

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

The key financial parameters for the year ended March 31, 2012 are:

Description	Amount (Rupees Lakhs)	
	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES		
Shareholders' Funds	12,983	12,983
Non-Current Liability	101,399	63,213
Current Liability	6,662	9,937
TOTAL	121,044	86,133
ASSETS		
Non-Current Assets	119,038	82,466
Current Assets	2,005	3,666
TOTAL	121,044	86,133

2. PERFORMANCE OF THE COMPANY

1. Toll Operations of the project to be commenced in April 2012
2. Provisional Completion Certificate was received from GSRDC on March 30, 2012

3. DIVIDEND

The Board of Directors has not recommended any dividend for the year 2011-12.

4. CAPITAL EXPENDITURE (Rs. LAKHS):

As at March 31, 2012, the gross fixed assets (tangible) stood at Rs. 450/- and the net fixed assets (tangible) stood at Rs. 415/- And Capital work in progress (Tangible) stood at Rs. 1939/-

The gross Intangible assets under development (Toll Collection Rights) stood at Rs. 1,16,683/-

5. DEPOSITS:

The Company has not accepted any deposits from the public.

6. AUDITORS' REPORT:

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

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

A. Conservation of Energy

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

B. Technology Absorption

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

C. Foreign Exchange Earnings and Outgo

During the year, the expenditure in foreign currency was Rs. 4,77,51,525/- (Previous year Rs. 3,16,79,510/-).

During the year earnings in Foreign currency was Rs. Nil (Previous year Rs. Nil).

8. DISCLOSURE OF PARTICULARS:

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

9. PARTICULARS OF EMPLOYEES:

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

At the Board Meeting held on 17/07/2009 Mr. Rajesh Sharma was appointed as Manager of the Company.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
2. that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a going concern basis; and
5. that proper systems are in place to ensure compliance of all laws applicable to the company.

11. DIRECTORS:

Mr. C. S. Damle, Mr. T. S. Venkatesan and Mr. B. Ramakrishnan are the Current Directors of the Company.

Mr. M. H. Desai, resigned from the position of Director of the Company with effect from August 22, 2011. The Directors expressed their appreciation for the valuable contribution rendered by Mr. M. H. Desai towards the progress of the Company.

Mr. T. S. Venkatesan, retires by rotation at the Fourth Annual General Meeting and being eligible offers himself for re-appointment.

12. AUDIT COMMITTEE

The Audit Committee was Constituted at the Board Meeting held on March 23, 2010. The Members of the Audit Committee are :

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

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

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

13. AUDITORS:

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

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

14. COMPLIANCE WITH VOLUNTARY CORPORATE GOVERNANCE GUIDELINES, 2009

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

A) Separation of Offices of Chairman & Chief Executive

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

B) Remuneration of Directors

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

C) Independent Directors

None of the Directors is involved in the day to day affairs of the Company.

Number of Companies in which an Individual may become a Director

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

D) Responsibilities of the Board

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

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

E) Statutory Auditors

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

F) Internal Auditors

M/s. Kedia & Kedia Associates, Ahmedabad have been appointed as the Internal Auditors of the Company for the conduct of the Internal Audit Services to the Company.

G) Internal Control

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

H) Secretarial Audit

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

15. 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 : April 24, 2012

T. S. VENKATESAN

Director

B. RAMAKRISHNAN

Director

AUDITORS' REPORT

THE MEMBERS OF L&T HALOL - SHAMLAJI TOLLWAY LIMITED

We have audited the attached Balance Sheet of L&T Halol - Shamlaji Tollway Limited as at March 31, 2012, the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting and amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report that

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 as amended, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e. On the basis of written representation received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, We report that none of the directors are disqualified as on March 31, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the companies Act, 1956.
 - f. In our opinion the cess payable under Section 441 A is not applicable as Company is in a pre-operative Stage.
 - g. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together within Significant Accounting Policies and the Notes to Accounts in Note No. 10, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date, and;
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For H. K. Shah & Co.,
Chartered Accountants
Firm Regn. No. 109583/W

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

Place: Chennai

Date: April 24, 2012

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, 2012, 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's Report) order 2003 is not applicable to the company
- (vii) Company has internal audit system commensurate with its size and nature of its business.
- (viii) The Company is engaged in service activity and we were informed that 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, 2012 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. 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 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 neither come across any instances of any fraud on or by the Company, noticed or reported during the period nor have we been informed of any such case by management.

