

DIRECTORS' REPORT

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

1. FINANCIAL RESULTS

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

Particulars	31.03.2012	31.03.2011
EQUITY AND LIABILITIES		
Shareholders' Funds	14,821	9,625
Non-Current Liability	88,004	45,193
Current Liability	29,696	9,573
TOTAL	132,521	64,391
ASSETS		
Non-Current Assets	131,792	60,561
Current Assets	728	3,830
TOTAL	132,521	64,391

2. PERFORMANCE OF THE COMPANY

- Refinancing of Term Loans have led to substantial reduction in Interest Rates for senior debt from 14.25% to 11.70%
- The project is a connectivity between the rapidly industrializing Sanand region and the Kandla & Mundra ports of Gujarat

3. DIVIDEND

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

4. CAPITAL EXPENDITURE

As at March 31, 2012, the gross fixed assets (tangible) stood at Rs. 240.23 lakhs and the net fixed assets (tangible) stood at Rs. 219.03 lakhs. And Capital work in progress (tangible) stood at Rs. 1760.85 lakhs.

The gross Intangible assets under development (Toll Collection Rights) stood at Rs. 1,29,800.53 lakhs.

5. DEPOSITS

The Company has not accepted any deposits from the public.

6. AUDITORS' REPORT

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

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

A. Conservation of Energy

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

B. Technology Absorption

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

C. Foreign Exchange Earnings and Outgo

During the year, the expenditure in foreign currency was Rs. 3, 12, 98,303/- (previous year Rs.3,25,34,433).

During the year earnings in Foreign currency was Nil (Previous year 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 March 23, 2010, Mr.Niraj Kumar 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 as a Director of the Company with effect from August 8, 2011. The Board of Directors of the Company expressed their appreciation for the valuable contribution of 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 M.K. Dandekar & 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.

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. G.K. Choksi & Co.. Ahmedabad have been appointed to carry out the Internal Audit of the Company.

G) INTERNAL CONTROL

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

H) SECRETARIAL AUDIT

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

15. 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 25, 2012

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

AUDITORS' REPORT

TO THE MEMBERS OF L&T AHMEDABAD-MALIYA TOLLWAY LIMITED

We have audited the attached Balance Sheet of **L&T AHMEDABAD MALIYA TOLLWAY LIMITED** as at March 31, 2012 and also the Statement of Profit and Loss 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 the 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 evaluating 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 (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
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 purposes of the 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of accounts;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and 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 the written representations received from the Directors of the Company as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - (f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies and notes appearing thereon, 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 Statement of Profit and Loss, of the Loss for the year ended on that date;
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

M. K. DANDEKER & CO.
Chartered Accountants
Firm Registration No. 000679S

K. J. DANDEKER
Partner
Membership No. 018533

Place : Chennai
Date : April 25, 2012

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of the report of the Auditors to the Members of L&T AHMEDABAD MALIYA 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 are informed that the management of the Company has physically verified during the year all its fixed assets and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed of any of its fixed assets so as to affect the going concern status.
- (ii) The Company is engaged in the business of infrastructure development and maintenance and hence the clauses 4(ii)(a), (b) & (c) of the Companies (Auditor's Report) Order, 2003 relating to inventory are not applicable.
- (iii) According to the information & explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence reporting under clause-4 (iii) (b) to (g) of the Companies (Auditor's Report) Order, 2003 does not arise.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase of fixed assets. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and hence reporting under clause 4(v)(b) of the Companies (Auditor's Report) Order 2003 does not arise.
- (vi) The Company has not accepted deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act 1956. Hence Clause 4 (vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (vii) In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Company is not required to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956. Hence reporting under clause 4(viii) of the Companies (Auditor's Report) Order 2003 does not arise.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues, Income tax, and other statutory dues during the year with the appropriate authorities. As at March 31, 2012, there are no undisputed statutory dues payable for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute of income tax.
- (x) The Company has been registered for a period less than five years and hence reporting under clause 4(x) of the companies (Auditor's Report) Order, 2003 regarding accumulated losses and cash losses does not arise.
- (xi) The Company has not defaulted in repayment of dues to any banks or financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures. However, the surplus funds have been invested in mutual funds. Proper records have been maintained for the transactions and contracts for the investment in mutual funds and are updated on a timely basis. The investments have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not taken term loans and hence reporting on their application under clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 does not arise.
- (xvii) According to the information and explanation given to us, the Company has not raised funds on short term basis. Hence, the provisions of clause 4 (xvii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company has not issued debentures during the year. Accordingly, no security or charge needs to be created.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and the records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

