-**	*4,77,51525/-*

There are no foreign exchange earnings during the year 2012-13. *(P.Y NIL)*

N(8) FIXED ASSETS

The Company has reviewed the useful life of desktops w.e.f., 1st Jan 2011. Consequently depreciation rates has been revised resulting in additional charge of depreciation of ₹ 67562/-

N(9) INVESTOR EDUCATION & PROTECTION FUND

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2013.

N(10) RELATED PARTY TRANSACTIONS

A. List of Related Parties

Holding Company	L&T Infrastructure Development Projects Limited
Ultimate Holding Company	Larsen and Toubro Limited
Subsidiary Company	Nil
Associate Company	Nil
Fellow Subsidiaries	L&T Ahmedabad Maliya Tollway Limited L&T BPP Tollway Limited L&T Devihalli Hassan Tollway Limited L&T Panipat Elevated Corridor Limited L&T Port Kachchigarh Limited L&T Rajkot Vadinar Tollway Limited L&T Transco Private Limited L&T Vadodara Bharuch Tollway Limited L&T Western Andhra Tollway Limited L&T Krishnagiri Walajahpet Tollway Limited Narmada Infrastructure Construction Enterprise Ltd. L&T Samakhiali Gandhidham Tollway Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

B. Transactions with related parties:

Amount in ₹

Name / Relationship / Nature of Transaction	2012-13			*2011-12*		
	Amount of transaction	**Due to**	**Due from**	*Amount of transaction*	*Due to*	*Due from*
L&T Infrastructure Development Projects Limited						
Promoter's Mazzanine Debt	**277,349,000**	**1,305,000,000**	**Nil**	*770,000,000*	*1,027,651,000*	*Nil*
Unsecured loans received	**350,000,000**	**350,000,000**	**NIl**	*Nil*	*Nil*	*Nil*
Purchase of goods & services (incl. service tax)	**19,381,084**	**2,709,013**	**Nil**	*14,983,574*	*Nil*	*Nil*
Interest accrued on unsecured loans	**326,027**	**293,425**	**Nil**	*Nil*	*Nil*	*Nil*
Reimbursement of Expenses to	**1,297,961**	**Nil**	**Nil**	*612,254*	*Nil*	*Nil*
Reimbursement of Expenses from	**Nil**	**Nil**	**Nil**	*49,141*	*Nil*	*Nil*
Larsen and Toubro Limited						
EPC Progressive Cost	**65,629,428**	**Nil**	**Nil**	*2,185,516,192*	*527,310,728*	*Nil*
Purchase of Goods and Services (Including Stax)	**197,753**	**Nil**	**Nil**	*198,540*	*Nil*	*Nil*
Reimbursement of Expenses to	**2,913,380**	**1,381,995**	**Nil**	*1,795,429*	*51,054*	*Nil*
L&T Ahmedabad Maliya Tollway Limited						
Reimbursement of Expenses to	**Nil**	**Nil**	**Nil**	*423,070*	*Nil*	*Nil*
Transfer of Fixed Asset	**2,645,058**	**Nil**	**Nil**	*Nil*	*Nil*	*Nil*
Purchase of Fixed Assets	**47,250**	**Nil**	**Nil**	*Nil*	*Nil*	*Nil*
L&T BPP Tollway Limited						
Reimbursement of Expenses from	**247,324**	**Nil**	**Nil**	*334,854*	*Nil*	*Nil*
Transfer of Fixed Asset	**321,649**	**Nil**	**Nil**			
L&T Devihalli Hassan Tollway Limited						
Transfer of Fixed Asset	**2,867,544**	**Nil**	**Nil**	*Nil*	*Nil*	*Nil*
L&T Panipat Elevated Corridor Limited						
Transfer of Fixed Asset	**651,304**	**Nil**	**Nil**	*Nil*	*Nil*	*Nil*
Reimbursement of Expenses to	**32,610**	**Nil**	**Nil**	*119,773*	*Nil*	*Nil*
L&T Port Kachchigarh Limited						
Reimbursement of Expenses from	**118,410**	**Nil**	**118,410**	*11,526*	*Nil*	*Nil*
L&T Rajkot Vadinar Tollway Limited						
Reimbursement of Expenses to	**Nil**	**Nil**	**Nil**	*56,414*	*Nil*	*Nil*
Transfer of Fixed Asset	**214,200**	**Nil**	**Nil**	*Nil*	*Nil*	*Nil*
L&T Transco Private Limited						
Reimbursement of Expenses to	**Nil**	**Nil**	**Nil**	*14,422,557*	*Nil*	*Nil*
L&T Vadodara Bharuch Tollway Limited						
Reimbursement of Expenses to	**1,057,459**	**Nil**	**Nil**	*3,091,704*	*Nil*	*Nil*
L&T Western Andhra Tollway Limited						
Reimbursement of Expenses to	**Nil**	**Nil**	**Nil**	*91,559*	*Nil*	*Nil*
L&T Krishnagiri Walajahpet Tollway Limited						
Reimbursement of Expenses from	**146,232**	**Nil**	**Nil**	*Nil*	*Nil*	*Nil*
Narmada Infrastructure Construction Enterprise Ltd.						
Reimbursement of Expenses to	**24,726**	**Nil**	**Nil**	*Nil*	*Nil*	*Nil*
L&T Samakhiali Gandhidham Tollway Limited						
Reimbursement of Expenses from	**8,052**	**Nil**	**Nil**	*Nil*	*Nil*	*Nil*

No amounts have been written off or written back in the year 2012-13 in respect of debts due from or to related parties.