H. K. SHAH & CO.

Chartered Accountants

Firm Registration No: 109583/W

Place : Chennai
Date : April 24, 2012

H. K. SHAH

Partner

M. No. 042758

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	As at 31.03.2012		As at 31.03.2011	
		Rupees	Rupees	Rupees	Rupees
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	1,305,000,000		1,305,000,000	
(b) Reserves & Surplus	2	(6,701,324)	1,298,298,676	(6,697,757)	1,298,302,243
(2) Share application money pending allotment			–		–
(3) Non-current liabilities					
(a) Long-term borrowings	3	10,139,851,000		6,321,251,000	
(b) Deferred tax liabilities (Net)	4	–		–	
(c) Other Long term liabilities		–		–	
(d) Long-term provisions		–	10,139,851,000	–	6,321,251,000
(4) Current liabilities					
(a) Short-term borrowings		–		–	
(b) Trade payables		–		–	
(c) Other current liabilities	5	665,066,101		993,282,099	
(d) Short-term provisions	6	1,147,738	666,213,839	438,461	993,720,560
			12,104,363,515		8,613,273,803
II ASSETS					
(1) Non-current assets					
(a) Fixed Assets	7				
(i) Tangible Assets		41,546,908		2,452,242	
(ii) Intangible Assets		–		–	
(iii) Capital work-in-progress		193,875,171		68,801,284	
(iv) Intangible Assets under Development		11,668,394,273		8,175,388,579	
(b) Non-current Investments		–		–	
(c) Long-term loans and advances		–		–	
(d) Other non-current assets		–	11,903,816,352	–	8,246,642,105
(2) Current Assets					
(a) Current investments		–		–	
(b) Inventories		–		–	
(c) Trade receivables		–		–	
(d) Cash and cash equivalents	8	194,390,572		359,948,239	
(e) Short-term loans and advances	9	6,056,590		6,683,459	
(f) Other current assets	10	100,000	200,547,162	–	366,631,698
			12,104,363,515		8,613,273,803
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	11				

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

As per our report attached

For and on behalf of the board

H. K. SHAH & CO.

Chartered Accountants
(Registration No. 109583/W)

H. K. SHAH

Partner
Membership No. 042758

RAJESH SHARMA

Manager

T. S. VENKATESAN

Director

B. RAMAKRISHNAN

Director

Place : Chennai
Date : April 24, 2012

Place : Chennai
Date : April 24, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	For the year April 1, 2011 to March 31, 2012		For the year April 1, 2010 to March 31, 2011	
		Rupees	Rupees	Rupees	Rupees
REVENUE					
Revenue from Operations		-		-	
Other Income		-		-	
Total Revenue			-		-
EXPENSES					
Operating and maintenance expenses		-		-	
Employee benefit expenses		-		-	
Administration and other expenses		-		-	
Finance costs					
Depreciation and Amortisation expense		-		-	
Total Expenses			-		-
PROFIT/(LOSS) BEFORE EXCEPTIONAL & EXTRAORDINARY ITEMS AND TAX					
Exceptional items			-		-
Prior Period Adjustments			(3,567)		(2,407,759)
PROFIT/(LOSS) BEFORE TAXES			(3,567)		(2,407,759)
TAX EXPENSE:					
Current tax		-		(30,396)	
Deferred tax		-	-		(30,396)
PROFIT/(LOSS) AFTER TAX			(3,567)		(2,377,363)
Earnings per share					
– Basic / Diluted			-		(0.04)
– Nominal value of shares			10.00		10.00

The accompanying notes form an integral part of the Statement of Profit and Loss.

