DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended March 31, 2010.

1. FINANCIAL RESULTS

The key financial parameters for the year ended March 31, 2010 are:

DESCRIPTION	2009-2010 Rupees
Profit before depreciation & tax	**(26,50,526)**
Depreciation	**NIL**
Profit / (Loss) before tax	**(26,50,526)**
Provision for tax	**10,81,839**
Profit / (Loss) after tax	**(37,32,365)**
Balance brought forward from Previous year	**(5,88,029)**
Balance carried to Balance Sheet	**(43,20,394)**

2. PERFORMANCE OF THE COMPANY

The main object of the Company is construction of additional two lane for Halol – Godhra – Shamlaji Road to make it four lane divided carriageway facility under viable gap funding scheme of GOI on BOT basis in the state of Gujarat.

The Project of the Company is in the advance stage of implementation.

3. DIVIDEND

The Board of Directors has not recommended any dividend for the year 2009-2010.

4. CAPITAL EXPENDITURE

As at March 31, 2010, Intangible Assets of the Company is Rs. 2,73,06,55,992 (Capital Work-in-Progress- Carriageway is Rs. 2,40,95,99,278 & Pre-operative expenses pending allocation 32,10,56,714) & the Gross Fixed Assets stood at Rs. 33,41,727 and the net fixed assets stood at Rs. 28,98,353.

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

There are no foreign exchange earnings or outgoing during the period.

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.

During the year, Mr. Ravi Shankar Prasad Singh, has been appointed as a Manager of the Company at the Board of Directors Meeting held on July 17, 2009..

10. 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, 2010;

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; and

iv. that the annual accounts have been prepared on a going concern basis.

11. DIRECTORS

During the year Mr. T. S. Venkatesan was appointed as an Additional Director on the Board of Directors of your Company at the Meeting held on November 25, 2009 and shall hold office until the forthcoming Annual General Meeting. As per Section 260 of the Companies Act, 1956 an Additional Director holds office upto the date of the ensuing Annual General Meeting.

Notice under the provisions of Section 257 of the Companies Act, 1956 has been received by the Company from a member for the appointment of Mr. T. S. Venkatesan as Director of the Company.

Mr. C. S. Damle retires by rotation at the Second Annual General Meeting of the Company and being eligible offers himself for re-appointment.

12. AUDIT COMMITTEE

The Audit Committee is constituted at the Meeting of the Board of Directors held on March 23, 2010. The members of the Audit Committee are:

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

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 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 re-appointment.

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. 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

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 26, 2010

AUDITORS' REPORT

TO THE MEMBERS OF L&T HALOL - SHAMLAJI TOLLWAY PRIVATE LIMITED

We have audited the attached Balance Sheet of L&T HALOL - SHAMLAJI TOLLWAY PRIVATE LIMITED as at March 31, 2010, 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.

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, to the extent applicable to the Company.
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;
   e. on the basis of written representations received from the Directors as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of sub-clause (g) of Section 274 of the Companies Act, 1956;
   f. in our opinion, the cess payable under Section 441A is not applicable as the Company is in a pre operative stage; and
   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 in Schedule I and the Notes to Accounts in Schedule J, 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, 2010,
      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
(ICAI Regn. No. 109583/W)

H.K SHAH
Partner
M. No. 042758

Place : Ahmedabad
Date : April 26, 2010

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 1 of the our report of even date, to the members of L&T HALOL - SHAMLAJI TOLLWAY PRIVATE LIMITED on the accounts for the year ended March 31, 2010, we report that:

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

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

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

ii. The clauses 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 relating to inventory are not applicable.

iii. According to the information and the explanations given to us, the Company has not granted or taken loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence reporting under Clause 4(iii)(a) 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 Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the operations of the Company.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, we report that the Company has been regular in depositing undisputed statutory dues including Income tax and other statutory dues during the year with the appropriate authorities. As at March 31, 2010, there are no undisputed statutory dues payable for a period of more than six months from the date they become 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. The Company has not defaulted in repayment of dues to any bank or financial institution.

xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore the provisions of 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.