N(11) PREVIOUS YEAR FIGURES

The Company has reclassified / regrouped the previous year's figures wherever necesarry.

N(12) AUDITORS' REMUNERATION

For Financial Year	**2012-13**	*2011-12*
(excluding Service Tax)	₹	₹
For Statutory Audit	**181,183**	*181,183*
For Taxation Matters	**–**	–
For Company Law Matters	**–**	–
For Management Services	**–**	–
For Other Services	**72,000**	*75,000*
Reimbursement of Expense	**–**	–
Total	**253,183**	*256,183*

NOTES TO FINANCIAL STATEMENTS (Contd.)

N(13) MISCELLANOUS EXPENSES

Miscellaneous expenses for the year includes a sum of ₹ 2,369,744/- towards misappropriation of cash and a laptop by an employee. The Company has taken necessary legal action in this regard and has also filed an insurance claim for the recovery of the losses. Considering the size and nature of business of the Company, the management is of the opinion that this is neither material nor an exceptional item.

NOTE O: SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government. However, certain escalation and other claims, which are not ascertainable or 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 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. Difference, if any, between the actual results and estimates are recognised in the period.

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 Revised Schedule VI to the Companies Act, 1956 ("the Act").

3. Revenue Recognition:

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

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

c) Interest income is accrued at applicable rates.

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

4. Extraordinary and exceptional items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements, if any. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

5. 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:

As per Accounting Standard 15 – Employee Benefits (Revised) issued by the Companies (Accounting Standards) Rules, 2006, the provisions for / contributions to retirement benefit schemes are made as follows:

a) Provident fund on actual liability basis.

b) Leave encashment provision and provision for gratuity are made as per actuarial valuation.

Acturial gains or losses are recognised immediately in the profit & 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.

6. Fixed Assets

(i) Tangible Assets

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

(ii) Intangible Assets

Intangible assets are recognized as per the criteria specifies in Accounting Standard (AS) 26 "Intangible Assets" as specified in the Companies (Accounting Standards) Rules, 2006.

Carriage ways 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 Carriage ways

NOTES TO FINANCIAL STATEMENTS (Contd.)

comprises construction cost and other preoperative costs incurred during the implementation phase being shown as Intangible asset. Such Carriage ways on completion are capitalized as Intangible Asset as they represent right to collect Toll revenue during the concession period.

7. Leases

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

8. Depreciation and Amortization

Depreciation

Depreciation on assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. However where the rate of depreciation provided in Schedule XIV of the Companies Act, 1956 does not depreciate the asset fully over the period of concession, such tangible assets are depreciated over the period of rights given under the Concession Agreement. Where there is a revision of the estimated useful life of an asset, the unabsorbed depreciable amount is charged over the revised remaining useful life.

However w.e.f. 1st January 2011, in respect of the following categories of fixed assets, the depreciation has been provided at a higher rate in line with their estimated useful life:

Category of Asset	Depreciation Rate (% per annum)
Office Equipment	25.00%
Desktop/ Laptop	25.00%
Furniture and Fixtures	10.00%
Motor Cars	14.29%
Motor Bike	9.50%
Plant & Machinery	14.29%
Toll Equipments	14.29%

W.e.f.,01.04.2012 useful life of desktops is revised to 6 years from 4 years and accordingly depreciation has been provided at a higher rate.

Depreciation on additions/deductions is calculated pro-rata from/to the month of additions/deductions. Items below ₹ 5,000/- have been depreciated at the rate of 100%.

9. 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; and

b) the reversal of impairment loss recognised in previous periods, if any,"Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

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

b) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use. (Value in use is determined 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 recognised when the carrying amount of an asset exceeds its recoverable amount.

10. Investments

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

(b) Long Term Investments are stated at Cost.

11. Cash & Bank Balances

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

12. 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.

13. Segment Reporting

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

14. 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 relating to unabsorbed depreciation/business losses are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

15. 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.

d) Contingent Assets are neither recognized, nor disclosed.

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

16. Capital Commitments

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

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

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

17. Operating cycle for current and non-current classification

The Company is engaged only one line of business and the Operating cycle for the Company shall be 12 months.

18. Cash Flow Statement

The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 “Cash Flow Statements”.

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 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.”

As per our report attached
H. K. SHAH & CO.
Chartered Accountants
(Registration No.109583/W)

H. K. SHAH
Partner
Membership No. 042758

Place : Ahmedabad
Date : April 30, 2013

For and on behalf of the board

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 29, 2013