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

For and on behalf of the board

H. K. SHAH
Partner
Membership No. 042758

RAJESH SHARMA
Manager

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 24, 2012

Place : Chennai
Date : April 24, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	2011-12 Rupees	2010-11 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax & extraordinary items	—	—
Adjustment for :		
Profit on sale of investments	—	—
Dividend Received	—	—
Depreciation	—	—
Interest Income	—	—
Prior period adjustments	(3,567)	(2,407,759)
Operating Profit before working capital changes	(3,567)	(2,407,759)
Adjustments For :		
(Increase) / Decrease in Short Term Loans and Advances	626,869	4,679,898
(Increase) / Decrease in Other current assets	(100,000)	—
Increase / (Decrease) in Other current liabilities	(328,215,999)	907,251,963
Increase / (Decrease) in Short term borrowings	709,277	—
Cash generated from operations	(326,983,420)	909,524,102
Direct taxes	—	30,396
Net Cash from Operating Activities (A)	(326,983,420)	909,554,498
B. CASH FLOW(USED IN)/ GENERATED FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (including Preoperative Expenses)	(3,659,190,243)	(5,516,103,810)
Purchase of Investments	(513,622,108)	(608,830,531)
Sale of Investments	515,629,654	611,722,864
Dividend Received	8,449	100,836
Interest on fixed deposit	—	22,881
Net Cash / (used in) from Investing Activities (B)	(3,657,174,248)	(5,513,087,760)
C. Cash Flow from Financing Activities :		
Equity Capital Issued	—	652,349,000
Secured Loans from Banks & Financial Institutions	3,048,600,000	3,902,484,077
Unsecured loans from promoters	770,000,000	257,651,000
Net cash (used in) / generated from Financing Activities (C)	3,818,600,000	4,812,484,077
Net increase in cash and cash equivalents (A+B+C)	(165,557,667)	208,950,816
Cash and Cash equivalents as at the beginning	359,948,239	150,997,423
Cash and Cash equivalents as at the end	194,390,572	359,948,239

Notes:

- Cash flow statement has been prepared under the Indirect Method as set of in the Accounting Standard 3. "Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.
- Cash and cash equivalents represent cash and bank balances.
- Previous figures regrouped wherever necessary.

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

For and on behalf of the board

H. K. SHAH
Partner
Membership No. 042758

RAJESH SHARMA
Manager

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 24, 2012

Place : Chennai
Date : April 24, 2012

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
1 SHARE CAPITAL				
Authorised				
131,000,000 Equity Shares of Rs. 10/- each		1,310,000,000		1,310,000,000
Issued, Subscribed & Paid-up				
13,05,00,000 Equity Shares of Rs.10/- each fully paid up		1,305,000,000		1,305,000,000
TOTAL		1,305,000,000		1,305,000,000

a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	Rupees	No of Shares	Rupees
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

b. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.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.

During the year ended March 31, 2012, no dividend is declared by Board of Directors. (Previous year - Nil)

c. Shares held by Holding / Ultimate holding company and/or their subsidiaries/associates:

Particulars	Relationship	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
L&T Infrastructure Development Projects Limited & its nominees	Holding Company		
13,04,99,900/- equity shares of Rs.10 each fully paid up		1,304,999,000	1,304,999,000
Larsen and Toubro Limited	Ultimate Holding Company		
100/- equity shares of Rs.10 each fully paid up		1,000	1,000

d. Details of Shareholders holding more than 5% shares in the Company:

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	%	No of Shares	%
Equity Shares of Rs.10/- each fully paid				
L&T Infrastructure Development Projects Limited, Holding Company & its nominees	130,499,900	100.00%	130,499,900	100.00%
Larsen and Toubro Limited, Ultimate Holding Company	100	0.00%	100	0.00%

e. Shares reserved for issue under options: Rs. Nil

f. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting date: **Rs. Nil**

g. Securities convertible into equity / preference shares issued along with the earliest date of conversion: **Rs. Nil**

h. Calls unpaid: **Rs. Nil**

i. Forfeited Shares **Rs. Nil**

NOTES TO FINANCIAL STATEMENTS (Contd.)**2 RESERVES & SURPLUS**

	As at 31.03.2012	<i>As at 31.03.2011</i>
	Rupees	<i>Rupees</i>
SURPLUS / (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS		
Balance as per the last financial statement	(6,697,757)	<i>(4,320,394)</i>
Add: Profit for the period	(3,567)	<i>(2,377,363)</i>
Closing Balance	(6,701,324)	<i>(6,697,757)</i>
TOTAL OF RESERVES AND SURPLUS	(6,701,324)	<i>(6,697,757)</i>

3 LONG TERM BORROWINGS

	As at 31.03.2012		<i>As at 31.03.2011</i>
	Rupees	Rupees	<i>Rupees</i>
Term loans			
Secured Loan			
From Banks	8,007,200,000		<i>5,337,600,000</i>
From Financial Institutions	1,105,000,000	9,112,200,000	<i>726,000,000</i>
			<i>6,063,600,000</i>
(Secured by pari-passu first charge on all the assets, including tangible and intangible assets of the Company, both present and future, except project assets)			
Loans and advances from related parties			
Unsecured Loan			
From Promoters			
L&T Infrastructure Development Projects Limited		1,027,651,000	<i>257,651,000</i>
TOTAL		10,139,851,000	<i>6,321,251,000</i>

Indian rupee loans from Banks and Financial Institutions carries interest @ 11.50% p.a. as on the reporting date. The loan is repayable in 141 unequally monthly installments which ranges from Rs.19 Lakhs to Rs.115.66 Lakhs along with the interest from the reporting period date and repayment starting from Dec.2012. 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.

Repayment of unsecured loan will be subordinated to the repayment of loans of the senior lenders.

Presentation of Term Loans in the Balance Sheet is as follows:

- i) Long Term Borrowing Rs. 1013.98 Crores
- ii) Current Portion of Long Term Borrowing Rs. 0.95 Crores

4 DEFERRED TAX LIABILITIES

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. During the current year, Company is in preoperative stage therefore calculation of deferred tax assets / liabilities are not required.

NOTES TO FINANCIAL STATEMENTS (Contd.)

5 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
CURRENT MATURITIES OF LONG-TERM DEBT*				
Secured Loan				
From Banks	8,400,000		—	
From Financial Institutions	1,100,000	9,500,000	—	—
Interest accrued on borrowings*		164,434		—
*(Secured by pari-passu first charge on all the assets, including tangible and intangible assets of the Company, both present and future except project assets)				
Other payables				
- Due to Micro and small enterprises #	—		—	
- Due to Holding / Ultimate holding company	527,361,782		735,378,281	
- Due to Fellow Subsidiaries	—		710,065	
- Due to others	108,924,035		218,342,959	
- Statutory liabilities	19,115,850	655,401,667	38,850,794	993,282,099
		665,066,101		993,282,099

There have been no claimed transactions during the period with Micro and Small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence details of principal and interest have not been reported.