M. K. DANDEKER & CO.

*Chartered Accountants
Firm Registration No. 000679S*

K. J. DANDEKER

*Partner
Membership No. 018533*

*Place : Chennai
Date : April 25, 2012*

BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at 31.03.2012 Rupees	Rupees	As at 31.03.2011 Rupees	Rupees
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	1	1,490,000,000		970,151,000	
Reserves & surplus	2	(7,941,765)		(7,434,647)	
			1,482,058,235		962,716,353
Non-current liabilities					
Long-term borrowings	3		8,800,371,032		4,519,300,000
Current liabilities					
Other current liabilities	4	2,968,831,966		956,774,330	
Short-term provisions	5	802,490		395,367	
			2,969,634,456		957,169,697
			13,252,063,723		6,439,186,050
ASSETS					
Non-current assets					
Fixed assets	6				
(i) Tangible assets		21,903,457		3,977,786	
(ii) Capital work-in-progress		176,084,929		76,000,662	
(iii) Intangible assets under development		12,980,053,613		5,210,412,157	
Long-term loans and advances	7	1,197,480		765,809,139	
			13,179,239,478		6,056,199,744
Current assets					
Cash and bank balances	8	71,129,562		374,281,434	
Short-term loans and advances	9	1,694,684		8,704,872	
			72,824,245		382,986,306
			13,252,063,723		6,438,965,450
SIGNIFICANT ACCOUNTING POLICIES	10				

The accompanying notes are an integral part of financial statement.

As per our report attached

M. K. DANDEKER & CO.

Chartered Accountants

ICAI Registration No. 000679S

For and on behalf of the Board

K. J. DANDEKER

Partner

Membership No. 018533

NIRAJ KUMAR

Manager

T. S. VENKATESAN

Director

B. RAMAKRISHNAN

Director

Place : Chennai

Date : April 25, 2012

Place : Chennai

Date : April 25, 2012

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

	Note No.	2011-2012 Rupees	2010-2011 Rupees
REVENUE		–	–
EXPENSES			
Audit fees		286,518	–
Profit/(loss) before exceptional items		(286,518)	(220,600)
Exceptional items		–	–
Profit/(loss) before extraordinary items		(286,518)	–
Extraordinary items		–	–
Profit/(loss) after exceptional and extraordinary items		(286,518)	–
Prior Period expenses / (income)		220,600	(765,338)
Profit/(loss) before tax		(507,118)	(765,338)
Tax expense:			
Current tax		–	–
Profit/(loss) after tax		(507,118)	(765,338)
Earnings per Equity share			
- Basic & Diluted		(0.005)	(0.012)
- Face value per share		10.00	10.00
SIGNIFICANT ACCOUNTING POLICIES	10		

The accompanying notes are an integral part of financial statement.

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.
Chartered Accountants
ICAI Registration No. 000679S