FOR H. K. SHAH & CO.
Chartered Accountants
(ICAI Regn. No. 109583/W)

H.K SHAH
Partner
M. No. 042758

Place : Ahmedabad
Date : April 26, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at 31.03.2010 Rupees	Rupees	*As at 31.03.2009 Rupees*	*Rupees*
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	**A**	**652,651,000**		*10,100,000*	
Advance against share capital		**–**		*51,000*	
			652,651,000		*10,151,000*
Loan Funds					
Secured Loan	**B**		**2,161,115,923**		*–*
TOTAL			**2,813,766,923**		*10,151,000*
APPLICATION OF FUNDS					
Fixed Assets	**C**				
Tangible Assets					
Gross Block		**3,341,727**		*1,012,770*	
Less: Depreciation		**443,374**		*49,045*	
Net Block			**2,898,353**		*963,725*
Intangible Assets					
Capital Work-in-Progress		**2,409,599,278**			
Preoperative expenses pending allocation	**D**	**321,056,714**		*6,305,662*	
			2,730,655,992		*6,305,662*
Investments	**E**		**–**		*–*
Current Assets, Loans & Advances	**F**				
Cash and Bank Balances		**150,997,423**		*2,983,515*	
Loans & Advances		**11,363,357**		*123,411*	
		162,360,780		*3,106,926*	
Less: **Current Liabilities & Provisions**	**G**				
Current Liabilities		**69,704,844**		*704,367*	
Provisions		**16,763,752**		*108,975*	
		86,468,596		*813,342*	
Net Current Assets			**75,892,184**		*2,293,584*
Profit & Loss Account			**4,320,394**		*588,029*
TOTAL			**2,813,766,923**		*10,151,000*
SIGNIFICANT ACCOUNTING POLICIES	**I**				
NOTES ON ACCOUNTS	**J**				

The Schedules referred to above form an integral part of Balance Sheet.

As per our report attached

For and on behalf of the Board

H. K. SHAH & CO.
Chartered Accountants
(ICAI Registration No. : 109583/W)

H. K. SHAH	**RAVI SHANKAR PRASAD SINGH**	**T. S. VENKATESAN**	**B. RAMAKRISHNAN**
Partner	*Manager*	*Director*	*Director*
Membership No. 042758			

Place : Ahmedabad
Date : April 26, 2010

Place : Chennai
Date : April 26, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2010

	Schedule	2009-2010 Rupees	2009-2010 Rupees	*For the period 09.09.2008 to 31.03.2009 Rupees*	*For the period 09.09.2008 to 31.03.2009 Rupees*
INCOME					
Other income	**H**		**3,404,474**		*132,538*
TOTAL			**3,404,474**		*132,538*
EXPENDITURE					
Rates & Taxes			**6,055,000**		–
Preliminary Expenses			**–**		*611,592*
TOTAL			**6,055,000**		*611,592*
Profit / (Loss) before taxes			**(2,650,526)**		*(479,054)*
Provisions for					
Current Tax		**1,081,839**		*16,975*	
Fringe Benefit Tax		**–**		*92,000*	
			1,081,839		*108,975*
Profit / (Loss) after taxes			**(3,732,365)**		*(588,029)*
Add: Balance brouht forward from previous period			**(588,029)**		–
Balance carried to Balance Sheet			**(4,320,394)**		*(588,029)*
Earnings per share (Basic & Diluted)			**(0.06)**		*(0.58)*
Face value per share			**10.00**		*10.00*
SIGNIFICANT ACCOUNTING POLICIES	**I**				
NOTES FORMING PART OF ACCOUNTS	**J**				

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report attached

H. K. SHAH & CO.
Chartered Accountants
(ICAI Registration No. : 109583/W)

H. K. SHAH
Partner
Membership No. 042758

Place : Ahmedabad
Date : April 26, 2010

For and on behalf of the Board

RAVI SHANKAR PRASAD SINGH
Manager

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 26, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

