DIRECTORS' REPORT

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

1. **FINANCIAL RESULTS**

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

Amount (₹ Lakhs)

Description	**2013-14**	2012-13
Profit before depreciation & tax	**(4502.24)**	(1839.59)
Depreciation	**-1263.57**	1918.75
Profit / (Loss) before tax	**(3238.67)**	(3758.34)
Prior Period Adjustments	**–**	–
Provision for tax	**–**	–
Profit / (Loss) after tax	**(3238.67)**	(3758.34)
Balance brought forward from Previous year	**(3845.96)**	(87.62)
Balance carried to Balance Sheet	**(7084.64)**	(3845.96)

2. **PERFORMANCE OF THE COMPANY**

   The Company has commenced operation during the year 2012-13. The Total Income for 2013-14 is ₹ 3805.66 lacs. Profit After Tax (PAT) for 2013-14 is ₹ 3238.67 lacs.

3. **APPROPRIATION**

   Appropriation of profits is not applicable to the Company

4. **DIVIDEND**

   The Board of Directors has not recommended any dividend for the year 2013-14.

5. **CAPITAL EXPENDITURE (₹ LAKHS)**

   As at March 31, 2014, the gross fixed assets stood at ₹ 169823.14 Lakhs and the net fixed assets stood at ₹ 169142.62 Lakhs. As at March 31, 2014, the Intangible Assets under Development stood at NIL.

6. **DEPOSITS**

   Your Company has not accepted any deposits from the public.

7. **AUDITORS' REPORT**

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

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

   A. **CONSERVATION OF ENERGY**

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

   B. **TECHNOLOGY ABSORPTION**

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

   C. **FOREIGN EXCHANGE EARNINGS AND OUTGO (₹Lakhs)**

      i. Expenditure in foreign currency : NIL

      ii. CIF value of Imports (in Rupees) : NIL

9. **DISCLOSURE OF PARTICULARS**

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

10. **PARTICULARS OF EMPLOYEES**

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

    Mr. Mahaveer S Dasharathana resigned as a Manager on 16.08.2012. Consequent upon his resignation, Mr. Sanjay Prabhakar Ingle was appointed as the Manager of the Company under the Companies Act,1956 with effect from 16.08.2012.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company confirms:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
2. that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a going concern basis.
5. that proper systems are in place to ensure compliance of all laws applicable to your Company.

12. DIRECTORS

Mr. T. S. Venkatesan Mr. Karthikeyan T. V., Mr. Satish D. Parakh and Mr. Manoj Dave constitute the Board of Directors of your Company.

During the year, there was no change in the Directorships of the Company.

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

13. AUDIT COMMITTEE

The Members of the Audit Committee are:

1. Mr. T. S. Venkatesan
2. Mr. Karthikeyan T. V. and
3. Mr. Satish D. Parakh

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

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

14. STATUTORY AUDITORS

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

Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 139(1) of the Companies Act, 2013.

15. SUBSIDIARY COMPANIES

Your Company has no Subsidiary Companies.

16. INTERNAL AUDITORS

M/s Price Waterhouse Coopers are the Internal Auditors of the Company.

17. INTERNAL CONTROL

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

18. MAINTENANCE OF COST AUDIT COMPLIANCE REPORT

Pursuant to the provisions of Rule 5 of The Companies (Cost Accounting Records) Rules, 2011, your Company is required to obtain a cost audit compliance report from a Practicing Cost Accountant and the same is required to be filed with the Ministry of Corporate Affairs.

The Board of your Company will identify a Practicing Cost Accountant for this purpose, obtain prescribed compliance certificate accordingly and file the same with the Ministry of Corporate Affairs.

19. ACKNOWLEDGEMENTS

The Directors acknowledge the invaluable support extended to the Company by the financial institutions, bankers, employees of the Company, staff and management of the parent company.

For and on behalf of the Board

Place : Chennai	**T. S. VENKATESAN**	**KARTHIKEYAN T. V.**
Date : May 6, 2014	*Director*	*Director*

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PNG TOLLWAY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **PNG TOLLWAY LIMITED**, which comprise the Balance Sheet as at March 31, 2014, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014,

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

c) in case of the Cash flow Statement, of the cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the Note no. E(II)(a), regarding change in the policy of amortization of intangible assets from straight line method to amortisation based on "Revenue Model" (in terms of Notification dated April 17, 2012 issued by the Ministry of Corporate Affairs for Toll based assets) resulting in the charge for the year being lower by ₹ 17,11,66,035. Had the Company continued to charge amortisation based on straight line method for such asset, the loss for the year would have been higher by ₹ 54,29,31,707 and the value of Toll Collection Rights would have been lower by the same amount.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 of the Order.
2. As required by Section 227(3) of the Act, we report that :
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

   e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014, from being appointed as a director in terms of Para (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For GIANENDER& ASSOCIATES
Chartered Accountants
Firm Regn. No. 004661N

G. K. AGRAWAL
Partner
M. No. 081603

Place : Chennai
Date : May 6, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

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

RE: PNG TOLLWAY LIMITED

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

b) The Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, during the year no substantial disposal of fixed assets of the Company has taken place which would have affected its going concern status.