K. J. DANDEKER
Partner
Membership No. 018533

NIRAJ KUMAR
Manager

T. S. VENKATESAN
Director

B. RAMAKRISHNAN
Director

Place : Chennai
Date : April 25, 2012

Place : Chennai
Date : April 25, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	2011-2012 Rupees	2010-2011 Rupees
A. Cash Flow from operating activities		
Net Profit/(Loss) before tax & extraordinary items	(507,118)	—
Adjustment for :	—	—
Prior period expenses / (income)	—	(765,338)
Operating Profit before working capital changes	(507,118)	(765,338)
Adjustments For :	—	—
Cash generated from operations	(507,118)	(765,338)
Direct taxes provision	—	—
Net Cash from Operating Activities (A)	(507,118)	(765,338)
B. Cash Flow from Investing activities :		
Purchase of Fixed Assets (including Preoperative Expenses)	(7,887,651,393)	(4,482,569,133)
(Increase) / Decrease in loans and advances	7,010,188	59,380,877
(Increase) / Decrease in long term loans and advances	764,611,659	233,211,575
Increase / (Decrease) in current liabilities & provisions	2,012,464,760	803,855,243
Net Cash / (used in) from Investing Activities (B)	(5,103,564,786)	(3,386,121,438)
C. Cash Flow from Financing Activities :		
Equity share capital received	519,849,000	340,000,000
Advance against equity capital	—	—
Secured Loans from Banks & Financial Institutions received	10,713,171,032	3,288,065,748
Secured loans repaid to Banks and Financial Institutions	(6,432,100,000)	—
Net cash/ (used in) from Financing Activities (C)	4,800,920,032	3,628,065,748
Net increase in cash and cash equivalents (A+B+C)	(303,151,872)	241,178,972
Cash and Cash equivalents as at the beginning	374,281,434	133,102,462
Cash and Cash equivalents as at the end	71,129,562	374,281,434

Notes:

- 1 Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3."Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.
- 2 Cash and cash equivalents represent bank balances in current account & Fixed deposit with banks.
- 3 Purchase of fixed assets includes movement of capital work-in-progress and pre operative expenses during the year.
- 4 Previous years figures have been regrouped wherever necessary.

As per our report attached

For and on behalf of the Board

M. K. DANDEKER & CO.

Chartered Accountants

ICAI Registration No. 000679S

K. J. DANDEKER

Partner

Membership No. 018533

NIRAJ KUMAR

Manager

T. S. VENKATESAN

Director

B. RAMAKRISHNAN

Director

Place : Chennai

Date : April 25, 2012

Place : Chennai

Date : April 25, 2012

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	Rupees	No. of Shares	Rupees
1 SHARE CAPITAL				
Authorised:				
Equity Shares of Rs.10/- each	15,00,00,000	1,500,000,000	15,00,00,000	1,500,000,000
Issued, Subscribed and Paid:				
Equity Shares of Rs.10/- each fully paid up	149,000,000	1,490,000,000	97,015,100	970,151,000
TOTAL		1,490,000,000		970,151,000

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

At the beginning of the period	97,015,100	970,151,000	63,015,100	630,151,000
Issued during the year as fully paid	51,984,900	519,849,000	34,000,000	340,000,000
Outstanding at the end of the period	149,000,000	1,490,000,000	97,015,100	970,151,000

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, if any, 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:

	As at 31.03.2012	As at 31.03.2011
	Rupees	Rupees
Holding Company, L&T Infrastructure Development Projects Limited & Its nominies		
14,89,99,900 equity shares of Rs.10 each fully paid up	1,489,999,000	970,150,000
Ultimate holding Company, Larsen and Toubro Limited		
100 equity shares of Rs.10 each fully paid up	100	1,000

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

	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 nominies	148,999,900	100.00%	97,015,000	100.00%

2 RESERVES & SURPLUS

	As at 31.03.2012	As at 31.03.2011
	Rupees	Rupees
Surplus / (deficit) in the Statement of Profit and Loss		
Balance as per the last financial statement	(7,434,647)	(6,669,309)
Add: Profit for the period	(507,118)	(765,338)
TOTAL	(7,941,765)	(7,434,647)

NOTES TO FINANCIAL STATEMENTS (Contd.)**3 LONG TERM BORROWINGS**

	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
a) Term loans				
Secured Loan				
From Banks		8,296,220,032		3,991,200,000
From Financial Institutions:		–		528,100,000
b) Loans and advances from related parties	–		–	
Unsecured Loan				
L&T Infrastructure Development Projects Limited		504,151,000		–
TOTAL		8,800,371,032		4,519,300,000

Details of Terms of Secured Loans as at March 31, 2012:

Particulars	Details
1. Interest rate	i) Floating rate i.e., Base rate of Bank of India (Lead Bank) plus 95 basis points as on March 31, 2012. Payable on monthly basis
2. Repayment terms	i) 46 quarterly unequal installments which ranges from Rs. 29,95,000/- to Rs. 23,36,10,000/-. ii) Repayment starts from April 2013 and last repayment date is July 2024.
3. Security for the term loans	All the above term loans are secured by pari passu first charge 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 share capital, etc. except project assets as defined in the concession agreement.
4. Presentation of Term Loans in the Balance Sheet	i) Long Term borrowings Rs. 829,62,20,032/-