		2009-2010 Rupees	*For the period 09.09.2008 to 31.03.2009 Rupees*
A.	**Cash flow from Operating Activities**		
	Net Profit / (Loss) before tax & extraordinary items	**(2,650,526)**	*(479,054)*
	Adjustment for		
	Profit on sale of investments	**(3,368,306)**	*(75,955)*
	Dividend Received	**(1,846)**	–
	Interest Income	**(34,323)**	*(56,583)*
	Operating Profit before Working Capital changes	**(6,055,000)**	*(555,009)*
	Adjustments for		
	(Increase) / Decrease in Loans and Advances	**(11,239,946)**	*(14,927)*
	Increase / (Decrease) in trade payables	**85,655,254**	*704,367*
	Cash generated from Operations	**68,360,308**	*77,848*
	Direct taxes	**(1,081,839)**	*(108,484)*
	Net Cash from Operating Activities (A)	**67,278,469**	*(30,636)*
B.	**Cash Flow (used in) / generated from Investing Activities**		
	Purchase of Fixed Assets (including Preoperative Expenses)	**(2,726,284,958)**	*(7,269,387)*
	Purchase of Investments	**(385,000,000)**	*(7,075,955)*
	Sale of Investments	**385,000,000**	*7,075,955*
	Dividend Received	**1,846**	*75,955*
	Income from Investments	**3,368,306**	–
	Interest on FD	**34,323**	*56,583*
	Net Cash (used in) / from Investing Activities (B)	**(2,722,880,484)**	*(7,136,849)*
C.	**Cash Flow from Financing Activities**		
	Equity Capital Issued	**642,500,000**	*10,100,000*
	Advance against equity capital	**–**	*51,000*
	Secured Loans from Banks & Financial Institutions	**2,161,115,923**	–
	Net Cash (used in) / generated from Financing Activities (C)	**2,803,615,923**	*10,151,000*
	Net increase in Cash and Cash Equivalents (A+B+C)	**148,013,908**	*2,983,515*
	Cash and Cash Equivalents as at the beginning	**2,983,515**	–
	Cash and Cash Equivalents as at the end	**150,997,423**	*2,983,515*

Notes: 1 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.

2 Cash and Cash Equivalents represent cash and bank balances.

3 Previous figures regrouped whereever necessary.

As per our report attached

H. K. SHAH & CO.
Chartered Accountants
(ICAI Registration No. : 109583/W)

H. K. SHAH
Partner
Membership No. 042758

Place : Ahmedabad
Date : April 26, 2010

For and on behalf of the Board

RAVI SHANKAR PRASAD SINGH
Manager

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 26, 2010

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2010		*As at 31.03.2009*	
	Rupees	**Rupees**	*Rupees*	*Rupees*
SCHEDULE - A				
SHARE CAPITAL				
Authorised				
13,10,00,000 Equity Shares of Rs. 10 each		**1,310,000,000**		*100,000,000*
(Previous year: 1,00,00,000 Equity Shares of Rs. 10 each)				
Issued Subscribed & Paid-up				
6,52,65,100 Equity Shares of Rs. 10 each fully paid-up		**652,651,000**		*10,100,000*
(Previous year 10,10,000 Equity Shares of Rs. 10 each fully paid-up)				
(All shares are held by Larsen & Toubro Limited, the holding company and its nominees)				
TOTAL		**652,651,000**		*10,100,000*
SCHEDULE - B				
SECURED LOANS				
Long term Secured Loans				
From Banks				
Allahabad Bank	**372,600,000**		–	
Bank of Baroda	**103,500,000**		–	
Corporation Bank	**103,500,000**		–	
HDFC Bank	**153,100,000**		–	
Indian Bank	**207,000,000**		–	
OBC Bank	**320,800,000**		–	
Syndicate Bank	**289,800,000**		–	
Uco Bank	**351,900,000**			
		1,902,200,000		–
From Financial Institutions				
Indian Infrastructure Finance Co.Ltd. Loan A/c	**258,800,000**		–	
		258,800,000		–
Interest Accrued and due on term loans		**115,923**		–
(All the above term loans are secured by pari passu charges on all the immovable properties both present and future of the Company and hypothecation of tangible movable properties present & future including book debt, cash & bank balance, stock-in-trade, intangible assets, uncalled shares capital, etc.)				
(Amount due with in one year is Rs. NIL, *Previous Period Rs. NIL*)				
TOTAL		**2,161,115,923**		–