6 SHORT TERM PROVISIONS

Particulars	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
PROVISIONS FOR EMPLOYEE BENEFITS		
Provision for Gratuity (Note no. 16)	569,905	209,427
Provision for Leave Encashment (Note no. 16)	577,833	229,034
	1,147,738	438,461

NOTE 7 - FIXED ASSETS

Particulars	COST				DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2011	Additions	Deletions	As at 31.03.2012	Up to 31.03.2011	For the year	Deductions	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets										
Computers	1,090,703	1,894,316	—	2,985,019	455,728	461,731	—	917,459	2,067,560	634,975
Furniture & Fixtures	822,585	—	—	822,585	302,570	62,805	—	365,375	457,210	520,015
Office Equipment	614,222	719,222	—	1,333,444	98,949	303,835	—	402,784	930,660	515,273
Vehicles	910,147	20,182,231	—	21,092,378	128,168	1,191,004	—	1,319,172	19,773,206	781,979
Plant & Machinery	—	18,782,817	—	18,782,817	—	464,545	—	464,545	18,318,272	—
Total	3,437,657	41,578,586	—	45,016,243	985,415	2,483,920	—	3,469,335	41,546,908	2,452,242
Previous year	3,341,727	108,920	12,990	3,437,657	443,374	543,122	1,081	985,415	2,452,242	3,341,727
Capital Work in Progress	68,801,284	125,073,887		193,875,171	—	—		—	193,875,171	—
Grand Total									193,875,171	2,452,242

NOTES TO FINANCIAL STATEMENTS (Contd.)

Intangible Assets Under Development										
Particulars	COST				AMORTISATION				NET CARRYING VALUE	
	As at 01.04.2011	Additions	Deletions	As at 31.03.2012	Up to 31.03.2011	For the year	Deductions	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
Capital Work in Progress	7,259,574,221	2,406,814,209	–	9,666,388,430	–	–	–	–	9,666,388,430	7,259,574,221
Pre Operative Expenses (Refer note no. 7.1)	915,814,358	1,086,191,486	–	2,002,005,843	–	–	–	–	2,002,005,843	915,814,358
Grand Total									11,668,394,273	8,175,388,579

7.1 FIXED ASSETS

Particulars	<i>Balance as at 31.03.2011</i>	2011-12	Balance as at 31.03.2012
	<i>Rupees</i>	<i>Rupees</i>	Rupees
PRE-OPERATIVE EXPENSES :			
Staff Cost	22,206,876	21,828,127	44,035,003
Contribution to and provided for:			
Provident fund	717,389	920,083	1,637,472
Leave encashment	229,034	431,619	660,653
Gratuity	209,427	360,478	569,905
Office Expenses	12,556,562	9,305,839	21,862,401
Professional Fees	140,664,622	106,879,352	247,543,974
Club Membership Fees	350,000	–	350,000
Communication Expenses	843,117	666,088	1,509,205
Travelling and Conveyance	12,547,936	11,521,748	24,069,684
Rent	885,466	887,226	1,772,692
Depreciation	986,496	2,483,920	3,470,416
Power & Fuel	110,763	3,503,502	3,614,265
Miscellaneous Expenses	5,556,435	4,068,877	9,625,312
Utility Shifting Charges	4,228,754	1,591,753	5,820,507
Adminstrative Exp.	–	–	–
Bank & Finance Charges	52,592,635	2,651,796	55,244,432
Interest on term loan	496,725,762	870,379,636	1,367,105,398
Busuness Promotion Exp.	1,471,301	720,636	2,191,937
Payment to GSRDC under Concession Agreement	161,730,004	249,685	161,979,689
Insurance	5,110,831	5,447,534	10,558,365
Printing & Stationery	749,899	423,340	1,173,239
Rates & Taxes	764,858	92,220	857,078
Repair & Maintenance	–	1,095,797	1,095,797
Operation & Maintenance Expenses	–	42,832,425	42,832,425
	921,238,167	1,088,341,682	2,009,579,848
Less: Income from short term investments			
For current year	3,016,050	2,150,196	5,166,246
For earlier years	2,407,759		2,407,759
TOTAL	915,814,358	1,086,191,486	2,002,005,843