4 OTHER CURRENT LIABILITIES

	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
Other payables				
- Due to Ultimate Holding Company	2,815,791,294		419,675,490	
- Due to Holding Company	–		1,840,639	
- Due to Fellow Subsidiaries	–		759,397	
- Statutory liabilities	38,526,428		40,722,913	
- Others	114,514,245		493,775,891	
		2,968,831,966		956,774,330
TOTAL		2,968,831,966		956,774,330

5 SHORT TERM PROVISIONS

	As at 31.03.2012	Short-term	As at 31.03.2011
Provisions for Employee Benefits			
Provision for Gratuity	366,891		159,001
Provision for Leave Encashment	435,599		236,366
	802,490		395,367

NOTES TO FINANCIAL STATEMENTS (Contd.)**6 FIXED ASSETS**

PARTICULARS	COST				DEPRECIATION / AMORTIZATION				BOOK VALUE	
	As at 01.04.2011	Additions	Deletions	As at 31.03.2012	Upto 31.03.2011	For the year	Deductions	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
TANGIBLE ASSETS										
Computers	1,023,556	2,076,285	–	3,099,841	390,673	598,013	–	988,686	2,111,155	632,883
Furniture & Fixtures	650,520	–	–	650,520	177,552	70,244.00	–	247,796	402,724	472,968
Office Equipment	679,160	1,034,772	–	1,713,932	87,525	378,916.00	–	466,441	1,247,491	591,635
Vehicles	–	17,346,176	1,067,033	16,279,143	–	417,356.00	–	417,356	15,861,787	–
Land	2,280,300	–	–	2,280,300	–	–	–	–	2,280,300	2,280,300
TOTAL	4,633,536	20,457,233	1,067,033	24,023,736	655,750	1,464,529	–	2,120,279	21,903,457	3,977,786
Previous year	4,332,147	314,379	12,990.00	4,633,536	210,665	445,445	360	650,750		
Capital Work in Progress	76,000,662	100,084,267	–	176,084,929	–	–	–	–	176,084,929	76,000,662
Grand Total									197,988,386	79,978,448
INANGIBLE ASSETS										
Intangible assets under development	5,210,412,157	7,769,641,156	–	12,980,053,613	–	–	–	–	12,980,053,613	5,210,191,557
(Included preoperative expenses pending capitalisation, Refer note 6.1)										
GRAND TOTAL	5,210,191,557	7,769,862,056		12,980,053,613					12,980,053,613	5,210,191,557

6.1 PREOPERATIVE EXPENSES PENDING CAPITALISATION

	Opening Balance as at 01.04.2011 Rupees	2011-2012 Rupees	Closing Balance as at 31.03.2012 Rupees
Staff Cost	20,593,682	25,486,408	46,080,090
Contribution to & Provision for:			
Provident Fund	715,869	762,320	1,478,189
Leave Encasement	236,366	199,233	435,599
Gratuity	159,001	207,890	366,891
Office Expenses	13,662,009	10,120,675	23,782,684
Professional Fees	84,185,632	59,391,240	143,576,872
Communication Expenses	800,136	469,080	1,269,216
Travelling and Conveyance	14,741,020	14,669,390	29,410,410
Rent, Rates & Taxes	1,760,302	4,435,419	6,195,721
Fees paid to GSRDCL under Concession Agreement	203,072,004	2	203,072,006
Bank & Finance Charges	68,297,044	63,295,885	131,592,929
Interest on term loan			–
Banks	305,008,472	831,871,001	1,136,879,473
Financial Institutions	38,961,961	68,592,678	107,554,639
Insurance	6,554,860	4,803,620	11,358,480
Printing & Stationery	415,922	319,582	735,504
Power & Fuel	164,698	778,002	942,700
Miscellaneous Expenses	12,072,223	4,577,544	16,649,766
Mobilisation expenses	–	446,994	446,994
Fixed assets written off	–	1,067,033	1,067,033
Depreciation	656,110	1,464,529	2,120,639
	772,057,312	1,092,958,524	1,865,015,835
Less: Income from short term investment of funds			
For current year	2,437,467	3,268,102	5,705,568
For previous years	765,338	–	765,338
Audit fees for previous year	–	220,600	–
TOTAL	768,854,508	1,089,469,822	1,858,544,929