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

SCHEDULE - C

FIXED ASSETS

PARTICULARS	COST			DEPRECIATION / AMORTISATION				BOOK VALUE
	As at 01.04.2009 Rupees	Additions during the year Rupees	**As at 31.03.2010 Rupees**	Up to 31.03.2009 Rupees	For the Year Rupees	**As at 31.03.2010** Rupees	**As at 31.03.2010 Rupees**	*As at 31.03.2009 Rupees*
Tangible Assets								
Office Equipment	187,154	419,238	**606,392**	1,482	19,107	**20,589**	**585,803**	*185,672*
Furniture	285,763	536,822	**822,585**	12,736	161,109	**173,845**	**648,740**	*273,027*
Computers	539,853	462,750	**1,002,603**	34,827	185,292	**220,119**	**782,484**	*505,026*
Vehicle	–	910,147	**910,147**	–	28,821	**28,821**	**881,326**	–
Total	**1,012,770**	**2,328,957**	**3,341,727**	**49,045**	**394,329**	**443,374**	**2,898,353**	**963,725**
Previous Year	–	–	*1,012,770*	–	–	*49,045*	*963,725*	
Intangible Assets								
Capital Work in Progress	–	2,409,599,278	**2,409,599,278**	–	–	–	**2,409,599,278**	–
Total	**–**	**2,409,599,278**	**2,409,599,278**	**–**	**–**	**–**	**2,409,599,278**	**–**

	Opening Balance as at 01.04.2009 Rupees	For the Year Rupees	**Closing Balance as at 31.03.2010 Rupees**
SCHEDULE - D			
PRE-OPERATIVE EXPENSES			
Staff Cost	713,092	7,718,196	**8,431,288**
Contribution to and provided for			
Provident fund	–	283,334	**283,334**
Leave encashment	–	107,272	**107,272**
Gratuity	–	71,916	**71,916**
Office Expenses	1,819,910	4,691,497	**6,511,407**
Professional Fees	2,030,501	28,580,353	**30,610,854**
Club Membership Fees	350,000	–	**350,000**
Communication Expenses	8,450	298,145	**306,595**
Travelling and Conveyance	419,205	3,895,374	**4,314,579**
Rent	32,523	381,360	413,883
Depreciation	49,045	394,329	**443,374**
Miscellaneous Expenses	882,936	725,842	**1,608,778**
Utility Shifting Charges	–	5,330,050	**5,330,050**
Adminstrative Expenses	–	610,368	**610,368**
Bank & Finance Charges	–	48,967,653	**48,967,653**
Interest on term loan	–	47,618,549	**47,618,549**
Business Promotion Expenses	–	485,147	**485,147**
Payment to Client	–	161,730,002	**161,730,002**
Insurance	–	1,807,846	**1,807,846**
Printing & Stationery	–	328,819	**328,819**
Rates & Taxes	–	725,000	**725,000**
TOTAL	6,305,662	**314,751,052**	**321,056,714**

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

	As at 31.03.2010		*As at 31.03.2009*	
	Rupees	**Rupees**	*Rupees*	*Rupees*
SCHEDULE - E				
INVESTMENTS				
Investments		**–**		–
TOTAL		**–**		–

Additional Disclosure for Investments

Mutual Funds	**Face Value Rs. per unit**	**Unit Nos.**	**Cost in Rs.**
Details of Investments purchased and sold during the year			
HDFC CMF-Treasury Adv-Retail-Growth	**10.00**	1,371,327	26,500,000
HDFC CMF-Treasury Adv-Wholesale-Growth	**10.00**	6,166,694	121,000,000
HSBC Floating Rate Long Term - Growth Option	**10.00**	3,362,923	47,500,000
Principal Mutualfund FMP	**10.00**	1,764,527	25,000,000
Reliance Medium Term Fund	**10.00**	3,507,144	65,000,000
Religare Ultra Short Term Fund Growth Option	**10.00**	3,252,297	40,000,000
SBI Short Horizon Fund Ultra Short Term Plan	**10.00**	5,083,410	60,000,000
TOTAL			**385,000,000**