(ii) The Company is engaged in the business of infrastructure development and maintenance and hence Para 4 (ii) (a), (b) and (c) of the companies (Auditor's report) Order 2003 relating to inventory are not applicable.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured, to any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 the provision of paragraph 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the provision of paragraph 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for toll collection. During the course of our audit, we have not observed any major weakness in internal control system. Further, the provision of Paragraph 4(iv) with respect to sale of goods and purchase of inventory are not applicable to the Company.

(v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, there are no particulars of contracts or arrangement during the year which are required to be entered in the register maintained pursuant to Section 301 of the Companies Act, 1956.

(b) paragraph 4(ii)(b) of the said order is not applicable, as there are no such transactions during the year.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and relevant rules framed there under are not acceptable to the Company.

(vii) In our Opinion, the Company has an internal audit system commensurate with its size and nature of business.

(viii) According to the information and explanations given to us, we are of the opinion that prima facie, cost records prescribed, pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, are made and maintained.

(ix) (a) The Company is generally regular in depositing all undisputed statutory dues relating to Income tax deducted at source, service tax and value added tax. We are informed that the provision of Provident Fund, Investor Education Protection Fund, Employee's State Insurance, Wealth Tax, Custom duty, Excise Duty, Cess is not applicable to the Company. As per records produced before us, there are no undisputed dues which were outstanding as on March 31, 2014 for a period over six month from the date of same become payable.

(b) According to information and explanation given to us, there are no statutory dues pending in respect of income-tax, sales tax, Value Added Tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute.

(x) The Company has accumulated losses which are more than fifty percent of the net worth of the Company. Moreover the Company has incurred cash losses during the year as well as in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank.

(xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion the Company is not a chit fund or a Nidhi / Mutual benefit fund / Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's report) Order 2003 are not applicable.

(xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. However, the surplus funds have been invested in mutual funds. Proper records have been maintained for the transaction and contacts for the investment in mutual funds and are updated on a timely basis. The investments have been held by the Company in its own name.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) According to the information and explanations given to us, and on the basis of books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that the term loan have been utilized for the purposes for which the loan were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) Based on the audit procedures performed and the information and explanations given to us by the management, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.

(xix) According to the information and explanations given to us, the Company has not issued debentures during the year. Accordingly, no security or charge needs to be created.

(xx) According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For GIANENDER& ASSOCIATES
Chartered Accountants
Firm Regn. No. 004661N

G. K. AGRAWAL
Partner
M. No. 081603

Place : Chennai
Date : May 6, 2014

BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	As at 31.03.2014 ₹	₹	As at 31.03.2013 ₹	₹
EQUITY AND LIABILITIES:					
Shareholders' funds					
Share capital	A	1,69,10,00,000		1,69,10,00,000	
Reserves and surplus	B	(70,84,64,246)		(38,45,96,943)	
			98,25,35,754		1,30,64,03,057
Share Application Money Pending Allotment			–		–
Non-current liabilities					
Long-term borrowings	C(I)	14,61,46,20,004		13,15,64,00,000	
Other Long-term liabilities	C(II)	53,04,30,631		15,49,48,630	
Long-term provisions	C(III)	9,51,21,752		3,20,83,755	
			15,24,01,72,387		13,34,34,32,385
Current liabilities					
Short-term borrowings		–		–	
Trade payables	D(I)	25,20,649		1,64,08,103	
Other current liabilities	D(II)	65,79,65,896		66,01,23,971	
Short-term provisions	D(III)	14,84,62,962		26,59,225	
			80,89,49,507		67,91,91,299
TOTAL			17,03,16,57,648		15,32,90,26,741
ASSETS					
Non-current assets					
Fixed assets					
Tangible assets	E(I)	7,10,12,731		8,10,54,420	
Intangible assets	E(II)	16,84,32,49,817		6,19,20,87,653	
Intangible Assets under Development	E(III)	–		8,88,32,30,284	
			16,91,42,62,548		15,15,63,72,357
Long-term loans and advances	F		5,12,35,311		7,10,11,252
Current assets					
Cash and bank balances	G(I)	5,14,21,228		9,65,05,474	
Short-term loans and advances	G(II)	1,47,38,561		51,37,658	
			6,61,59,789		10,16,43,132
TOTAL			17,03,16,57,648		15,32,90,26,741
Contingent liabilities	H		–		–
Commitments	I				
Other notes forming part of accounts	P				
Significant accounting policies	Q				