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2012	As at 31.03.2011
	Rupees	Rupees
7 LONG TERM LOANS AND ADVANCES		
Capital advances		
Unsecured, Considered good	–	765,784,139
Security Deposit		
Unsecured, Considered good	1,197,480	25,000
TOTAL	1,197,480	765,809,139
8 CASH AND BANK BALANCES		
Balances with banks		
on Current account	34,917,137	373,261,227
on Term deposit including interest accrued thereon	35,090,593	–
on Margin Money Deposit including interest accrued thereon	1,121,832	1,020,207
TOTAL	71,129,562	374,281,434
Margin Money Deposit given as security against Bank Guarantee furnished to Department of Telecommunication.		
9 SHORT TERM LOANS AND ADVANCES		
Security Deposit		
Unsecured, Considered good	118,700	85,050
Other loans and advances		
Unsecured, Considered good	943,610	5,116,907
Advance tax net of earlier years provision	632,374	3,502,915
TOTAL	1,694,684	8,704,872
10 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 Standard) 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 payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus are recognized in the period in which the employee renders the related service.

(ii) Post-Employment Benefits**Defined Contribution Plans**

Provident fund contribution is made to State Governed Recognized Provident Fund. The contribution paid / payable under the schemes is recognized during the period in which the employee renders the related service.

NOTES TO FINANCIAL STATEMENTS (Contd.)

(iii) Long Term Employee Benefits

The obligation for long term employee benefits like long term compensated absences, gratuity etc. 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.

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 Companies (Accounting Standards) Rules 2006.

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 Toll Collection Rights 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. However where the rate of depreciation provided in Schedule XIV of the Companies Act, 1956 does not depreciate the asset fully over the period of concession, such tangible assets are depreciated over the period of rights given under the Concession Agreement. Where there is a revision of the estimated useful life of an asset, the unamortized depreciable amount is charged over the revised remaining useful life.

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

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

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.

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

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:

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

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

Recoverable amount is determined:

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

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

k. Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - (i) the Company has a present obligation as a result of a past event.
 - (ii) a probable outflow of resources is expected to settle the obligation, and
 - (iii) the amount of the obligation can be reliably estimated.
- b) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- c) Contingent Liability is disclosed in the case of
 - 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.

11 CORPORATE INFORMATION

The Company has been awarded Gujarat State Road Development Corporation Limited on Build Operate and Transfer (BOT) basis, the widening of existing two-lane, 181.06 kilometers Road stretch covering Ahmedabad-Viramgam-Maliya 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 October 12, 2009. The Concession is for a period of 22 years including the construction period from the date of appointment. At the end of the 22 years the entire facility will be transferred to Gujarat State Road Development Corporation Ltd.

The Company has received a Provisional Certificate of Completion on April 8, 2012 for Section 3 Dhrangadhra - Halvad of the project. This section is 25.484 kms in length from chainage 126.000 to 151.484 of State Highway no 7.

12 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.

13 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

14 Capital and other commitments:

- (i) Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2012 is Rs. 142,71,85,790/ (PY Rs. Rs. 667,28,03,043/-).
- (ii) Letter of credit outstanding as on March 31, 2012 Rs. 1,31,36,38,928/-.

15 Earnings Per Share

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

Particulars	2011-2012	2010-2011
	Rupees	Rupees
Basic / Diluted		
Profit after tax as per accounts	(507,118)	(765,338)
PAT available to Equity share holders	(507,118)	(765,338)
Total / Weighted average number of shares	130,521,129	65,508,251
Basic / Diluted EPS	(0.005)	(0.012)

16 GRATUITY AND OTHER POST EMPLOYMENT BENEFITS

1. Gratuity		
A. Results of Actuarial Valuation		
1. Valuation as on	31.3.2012	31.3.2011
2. Retirement Age	58 Years	58 Years
3. No of Employees	31	13
4. Present Value of Benefit Obligations	366,891	159,001
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	31	13
2. Projected actuarial value of benefit obligation in Rupees	435,599	236,366
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 is made to regional provident fund office

NOTES TO FINANCIAL STATEMENTS (Contd.)