NOTES TO FINANCIAL STATEMENTS (Contd.)**8 CASH AND BANK BALANCES**

Particulars	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
CASH AND CASH EQUIVALENTS		
Cash on hand	5,035,000	—
Balances with Banks		
on Current account	9,355,572	359,948,239
on Term deposit including interest accrued thereon	180,000,000	—
on Margin Money Deposit including interest accrued thereon	—	—
	<u>194,390,572</u>	<u>359,948,239</u>
Other Bank Balances		
on Margin Money Deposit 100000		
Less : Amount disclosed under (100000)		
other current assets	—	—

9 SHORT TERM LOANS AND ADVANCES**SECURITY DEPOSIT**

Unsecured, Considered good	1,630,658	39,400
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Other Loans and Advances

Unsecured, Considered good		
Prepaid Expenses	3,432,395	3,366,799
Others	993,537	3,277,260
	<u>6,056,590</u>	<u>6,683,459</u>

10 OTHER CURRENT ASSETS**OTHERS**

As margin money @	100,000	—
	<u>100,000</u>	<u>—</u>

@ Margin Money Deposit given as security against Bank Guarantee issued to Telecom Department.

NOTES TO FINANCIAL STATEMENTS (Contd.)

11 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting 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. Actual results could differ from these estimates.

b. Revenue Recognition:

Interest income is recognized at applicable rates on the fixed deposit with banks on accrual basis. Short term capital gain and dividend from mutual fund investments is recognized when the right to receive is established.

c. Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

a. Defined Contribution Plans: the Company's obligation to employees provident fund is a defined contribution plan. The contribution paid/payable is recognized in the period in which the employee renders the related service.

b. Defined Benefit Plans: The Company's obligation towards gratuity is a defined benefit plan.

The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

(iii) Long Term Employee Benefits

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

d. Fixed Assets

Tangible

Tangible Fixed Assets are stated at original cost less accumulated depreciation.

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 comprises construction cost and other preoperative costs incurred during the implementation phase being shown as Intangible asset under development.

Such Carriage ways on completion are capitalized as Intangible Asset and are amortized over the period of rights given under the Concession Agreement as they represent right to collect Toll revenue during the concession period.

e. Depreciation and Ammortization

Depreciation

Depreciation on assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. Assets constructed on land are amortized over the period of the rights given under the concession agreement with the Ministry of Surface Transport, Government of India dated October 3, 1997.

NOTES TO FINANCIAL STATEMENTS (Contd.)

However in respect of the following asset categories the Depreciation is provided at higher rates in line with their revised estimated useful life.

Category of Asset	Depreciation Rate (% per annum)
Office Equipment	25.00%
Computers – Desktop	16.67%
Computers – Laptop	25.00%
Furniture and Fixtures	10.00%
Motor Cars	14.29%
Motor Bike	9.50%

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

Amortization

Intangible assets are amortized as per the criteria specified in Accounting Standard (AS) 26 “Intangible Assets” as specified in the Companies (Accounting Standards) Rules, 2006.

f. Investments

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

g. 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.

h. 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.

In compliance of AS-16 “Borrowing Cost”, income earned on temporary investments, out of funds borrowed, which is inextricably linked with the project, is deducted from the related borrowing costs incurred.

i. 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/losses under the head “capital gain” 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.

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

j. Impairment of Assets

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

- The provision for impairment loss, if any required; or
- The reversal, if any, required of impairment loss recognized in previous period

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

Recoverable amount is determined:

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

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

k. Provisions, Contingent Liabilities and Contingent Assets

- Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - the Company has a present obligation as a result of a past event.

NOTES TO FINANCIAL STATEMENTS (Contd.)

- (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
 - a. a present obligation arising from past events, 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.
- d) Contingent Assets are neither recognized, nor disclosed.
- e) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

12 CORPORATE INFORMATION

The Company has been awarded a concession agreement by Gujarat State Road Development Corporation Limited 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 GOI and operation and maintenance thereof, under the Concession Agreement dated September 17, 2008.