As per our report of attached

For GIANENDER & ASSOCIATES
Chartered Accountants
Firm Registration No: 04661N

G. K. AGRAWAL
Partner
Membership No.081603

Place : Chennai
Date : May 6, 2014

For and on behalf of the Board

SANJAY INGLE *Manager*

T. S. VENKATESAN *Director*

KARTHIKEYAN T. V. *Director*

Place : Chennai
Date : May 6, 2014

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

	Note No.	2013-14 ₹	2013-14 ₹	*2012-13* ₹	*2012-13* ₹
REVENUE					
Net Revenue from Operations	**J**		**37,08,45,635**		*17,74,88,201*
Other income	**K**		**97,20,381**		*51,60,759*
Total Revenue			**38,05,66,016**		*18,26,48,960*
EXPENSES					
Operating expenses	**L**		**15,33,66,773**		*6,71,15,495*
Employee benefit expenses	**M**		**78,94,615**		*52,87,108*
Finance costs	**N**		**65,94,50,449**		*29,00,42,067*
Depreciation and amortisation	**E**		**-12,63,57,330**		*19,18,75,159*
Administration and other expenses	**O**		**1,00,78,812**		*41,63,465*
Total Expenses			**70,44,33,319**		*55,84,83,294*
Profit/(loss) before tax			**(32,38,67,303)**		*(37,58,34,334)*
Tax Expense:					
Current tax	**P(11)**	**–**		*–*	
Deferred tax	**P(11)**	**–**		*–*	
			–		*–*
Profit/(loss) after tax for the year			**(32,38,67,303)**		*(37,58,34,334)*
Earnings per equity share (Basic and Diluted)	**P(13)**		**(1.92)**		*(2.22)*
Face value per equity share			**10.00**		*10.00*
Other notes forming part of accounts	**P**				
Significant accounting policies	**Q**				

As per our report of attached

For GIANENDER & ASSOCIATES
Chartered Accountants
Firm Registration No: 04661N

G. K. AGRAWAL
Partner
Membership No.081603

Place : Chennai
Date : May 6, 2014

For and on behalf of the Board

SANJAY INGLE *Manager*

T. S. VENKATESAN *Director*

KARTHIKEYAN T. V. *Director*

Place : Chennai
Date : May 6, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

		2013-14 ₹	*2012-13* ₹
A	**Net profit / (loss) before tax and extraordinary items**	**(32,38,67,303)**	*(37,58,34,334)*
	Adjustment for		
	Depreciation and amortisation expense	**(12,63,57,330)**	*19,18,75,159*
	Interest expense	**65,94,50,449**	*29,00,42,067*
	Interest income	**(2,43,792)**	–
	(Profit)/loss on sale of current investments(net)	**(92,62,707)**	–
	Operating profit before working capital changes	**19,97,19,317**	*10,60,82,892*
	Adjustments for:		
	Increase / (Decrease) in long term provisions	**6,30,37,997**	*3,15,56,502*
	Increase/ (Decrease) in trade payables	**(1,38,87,454)**	*13,95,69,435*
	Increase / (Decrease) in other current liabilities	**(21,58,075)**	–
	Increase / (Decrease) in short term provisions	**14,58,03,737**	–
	(Increase) / Decrease in loan term loans and advances	**1,97,75,941**	*42,33,15,796*
	(Increase) / Decrease in other current assets	**–**	–
	(Increase) / Decrease in Short term Loans and advancces	**(96,00,903)**	–
	Increase / (Decrease) in long term liability	**37,54,82,001**	–
	Net cash generated from/(used in) operating activities	**77,81,72,561**	*70,05,24,625*
	Direct taxes paid (net of refunds)	**–**	–
	Net Cash(used in)/generated from Operating Activities	**77,81,72,561**	*70,05,24,625*
B	**Cash flow from investing activities**		
	Purchase of fixed assets	**(1,63,15,32,861)**	*(5,34,13,56,595)*
	Purchase of current investments	**(1,48,51,57,000)**	*(1,66,44,00,000)*
	Sale of current investments	**1,49,44,19,707**	*1,66,59,26,560*
	Net cash (used in)/generated from investing activities	**(1,62,22,70,154)**	*(5,33,98,30,035)*
C	**Cash flow from financing activities**		
	Secured Loan	**98,36,00,000**	*3,80,50,00,000*
	Repayment of long term borrowings	**(23,67,39,996)**	
	Mezz Debt	**15,54,00,000**	*1,03,56,00,000*
	Other Long Term Loans	**55,59,60,000**	*15,54,00,000*
	Interest paid	**(65,92,06,657)**	*(28,42,36,196)*
	Net cash (used in)/generated from financing activities	**79,90,13,347**	*4,71,17,63,804*
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(4,50,84,246)**	*7,24,58,394*
	Cash and cash equivalents as at the beginning of the year	**9,65,05,474**	*2,40,47,080*
	Cash and cash equivalents as at the end of the year	**5,14,21,228**	*9,65,05,474*

Notes:

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 "Cash flow Statement" as specified in the Companies (Accounting Standards) Rules 2006.
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year's figures have been regrouped/reclassified wherever applicable.

Particulars	₹	₹
Cash on Hand	**49,32,556**	*43,64,325*
Balance with Scheduled Banks - Current Accounts	**43,88,672**	*63,41,149*
Balance with Scheduled Banks in term deposits	**4,21,00,000**	*8,58,00,000*
Cash & Bank Balances	**5,14,21,228**	*9,65,05,474*

As per our report of attached

For and on behalf of the Board

For GIANENDER & ASSOCIATES
Chartered Accountants
Firm Registration No: 04661N

G. K. AGRAWAL
Partner
Membership No.081603

SANJAY INGLE
Manager

T. S. VENKATESAN
Director

KARTHIKEYAN T. V.
Director

Place : Chennai
Date : May 6, 2014

Place : Chennai
Date : May 6, 2014

NOTES FORMING PART OF ACCOUNTS

NOTE A – SHARE CAPITAL

(i) Authorised, issued, subscribed and paid up

	As at 31.03.2014		*As at 31.03.2013*	
	No. of Shares	**₹**	*No. of Shares*	*₹*
Authorised:				
Equity shares of ₹ 10 each	**17,00,00,000**	**1,70,00,00,000**	*17,00,00,000*	*1,70,00,00,000*
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid	**16,91,00,000**	**1,69,10,00,000**	*16,91,00,000*	*1,69,10,00,000*