	As at 31.03.2010		*As at 31.03.2009*	
	Rupees	**Rupees**	*Rupees*	*Rupees*
SCHEDULE - F				
CURRENT ASSETS, LOANS AND ADVANCES				
Current Assets				
Cash and Bank Balances				
Balances with scheduled banks				
on current account	**104,563,100**		*2,983,515*	
Fixed Deposit with Banks (Including Interest Accrued thereon)	**46,434,323**		–	
		150,997,423		*2,983,515*
Loans and Advances				
Unsecured, Considered Good				
Advances recoverable in cash or in kind or for value to be received				
Holding Company - Larsen & Toubro Limited	**2,567,665**		–	
Others	**8,795,692**		*123,411*	
		11,363,357		*123,411*
TOTAL		**162,360,780**		*3,106,926*

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - G				
CURRENT LIABILITIES AND PROVISIONS				
Liabilities				
Sundry Creditors				
Due to Micro & Small Enterprises (refer note)	**–**		–	
Due to Larsen & Toubro Limited (Holding Company)	**29,605,697**		–	
Others	**40,099,147**		*704,367*	
		69,704,844		*704,367*
Provisions				
Income Tax	**1,098,814**		*16,975*	
Fringe Benefit Tax (FY 2008-09)	**92,000**		*92,000*	
Leave encahsment	**107,272**			
Gratuity	**71,916**			
Expenses	**15,393,750**		–	
		16,763,752		*108,975*
TOTAL		**86,468,596**		*813,342*

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	2009-2010		For the period 09.09.2008 to 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE - H				
OTHER INCOME				
Profit on sale of investments	**3,368,306**		–	
Dividend Income From Mutual Funds	**1,846**		*75,955*	
Interest on Fixed Deposit (Interest Accrued in F.Y. 2009-2010 Rs. 34,323) (TDS deducted at source Rs. NIL; *Previous year Rs. 11,657*)	**34,323**		*56,583*	
		3,404,474		*132,538*
TOTAL		**3,404,474**		*132,538*

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE - I

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") except for the revaluation of certain fixed assets, in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government. However, certain escalation and other claims, which are not ascertainable / acknowledged by customers, are not taken into account.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the 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 the useful lives 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 is recognized in the period in which the results are known.

2. 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.

3. Fixed Assets

Tangible

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

Intangible Assets and Amortization

Intangible assets are recognized as per the criteria specifies in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and are amortized as follows:

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 Cariage ways comprises construction cost and other preoperative costs incurred during the implementation phase.

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.

Pre-operative expenses incurred up to the date of commencement of commercial operations are capitalized.

4. Depreciation

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

Assets given under Concession Agreement to Gujarat State Road Development Corporation Limited are depreciated over the period for which they are required to be provided to Gujarat State Road Development Corporation Limited.

5. Intangible Assets and Amortization

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India.

6. Employee Benefits

Provisions for / contributions to retirement benefit schemes are made as follows (as per AS15):

a) Provident Fund on actual liability basis.

b) Gratuity based on actuarial valuation.

c) Leave Encashment benefit on retirement on actuarial valuation basis.

7. Investments

Current investments are carried at lower of cost or market value.

8. Taxes

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

9. Lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease.

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

10. Provisions and Contingent Liabilities

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

a. The Company has a present obligation as a result of a past event.

b. A probable outflow of resources is expected to settle the obligation and

c. The amount of the obligation can be reliably estimated.

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

Contingent Liability is disclosed in the case of

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

b. A possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized, not disclosed.