The appointed date as per concession agreement is September 12, 2009. The Concession is for a period of 20 years including the construction period from the date of appointment. At the end of the 20 years the entire facility will be transferred to Gujarat State Road Development Corporation Ltd.

The Company has achieved commercial operation on April 4, 2012.

- 13 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 till year ended March 31, 2012 as a major event.
- 14 There have been no claimed transactions during the period with Micro and Small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006 to the knowledge of management. Hence, details of principal and interest have not been reported.
- 15 Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2012 is Rs. 136,07,36,399/ (PY Rs.480,33,57,895).

16 EARNINGS PER SHARE

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

Particulars	2011-12 Rupees	2010-11 Rupees
Basic / Diluted		
Profit after tax as per Accounts	(3,567)	(2,377,363)
PAT available to Equity Share holders	(3,567)	(2,377,363)
Total / Weighted Average number of shares	130,500,000	65,443,824
Basic / Diluted EPS	(0.00)	(0.04)

17 GRATUITY AND OTHER POST EMPLOYMENT BENEFITS**1. GRATUITY****A. Results of Acturial Valuation**

1. Valuation as on	March 31, 2012	March 31, 2011
2. Retirement Age	58 Years	58 Years
3. No of Employees	60	12
4. Present Value of Benefit Obligations	569,905	209,427

NOTES TO FINANCIAL STATEMENTS (Contd.)

B. Principal rules to compute Benefit Obligations

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

As there is no unconditional right to defer settlement available with the company on resignation/ death of employee provision for gratuity has been disclosed as current liability.

2. LEAVE SALARY

A. Summary of Staff

1. No of Employees	60	12
2. Projected actuarial value of benefit obligation in Rupees	577,833	229,034

B. Principal rules to compute Benefit Obligations

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

As the employee has right to avail leave at any time, provision for compensated absences has been disclosed as a current liability.

3. SUMMARY OF ACTUARIAL ASSUMPTIONS

A. Mean Financial Assumptions

1. Discount Rate per unit per annum	8.50%	8.25%
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	
2. Withdrawal / Attrition Rate	5% for all age	15% for all age
3. Disability / Ill health retirement	No Explicit Assumption	

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

18 TAXATION

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.

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.

19 AUDITORS' REMUNERATION

Auditor Remuneration (excluding Service Tax)	2011-12	2010-11
For Statutory Audit	181,183	181,183
For Taxation Matters		
For Company Law Matters		
For Management Services		
For Other Services	–	75,000
Reimbursement of Expense		
TOTAL	181,183	256,183

NOTES TO FINANCIAL STATEMENTS (Contd.)**20 FOREIGN CURRENCY TRANSACTION**

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

Particulars	FY 2011-12	FY 2010-11
Payment for purchase of Highway Traffic Management System and Toll Collection Software	Rs.4,77,51,525/-	<i>Rs.3,16,79,510/-</i>

There are no foreign exchange earnings during the year 2011-12

21 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 Chennai Tada 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 Interstate Road Corridor Limited
	L&T Urban Infrastructure Limited
	PNG Tollway Limited
	L&T Seawood Private Limited

B. Transactions with related parties:

Amount in Rupees

Name / Relationship / Nature of Transaction	2011-12			2010-11		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
L&T Infrastructure Development Projects Limited						
Subscription of Equity Share Capital	–	–	–	652,651,000	–	–
Subscription Promoter's Mazzanine Debt	770,000,000	–	–	257,651,000	–	–
Purchase of goods & services (incl. service tax)	12,457,666	–	–	4,662,628	1,323,674	–
Cost of Services	2,525,908	–	–	1,700,191	470,219	–
Reimbursement of Expenses to	612,254	–	–	1,378,371	816,652	–
Reimbursement of Expenses from	49,141	–	–			
Total Accounts Receivable (net)						

NOTES TO FINANCIAL STATEMENTS (Contd.)