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

	As at 31.03.2014		*As at 31.03.2013*	
	No. of Shares	**₹**	*No. of Shares*	*₹*
At the beginning of the year	**16,91,00,000**	**1,69,10,00,000**	*16,91,00,000*	*1,69,10,00,000*
Issued during the year as fully paid	**–**	**–**		–
At the end of the year	**16,91,00,000**	**1,69,10,00,000**	*16,91,00,000*	*1,69,10,00,000*

(iii) Terms / rights attached to shares

The Company has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company has not issued any securities during the year with the right/option to convert the same into equity shares at a later date.

The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

The shares issued carry equal rights to dividend declared by the Company and no restrictions are attached to any specific shareholder.

During the year ended 31st March 2014 no dividend is declared by the Board of Directors *(Previous Year NIL)*

(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

Particulars	As at 31.03.2014		*As at 31.03.2013*	
	No. of Shares	**₹**	*No. of Shares*	*₹*
L&T Infrastructure Development Projects Limited (Fellow Subsidiary company including its nominees' holding)	**8,11,68,000**	**81,16,80,000**	*6,04,70,162*	*60,47,01,620*
Larsen and Toubro Limited (ultimate holding company)	**4,39,66,000**	**43,96,60,000**	*4,39,66,000*	*43,96,60,000*
L&T Transco Private Limited (Fellow Subsidiary)	**–**		*2,06,97,838*	*20,69,78,380*
Ashoka Buildcon Limited (ABL) - JV Partner	**–**		*4,39,66,000*	*43,96,60,000*
Ashoka Concessions Limited (ACL) - JV Partner (Including its nominees' holding)	**4,39,66,000**	**43,96,60,000**	–	–
	16,91,00,000	**1,69,10,00,000**	*16,91,00,000*	*1,69,10,00,000*

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

Name of the Shareholder	As at 31.03.2014		*As at 31.03.2013*	
	No. of Shares	**%**	*No. of Shares*	*%*
L&T Infrastructure Development Projects Limited (Fellow Subsidiary company including its nominees' holding)	**8,11,68,000**	**48.00**	*6,04,70,162*	*35.76*
Larsen and Toubro Limited (ultimate holding company)	**4,39,66,000**	**26.00**	*4,39,66,000*	*26.00*
L&T Transco Private Limited (Fellow Subsidiary)	**–**	**–**	*2,06,97,838*	*12.24*
Ashoka Buildcon Limited (ABL)- JV Partner	**–**	**–**	*4,39,66,000*	*26.00*
Ashoka Concessions Limited (ACL)- JV Partner (Including its nominees' holding)	**4,39,66,000**	**26.00**		–

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

(vii) Calls unpaid : NIL; Forfeited Shares : NIL

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE B – RESERVES & SURPLUS				
Surplus/(Deficit) as per Statement of Profit and loss:				
As per last Balance Sheet	**(38,45,96,943)**		*(87,62,609)*	
Add: Profit/(Loss) for the year	**(32,38,67,303)**		*(37,58,34,334)*	
TOTAL		**(70,84,64,246)**		*(38,45,96,943)*
NOTE C(I) – LONG TERM BORROWINGS				
Term loans from banks - Secured		**12,21,22,60,004**		*11,46,54,00,000*
Unsecured Loans from related parties		**2,40,23,60,000**		*1,69,10,00,000*
		14,61,46,20,004		*13,15,64,00,000*

NOTE C(I)(A) – Details of term loans

Particulars	Rate of Interest	Terms of Repayment
	As at 31.03.2014	
State Bank of India UCO Bank Bank of Baroda Federal Bank South Indian Bank	SBI Base rate + Applicable Spread	Repayable in 138 monthly unequal instalments ranging from 2.67 crores to 13.52 crores from July 2013 to March 2025
Indian Bank	* Indian Bank Base Rate + applicable spread	

*The rate of interest of any lender shall not be lower than then that of any other lender.

NOTE C(I)(B) – Nature of Security

A First Pari Passu Charge on all the immovable and movable properties of the Company relating to the project, both present and future except Project assets as defined in th Concession Agreement, all bank accounts of the Company and all Authorised investment or other securities representing all amounts credited in the Bank accounts.