17 DEFERRED TAX

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.

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	2011-2012	2010-2011
	Rupees	<i>Rupees</i>
For Statutory audit	286,518	220,600
For Tax audit	–	–
For Other services	147,701	116,482
Reimbursement of expense	39,858	64,027
TOTAL	474,077	401,109

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

Particulars	FY 2011-12	FY 2010-11
	Rupees	<i>Rupees</i>
Purchase of Highway traffic management system and toll software	31,298,303	32,534,433

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 Rajkot Vadinar Tollway Limited
	L&T Transco Private Limited
	L&T Urban Infrastructure Limited
	L&T Halol Shamlaji Tollway Limited
	L&T Vadodara Bharuch Tollway Limited
	L&T PNG Tollway Limited
	L&T Seawoods Private Limited
	L&T Samakhiali Gandhidham Tollway Limited
	L&T Panipath Elevated Corridor Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)**B. Transactions with related parties:**

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						
1. Equity Capital Money	519,849,000	Nil	Nil	340,000,000	Nil	Nil
2. Promoters Mezzanine Debt	504,151,000	Nil	Nil	–		
3. Cost of Service	–	Nil	Nil	1,790,368	356,807	Nil
4. Purchase of goods and services	12,595,830	Nil	Nil	4,950,102	1,405,285	Nil
6. Reimbursement of Expenses	58,002	Nil	Nil	1,226,069	1,048,478	Nil
Larsen & Toubro Limited						
1. Subscription of Equity	Nil	Nil	Nil	Nil	Nil	Nil
2. Mobilization of Advance	765,784,129	Nil	Nil	233,111,575	Nil	765,784,139
3. EPC Progress Invoice	6,203,514,521	2,819,487,448	Nil	3,541,841,104	419,630,628	Nil
5. Cost of Services	163,792	Nil	Nil	412,426	Nil	Nil
6. Reimbursement of Expenses	4,042,167	Nil	3,696,155	6,288,890	Nil	Nil
L&T Rajkot Vadinar Tollway Limited						
Reimbursement of Expenses from	114,979	Nil	Nil	213,870	Nil	Nil
Reimbursement of Expenses to	104,000	Nil	Nil			
L&T Transco Private Limited						
Reimbursement of Expenses to	14,162,517	Nil	Nil	2,900,494	759,391	Nil
Purchase of goods and services	877,482	Nil	Nil			
L&T Urban Infrastructure Limited						
Reimbursement of Expenses to	Nil	Nil	Nil	27,924	Nil	Nil
L&T Halol Shamlaji Tollway Limited						
Reimbursement of Expenses from	401,745	Nil	Nil	55,333	Nil	Nil
Reimbursement of Expenses to	21,325	Nil	Nil			
L&T Vadodara Bharuch Tollway Limited						
Reimbursement of Expenses to	58,711	Nil	Nil	Nil	Nil	Nil
L&T Seawoods Private Limited						
Reimbursement of Expenses to	Nil	Nil	Nil	15,635	Nil	Nil
L&T Samakhiali Gandhidham Tollway Limited						
Reimbursement of Expenses from	5,854	Nil	Nil	3,901,352	Nil	Nil
L&T Panipat Elevated Corridor Limited						
Reimbursement of Expenses to	29,651	Nil	Nil	Nil	Nil	Nil

22 The Company has taken premises on cancelable operating lease. Lease rent amounting to Rs. 34,09,183 (PY Rs. 9,70,823) has been included in pre-operative expenses for the year

23 PREVIOUS YEAR FIGURES

The Company was using the Pre-revised Schedule VI to the Companies Act, 1956, for the preparation and presentation of its financials statements til the year ended March31, 2011. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. 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

M. K. DANDEKER & CO.

Chartered Accountants

ICAI Registration No. 000679S

K. J. DANDEKER

Partner

Membership No. 018533

NIRAJ KUMAR

Manager

T. S. VENKATESAN

Director

B. RAMAKRISHNAN

Director

Place : Chennai

Date : April 25, 2012

Place : Chennai

Date : April 25, 2012