Name / Relationship/ Nature of Transaction	2011-12			2010-11		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
Larsen & Toubro Limited						
Subscription of Equity	652,651,000	–	–	–	–	–
EPC Progressive Cost	2,185,516,192	527,310,728	–	5,382,704,797	732,770,736	–
Purchase of Goods and Services (Including Stax)	198,540	–	–	158,787	–	–
Reimbursement of Expenses to	1,795,429	51,054	–	11,003,490	–	–
Total Accounts Receivable (net)	–	–	–	–	–	–
L&T Ahmedabad Maliya Tollway Limited						
Reimbursement of Expenses to	423,070	–	–	55,333	–	–
L&T BPP Tollway Limited						
Reimbursement of Expenses from	334,854	–	–	–	–	–
L&T Chennai Tada Tollway Limited						
Reimbursement of Expenses to	20,028	–	–	–	–	–
L&T Panipath Elevated Corridor Limited						
Reimbursement of Expenses to	119,773	–	–	–	–	–
L&T Port Kachchigarh Limited						
Reimbursement of Expenses from	11,526	–	–	9,367	–	8,981
Reimbursement of Expenses to	–	–	–	386	–	–
L&T Rajkot Vadinar Tollway Limited						
Reimbursement of Expenses to	56,414	–	–	2,811,722	–	–
L&T Transco Private Limited						
Reimbursement of Expenses to	14,422,557	–	–	2,851,165	710,065	–
L&T Vadodara Bharuch Tollway Limited						
Reimbursement of Expenses to	3,091,704	–	–	7,010,420	–	–
L&T Western Andhra Tollway Limited						
Reimbursement of Expenses to	91,559	–	–	–	–	–
L&T Interstate Road Corridor Limited						
Reimbursement of Expenses from	–	–	–	3,548	–	–
L&T Urban Infrastructure Limited						
Reimbursement of Expenses to	–	–	–	11,385	–	–
PNG Tollway Limited						
Reimbursement of Expenses from	–	–	–	5,752	–	–
L&T Seawood Private Limited						
Reimbursement of Expenses from	–	–	–	5,727	–	–

No amounts have been written off or written back in the year 2011-12 in respect of debts due from or to related parties.

C. MANAGERIAL REMUNERATION:

Manager's salary and perquisites of Rs. 16,77,410/- (Previous year: Rs. 16,38,584 /-) for the year 2011-12 have been recognised under 'Intangible Assets under Development' along with other pre-operative expenses.

22 Prior period adjustment includes Rs. 3567/- being less provision and interest calculated on income tax for the Assessment Year 2009-10.

23 The Company has taken premises on cancelable operating lease. Lease rent amounting to Rs. 8,87,226/- (PY Rs. 4,71,583/-) has been included in pre-operative expenses for the year

NOTES TO FINANCIAL STATEMENTS (Contd.)

24 The provisions of the following Accounting Standards are not applicable since the Company does not have such transactions / event:

Accounting For Government Grants	-	AS 12
Accounting For Amalgamation	-	AS 14
Segment Reporting	-	AS 17

25 PREVIOUS YEAR FIGURES

Hitherto the Company has adopted the old Schedule VI to the Companies Act 1956 for the preparation and presentation of its financial statements. However, from the current year the Company has adopted the Revised Schedule VI to comply with the notification made under the Companies Act 1956. Accordingly the Company has reclassified / regrouped the previous year figures to confirm to this year's classification.

As per our report attached

For and on behalf of the board

H. K. SHAH & CO.

*Chartered Accountants
(Registration No. 109583/W)*

H. K. SHAH

Partner

Membership No. 042758

RAJESH SHARMA

Manager

T. S. VENKATESAN

Director

B. RAMAKRISHNAN

Director

Place : Chennai

Date : April 24, 2012

Place : Chennai

Date : April 24, 2012