NOTE C(I)(C) – Presentation of term loans in the Balance sheet is as follows:

Particulars	**As at 31.03.2014**	*As at 31.03.2013*
	₹	₹
(i) Long term borrowings	14,61,46,20,004	13,15,64,00,000
(ii) Current maturities of long term borrowings (Part of other current liabilities note D(III))	40,58,00,000	23,67,00,000
	15,02,04,20,004	*13,39,31,00,000*

C(I)(D) – LOANS AND ADVANCES FROM RELATED PARTIES: (unsecured)

Particulars	Rate of interest	**As at 31.03.2014**	*As at 31.03.2013*	Terms of repayment
		₹	₹	
- Promoter's Mezzanine Debt	Average Term Loan Rate + 0.05%			The mezz debt is a part of the Promoters capital contribution to the project
– L&T Infrastructure Development Projects Limited (Fellow Subsidiary)		**81,16,80,000**	*69,66,84,000*	
– Larsen & Toubro Limited (Ultimate Holding Holding Company)		**43,96,60,000**	*43,96,60,000*	
Ashoka Buildcon Limited (ABL)- (JV Partner)			*39,92,56,000*	
– Ashoka Concessions Limited(ACL) - (JV Partner)		**43,96,60,000**	*–*	
		1,69,10,00,000	*1,53,56,00,000*	

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	Rate of interest	As at 31.03.2014 ₹	As at 31.03.2013 ₹	Terms of repayment
Promoters' Un-secured Loan	RBI minimum rate			for meeting the short term requirement
– L&T Infrastructure Development Projects Limited (Fellow Subsidiary)		**57,57,00,000**	*11,49,96,000*	
– Ashoka Buildcon Limited (ABL)- (JV Partner)			*4,04,04,000*	
– Ashoka Concessions Limited(ACL) - (JV Partner)		**13,56,60,000**		
		71,13,60,000	*15,54,00,000*	

	As at 31.03.2014 ₹	₹	As at 31.03.2013 ₹	₹
NOTE C(II) – OTHER LONG-TERM LIABILITIES				
Interest accrued on Mezzanine Debt and Unsecured Loans		**37,59,40,631**		*15,49,48,630*
Compensation for Negative Change of Scope in Project Carriageway		**15,44,90,000**		–
TOTAL		**53,04,30,631**		*15,49,48,630*
NOTE C(III) - LONG-TERM PROVISIONS				
Provision for Major Maintenance Refer Note No P(8)		**9,42,22,581**		*3,08,00,000*
Gratuity (Refer note P(3)(ii))	**2,79,555**		*6,98,660*	
Compensated absences (Refer note P(3)(ii))	**6,19,616**		*5,85,095*	
		8,99,171		*12,83,755*
TOTAL		**9,51,21,752**		*3,20,83,755*
NOTE D(I) – TRADE PAYABLES				
Others		**25,20,649**		*1,64,08,103*
TOTAL		**25,20,649**		*1,64,08,103*

NOTE D(I)(A)

There have been no transactions during the year *(previous year: ₹ Nil)* with Micro and small enterprises covered under the Micro, Small and Medium enterprises Development (MSMED) Act, 2006. Hence reporting details of principal and interest paid/outstanding does not arise.

	As at 31.03.2014 ₹	₹	As at 31.03.2013 ₹	₹
NOTE D(II) – OTHER CURRENT LIABILITIES				
Current maturities of long term debt		**40,58,00,000**		*23,67,00,000*
Statutory liabilities		**39,88,542**		*1,90,63,652*
Due to related parties :				
Larsen and Toubro Limited (ultimate holding company) EPC Dues		**12,89,28,154**		*25,14,03,077*
L&T Infrastructure Development Projects Limited (Fellow Subsidiary)		**3,85,057**		*4,63,850*
Ashoka Buildcon Limited (ABL)- EPC dues		**5,29,90,658**		*15,15,53,486*
Others		**6,58,73,485**		*9,39,906*
TOTAL		**65,79,65,896**		*66,01,23,971*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE D(III) – SHORT TERM PROVISIONS				
Provision for employee benefits				
Gratuity (Refer note P(3)(ii))	**7,318**		*22,369*	
Compensated absences (Refer note P(3)(ii))	**30,628**		*1,18,876*	
		37,946		*1,41,245*
Others				
Provision for expenses		**14,84,25,016**		*25,17,980*
TOTAL		**14,84,62,962**		*26,59,225*

NOTE E(I) – TANGIBLE ASSETS

PARTICULARS	COST				DEPRECIATION				BOOK VALUE	
	As at 01.04.2013	Additions	Deductions	**As at 31.03.2014**	Upto 31.03.2013	For the year	Deductions	**Upto 31.03.2014**	**As at 31.03.2014**	*As at 31.03.2013*
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Owned										
Land (Refer note E(I)(a))	9,40,000	–	–	**9,40,000**	–	–	–	–	**9,40,000**	*9,40,000*
Building	–	–	–	–	–	–	–	–	–	–
Plant and Equipment	5,21,80,761	25,65,426	–	**5,47,46,187**	37,23,286	77,33,997	–	**1,14,57,283**	**4,32,88,904**	*4,84,57,475*
Furniture and fixtures	55,84,253	8,450	–	**55,92,703**	4,67,852	5,55,794	–	**10,23,646**	**45,69,057**	*51,16,401*
Vehicles	1,94,06,351	8,15,477	–	**2,02,21,828**	13,66,239	28,27,048	–	**41,93,287**	**1,60,28,541**	*1,80,40,112*
Office equipment	99,04,267	0	–	**99,04,267**	24,70,869	19,69,798	–	**44,40,667**	**54,63,600**	*74,33,398*
Computers, laptops and printers	19,31,912	1,90,734	–	**21,22,646**	8,64,878	5,35,139	–	**14,00,017**	**7,22,629**	*10,67,034*
Total	**8,99,47,544**	**35,80,087**	–	**9,35,27,631**	**88,93,124**	**1,36,21,776**	–	**2,25,14,900**	**7,10,12,731**	*8,10,54,420*
Previous year	*38,73,189*	*8,62,13,918*	*139,563*	*8,99,47,544*	*13,02,181*	*77,02,888*	*1,11,945*	*88,93,124*		