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

SCHEDULE - J

NOTES FORMING PART OF ACCOUNTS

1. The Profit and Loss Account has been drawn to comply with the provisions of the Companies Act, 1956. However, the Company has not commenced commercial operations.
2. The Company has been awarded 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 Concession is for a period of 20 years including the construction period. At the end of the 20 years the entire facility will be transferred to Gujarat State Road Development Corporation Ltd.
3. 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.
4. The Company is a service company and accordingly information required under paragraph 4(C) of Part II of Schedule VI to the Companies Act 1956 has not been furnished.
5. Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2010 is Rs.10,31,93,44,008 (One Thousand Thirty One Crores Ninety Three Lakhs Fourty Four Thousand Eight Only).
6. Computers given to GSRDCL under clause K to Schedule C of the Concession Agreement are depreciated over a period of three years.
7. Auditor's Remuneration(Excluding service tax):

Remuneration	**2009-2010**	*For the period 09.09.2008 to 31.03.2009*
Audit Fees	**1,81,183**	*50,000*
Total	**1,81,183**	*50,000*

8. (a) Provision for current tax has been made on interest income on short term deposits as per the provision of the Income Tax Act, 1961.
   (b) No provision has been made for Wealth Tax, as the Company does not have taxable wealth under the provisions of the Wealth Tax Act, 1952.
9. Employee Benefits:

   Provision for Gratuity is Rs. 71,796 as per the actuarial assumptions summarized below.

Summary of Actuarial Assumptions

A	**Principle rules to compute Benefit Obligations**		
	1	Salary recokoned for calculating Benefit Obligations	As per rules of the Company
	2	Normal Retirement Age	58 Years
	3	Benefit formula for Gratuity for all exits except death	A1 x Completed year of service x 15/26 subject to benefit having vested
	4	Benefit formula for Gratuity on death	Same as A3 but no vesting condition

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

B Mean Financial Assumptions

1	Interest Rate for discount per unit per annum	7.50%
2	Salary escalation rate per unit per annum	6.00%
3	Expected rate of return on Plan Assets per unit per annum	–

C Mean Demographic Assumptions

1	Mortality Rate	LIC 94-96 Rates
2	Attrition rate	5% for all age
3	Disability / ill health retirement	No explicit assumption

Provision for Leave Encashment is Rs. 1,07,272 as per actuarial assumptions summarized below.

Summary of Actuarial Assumptions

A Principle rules to compute Benefit Obligations

1	Salary recokoned for calculating Benefit Obligations	As per rule of the Company
2	Benefit formula for all exits	A1 * Leave Balance /30

B Mean Financial Assumptions

1	Interest Rate for discount per unit per annum	7.50%
2	Salary escalation rate per unit per annum	6.00%

C Mean Demographic Assumptions

1	Mortality Rate	LIC 94-96 Rates
2	Attrition rate	5% for all age
3	Disability / ill health retirement	No explicit assumption

10. Disclosure of Related Parties / Related Party Transactions

A. List of Related Parties

Holding company	:	Larsen & Toubro Limited
Fellow subsidiaries	:	L&T Ahmedabad-Maliya Tollway Private Limited
	:	L&T Rajkot - Vadinar Tollway Private Limited
	:	L&T Interstate Road Corridor Limited
	:	L&T Transco Private Limited
	:	L&T Infrastructure Development Projects Limited
	:	L&T Urban Infrastructure Limited
	:	L&T Port Sutrapada Limited

B. Transactions with Related Parties and amounts due to / due from related parties

S.	Name of Related Party	Amount of Transactions	Amount Due to (In Rupees)	Amount Due from (In Rupees)
1.	Larsen & Toubro Limited (Holding Company)			
	I. Subscription of Equity	65,26,51,000 *(1,01,51,000)*	–	–
	II. EPC Progressive cost	1,31,95,99,278	2,96,05,697	–
	III. Mobilization Advance	109,00,00,000	–	–
	IV. Reimbursement of Expenses	1,46,68,390 *(6,08,000)*	–	25,67,665
2.	L&T Ahmedabad-Maliya Tollway Private Limited (Fellow Subsidiary)	36,90,781 *(8,334)*	NIL	NIL
3.	L&T Rajkot - Vadinar Tollway Private Limited (Fellow Subsidiary)	65,18,971	NIL	NIL
4.	L&T Interstate Road Corridor Limited (Fellow Subsidiary)	706899	NIL	NIL
5.	L&T Transco Private Limited (Fellow Subsidiary)	15,15,476 *(1,23,476)*	NIL	NIL