E(I)(a) - Land has been mortagaged to Senior Lenders

NOTE E(II) – INTANGIBLE ASSETS

Particulars	COST				AMORTISATION				BOOK VALUE	
	As at 01.04.2013	Additions	Deductions	**As at 31.03.2014**	Upto 31.03.2013	For the year	Deductions/ Adjustments	**Upto 31.03.2014**	**As at 31.03.2014**	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Specialized Software	–			–	–	–		–		
Toll collection rights (Refer notes below)	6,37,69,26,090	10,51,18,61,093	–	**16,88,87,87,183**	18,48,38,437	3,18,64,964	(17,11,66,035)	**4,55,37,366**	**16,84,32,49,817**	6,19,20,87,653
Total	**6,37,69,26,090**	**10,51,18,61,093**	–	**16,88,87,87,183**	**18,48,38,437**	**3,18,64,964**	**(17,11,66,035)**	**4,55,37,366**	**16,84,32,49,817**	**6,19,20,87,653**
Previous year		*6,37,69,26,090*		*6,37,69,26,090*		*18,48,38,437*		*18,48,38,437*		

E(II)(a)

During the year ended March 31, 2014, the Company has revised its accounting policy of amortisation of intangible assets (Toll based projects executed under Build-operate-transfer mode) hitherto based on Straight Line Method for more appropriate presentation of the financial statements by adopting the Revenue Based Method specified in the notification dated April 17, 2012 issued by the Ministry of Corporate Affairs. Consequently, the difference of ₹ 17,11,66,035/- arose due to change in amortisation method has been taken to the Statement of Profit and Loss. Had the Company continued to charged amortisation based on straight line method for such asset, the loss for the year would have been higher by ₹ 54,29,31,707/- and the value of Toll Collection Rights would have been lower by ₹ 54,29,31,707/-.

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE E(III) – INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 01.04.2013	Additions during the period Apr-13 to 12th Mar-14	Less: Capitalised during the period	**As at 31.03.2014**
	₹	₹	₹	₹
A. Construction Cost				
Toll collection rights - Expenditure towards EPC	7,27,30,02,898	4,50,66,177	7,31,80,69,075	–
Others	11,01,86,015	47,81,26,109	58,83,12,124	–
TOTAL A	**7,38,31,88,913**	**52,31,92,286**	**7,90,63,81,199**	**–**
B. Pre-Operative Expenses pending allocation				
Salaries and Wages	1,50,62,782	56,62,820	2,07,25,602	–
Contribution to employee funds	11,55,650	2,96,717	14,52,367	–
Staff Welfare Expenses	10,08,163	4,72,956	14,81,119	–
Rent, Rates and Taxes	19,37,128	7,45,322	26,82,450	–
Concession Fee	3	1	4	–
Utilities Shifting Works	5,80,14,885	4,15,26,195	9,95,41,080	–
Utilities Shifting Works - reimbursed	(5,80,14,885)	(4,15,26,195)	(9,95,41,080)	–
Travelling and Conveyance	75,73,978	27,46,015	1,03,19,993	–
Communication Expenses	7,48,221	2,86,104	10,34,325	–
Printing and Stationery	4,65,269	1,34,089	5,99,358	–
Insurance	1,39,22,773	6,51,799	1,45,74,572	–
Professional Fees	11,48,07,831	2,14,52,568	13,62,60,399	–
Service & Agency Fees	1,21,40,804	1,31,39,229	2,52,80,033	–
Repair and Maintenance-Others	16,62,614	9,64,945	26,27,558	–
Electricity Expenses	3,49,335	1,54,491	5,03,826	–
Depreciation	9,14,078	6,78,035	15,92,113	–
Project Expenses	68,43,420	–	68,43,420	–
Other expenses	28,31,641	8,72,277	37,03,919	–
TOTAL - B	**18,14,23,690**	**4,82,57,368**	**22,96,81,058**	**–**
C. Borrowing cost				
Interest On Term Loan	1,14,77,65,247	85,96,25,978	2,00,73,91,225	–
Interest on Unsecured loans	15,98,66,857	19,48,50,303	35,47,17,160	–
Bank & Finance charges	1,62,79,451	27,04,874	1,89,84,325	–
TOTAL- C	**1,32,39,11,554**	**1,05,71,81,155**	**2,38,10,92,709**	**–**
D. Reimbursements and income during investments				
Income on Investments	(52,93,873)	–	(52,93,873)	–
TOTAL - D	**(52,93,873)**	**–**	**(52,93,873)**	**–**
GRAND TOTAL (A+B+C+D) [Refer Note P(12)]	8,88,32,30,284	1,62,86,30,809	10,51,18,61,093	–

	As at 31.03.2014	*As at 31.03.2013*
	₹	₹
NOTE F – LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances		
To Larsen & Toubro Ltd (ultimate holding company)	**3,86,36,882**	*4,22,47,723*
To Ashoka Buildcon Ltd (JV Partner)	**1,11,18,610**	*2,73,42,529*
Security deposits	**14,79,819**	*14,21,000*
TOTAL	**5,12,35,311**	*7,10,11,252*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014	*As at 31.03.2013*
	₹	*₹*
NOTE G(I) – CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
In current accounts	**43,88,672**	*63,41,149*
Cash on hand	**49,32,556**	*43,64,325*
Other bank balances		
In deposit accounts with maturity less than three months	**4,21,00,000**	*8,58,00,000*
TOTAL	**5,14,21,228**	*9,65,05,474*
NOTE G(II) – SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Advances recoverable in cash or kind	**55,219**	*–*
Others	**52,53,821**	*3,97,203*
TDS Receivable	**41,74,331**	*15,15,789*
WCT Receivable	**52,55,190**	*32,24,666*
TOTAL	**1,47,38,561**	*51,37,658*

NOTE H –

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

NOTE I –

Commitments as at March 31, 2014 ₹ 35,80,28,726 *(previous year: ₹ 88,93,48,362)*

	2013-14		*2012-13*	
	₹	**₹**	*₹*	*₹*
NOTE J – REVENUE FROM OPERATIONS				
Operating revenue:				
Toll Collections	**40,14,95,239**		*18,94,51,363*	
Less : Revenue share to NHAI*	**3,06,49,604**		*1,19,63,162*	
		37,08,45,635		*17,74,88,201*
TOTAL		**37,08,45,635**		*17,74,88,201*

*National Highway Authority of India

	2013-14		*2012-13*	
NOTE K – OTHER INCOME				
Interest income from:				
Bank deposits	**2,43,792**		*–*	
Others	**–**		*–*	
		2,43,792		*–*
Profit on sale of current investments		**92,62,707**		*51,32,522*
Other income		**2,13,882**		*28,237*
TOTAL		**97,20,381**		*51,60,759*

NOTES FORMING PART OF ACCOUNTS (Contd.)

	2012-13		*2011-12*	
	₹	₹	₹	₹
NOTE L – OPERATING EXPENSES				
Toll Management fees		**1,77,16,511**		*1,08,86,743*
Security services		**1,01,42,928**		*54,42,966*
Insurance		**49,35,152**		*66,432*
Repairs and maintenance				
Toll road & bridge	**8,17,35,306**		*4,02,45,812*	
Plant and machinery	**16,37,856**		*3,49,067*	
Others	**36,42,822**		*4,21,271*	
		8,70,15,985		*4,10,16,150*
Professional fees		**1,65,80,766**		*27,42,643*
Power and fuel		**1,69,75,431**		*69,60,561*
TOTAL		**15,33,66,772**		*6,71,15,495*
NOTE M – EMPLOYEE BENEFIT EXPENSES				
Salaries, wages and bonus		**74,74,522**		*38,03,564*
Contributions to and provisions for:				
Provident fund (Refer P(3)(i))	**3,59,933**		*1,59,558*	
Gratuity (Refer P(3)(ii))	**(5,99,767)**		*4,84,255*	
Compensated absences (Refer P(3)(ii))	**(1,16,100)**		*2,72,247*	
		(3,55,933)		*9,16,060*
Staff welfare expenses		**7,76,027**		*5,67,484*
TOTAL		**78,94,615**		*52,87,108*
NOTE N – FINANCE COSTS				
Interest on term loan		**62,07,13,492**		*29,00,42,067*
Interest Mezznaine debt and Unsecured loan		**3,87,36,957**		–
TOTAL		**65,94,50,449**		*29,00,42,067*
NOTE O – ADMINISTRATION AND OTHER EXPENSES				
Concession fee		**–**		
Rent, Rates and taxes		**57,208**		*9,600*
Professional fees		**8,19,414**		*25,63,472*
Postage and communication		**6,40,194**		*1,76,134*
Printing and stationery		**6,43,376**		*3,25,952*
Travelling and conveyance		**18,25,026**		*8,57,299*
Computer Software Licence		**18,41,580**		–
Miscellaneous expenses		**42,52,015**		*2,31,008*
TOTAL		**1,00,78,812**		*41,63,465*
(a) Professional fees includes Auditors remuneration (including service tax) as follows:				
a) As auditor		**3,39,889**		*3,22,473*
b) For taxation matters		**–**		
c) For Company law matters		**–**		–
d) For other services		**3,53,957**		–
TOTAL		**6,93,846**		*3,22,473*

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE P - OTHER NOTES FORMING PART OF ACCOUNTS

P(1) - Corporate information

PNG Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 16th February 2009 for the purpose of conversion of two lane to six lane of NH3 from KM 380.00 to KM 440.00, Pimpalgaon-Nasik-Gonde Section in Nasik District of Maharashtra State, under Design, Build, Finance, Operate and Transfer (DBFOT) basis vide Concession Agreement dated 8th July 2009 jointly signed with National Highways Authority of India. The concession period is 20 years which includes construction period 30 Months and the concession period ends on the year 2029. Partial Commercial operation was achieved from 1st October 2012. Full commercial operations are achieved on 12th March 2014.

P(2) - The Company has not earned any income/incurred any expenditure in foreign currency during the year. *(previous year: ₹ 1,79,01,418)*. The Company has not earned any income/incurred any expenditure in foreign currency during the year. *(previous year: ₹1,79,01,418)*, provision was made during current year but payment was not executed.