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

S.	Name of Related Party	Amount of Transactions	Amount Due to (In Rupees)	Amount Due from (In Rupees)
6.	L&T Infrastructure Development Projects Limited (Fellow subsidiary)			
	I Reimbursement of Expenses	1,81,133 *(16,91,534)*	NIL	NIL
	II Facility Management Charges	43,72,624		
	III Cost of Services	18,19,710 (4,35,814)		
7.	L&T Urban Infrastructure Limited (Fellow subsidiary)	202385	NIL	NIL
8.	L&T Port Sutrapada Limited	46,145	NIL	NIL

Previous period figures are given in brackets

C. No amount due to / due from has been written off or written back during the period.

11. The Company has taken premises on cancelable operating lease. Lease rent amounting to Rs. 381,360 has been included in pre-operative expenses for the year.

12. Basic and Diluted Earnings per share (EPS) computed in accordance with Accounting standard (AS) 20 'Earnings per share':

	(Amount in Rupees)	
Particulars	**2009-2010**	*2008-2009*
Basic / Diluted		
Profit after Tax (PAT)	**(3,732,364.77)**	*(588,029.00)*
PAT available to equity shareholders	**(3,732,364.77)**	*(588,029.00)*
Number of equity shares	**65,265,100.00**	*1,010,000.00*
Basic / Diluted EPS (There is no dilutive equity)	**(0.06)**	*(0.58)*

13. Fees paid to Registrar of Companies for increase in authorized capital have been charged to Profit and Loss Account.

14. The provisions of the following Accounting Standards are not applicable since:

a. The Company is yet to commence commercial operations:

Deferred Tax	– AS 22
Impairment of Assets	– AS 28

b. The Company does not have transactions / event to which the provisions for the following Accounting Standards apply:

Valuation of Inventories	– AS 2
Construction Contracts	– AS 7
The Effects of Changes In Foreign Exchange Rates	– AS 11
Accounting For Government Grants	– AS 12
Accounting For Amalgamation	– AS 14
Segment Reporting	– AS 17

15. Figures of the previous year have regrouped / reclassified wherever necessary.

As per our report attached

H. K. SHAH & CO.
Chartered Accountants
(ICAI Registration No. : 109583/W)

H. K. SHAH
Partner
Membership No. 042758

Place : Ahmedabad
Date : April 26, 2010

For and on behalf of the Board

RAVI SHANKAR PRASAD SINGH
Manager

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 26, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. U45203TN2008PTC069210 State Code 18

Balance Sheet Date 31 03 2010 (Date Month Year)

II. Capital raised during the Year (Amount in Rs. Thousands)

Public Issue: NIL | Rights Issue: NIL

Bonus Issue: NIL | Private Placement: 642551

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities: 28137677 | Total Assets: 28137677

Sources of Funds

Paid-up Capital (Including Advance against Share Capital): 652651 | Reserves & Surplus: NIL

Secured Loans: 216116 | Unsecured Loans: NIL

Application of Funds

Net Fixed Assets (Including Pre-operative Expenses): 27335544 | Investments: NIL

Net Current Assets / (Liabilities): + 75892 | Miscellaneous Expenditure: NIL

Accumulated Losses: 4320

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Including other income): 3404 | Total Expenditure: 6055

+ / − Profit / Loss before tax: − 2651 | + / − Profit / Loss after tax: + 4320

+ / − Earning per Share in Rs.: − 0.06 | Dividend Rate %: NIL

V. Generic Names of Three Principal Products / Services of the Company (as per monetory terms)

Item Code No. N.A.

Product Description INFRASTRUCTURE PROJECT ON BOT BASIS

For and on behalf of the Board

RAVI SHANKAR PRASAD SINGH *Manager*

T. S. VENKATESAN *Director*

B. RAMAKRISHNAN *Director*

Place : Chennai
Date : April 26, 2010