P(3) - Disclosures pursuant to AS 15 (Revised) - Employee Benefits

(i) Defined contribution plan:

An amount of ₹. 359,933 *(previous year : ₹. 159,558/-)* being contribution made to recognised provident fund is a part of employee benefit for the year and have been transferred to Statement of Profit and Loss

(ii) Defined benefit plans:

Particulars	2013-14	2012-13
	₹	₹
A. Results of Actuarial Valuation		
1. Valuation as on	31st March 2014	31st March 2013
2. Retirement Age	58	58
3. No of Employees	25	28
4. Present Value of Benefit Obligations	(4,34,156)	4,84,255
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	

The amounts recognised in Balance Sheet are as follows:

Particulars	2013-14 (₹)	2012-13 (₹)
A) Present value of defined benefit obligation	**2,86,873**	*7,21,029*
– Wholly funded	**–**	–
– Wholly unfunded	**2,86,873**	*7,21,029*
Less : Fair value of plan assets	**0**	
Amount to be recognised as liability or (asset)	**2,86,873**	*7,21,029*
B) Amounts reflected in the Balance Sheet		
Liabilities	**2,86,873**	*7,21,029*
Assets	**–**	–

NOTES FORMING PART OF ACCOUNTS (Contd.)

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

Particulars	2013-14 (₹)	2012-13 (₹)
1 Current service cost	**73,173**	*43,773*
2 Interest on Defined benefit obligation	**61,287**	*20,126*
3 Expected return on plan assets	–	–
4 Acturial Gain/(Loss)	**(5,68,616)**	*4,20,356*
5 Past service cost	–	–
6 Effect of Curtailment or settlement	–	–
7 Actuarial gain/(loss) not recognised in books	–	–
8 Adjustment for earlier years	–	–
9 Translation adjustments	–	–
10 Amount capitalised out of the above	–	–
Total (1 to 10)	**(4,34,156)**	*4,84,255*
I Amount included in “employee benefit expenses”	–	–
II Amount included as part of “finance costs”	–	–
Total (I + II)	–	–
Actual return on plan assets	–	–

P(4) - Other Notes forming part of the Accounts

The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	2013-14 (₹)	2012-13 (₹)
Opening balance of the present value of defined benefit obligation	**7,21,029**	*2,36,774*
Add: Current service cost	**73,173**	*43,773*
Add: Interest cost	**61,287**	*20,126*
Add: Contribution by plan participants		
i) Employer		
ii) Employee		
Add/(less): Actuarial losses/(gains)	**(5,68,616)**	*4,20,356*
Less: Benefits paid	–	
Add: Past service cost		
Add: Business combinations/acquisition		
Closing balance of the present value of defined benefit obligation	**2,86,873**	*7,21,029*

2. Compensated Absences

A. Summary of Staff		
1. No of Employees	**25**	*28*
2. Projected actuarial value of benefit obligation in Rupees	**6,50,244**	*7,03,971*
B. Principle rule 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**	
3. Summary of Actuarial Assumptions		
A. Mean Financial Assumptions		
1. Discount Rate per unit per annum	**9.10%**	*8.50%*
2. Salary escalation rate per unit per annum	**6.00%**	*6.00%*
3. Expected rate of return on Plan Assets per unit per annum	**N.A.**	*N.A.*
B. Mean Demographic Assumptions		
1. Mortality Rate	**Indian Assured Lives Mortality (2006-08)Ult.**	*LIC 94 - 96 Rates*
2. Withdrawal / Attrition Rate	**5% at younger ages reducing to 1% at older ages**	*5% for all age*
3. Disability / Ill health retirement	**No Explicity Assumption**	*No Explicity Assumption*
Closing balance of the present value of defined benefit obligation	**6,50,244**	*7,03,971*

Contribution to the Provident Fund is made to Regional Provident fund office

NOTES FORMING PART OF ACCOUNTS (Contd.)

P(5) – Disclosures pursuant to AS 17 - "Segment Reporting"

The Company is engaged in the business of construction, operation and maintenance of Toll road projet on a Build Operate Transfer basis in a single business segment. Hence reporting on primary segment does not arise. Further, the Company has operations only in the state of Maharastra in India. Hence, disclosure of secondary / geographical segment information is not applicable.

P(6) – Disclosure of related parties / related party transactions pursuant to Accounting Standard (AS) 18 "Related Party Disclosures"

a) List of related parties with whom transaction entered during the year

Ultimate Holding Company	Larsen & Toubro Limited
JV Partner	Ashoka Concessions Limited
Fellow Subsidiaries	L&T Infrastructure Development Projects Limited L&T Chennai-Tada Tollway Limited L&T Krishnagiri Thopur Toll Road Limited L&T Krishnagiri Walajahpet Tollway Limited L&T Vadodra Bharuch Tollway Limited L&T Ahmedabad - Maliya Tollway Limited L & T Panipat Elevated Corridor Limited L&T Rajkot Vadinar Tollway Limited L&T Halol - Shamlaji Tollway Limited L&T Transco Private Limited L&T General Insurance Company Limited

#Holding company became fellow subsidiary w.e.f October 11,2011.

*Subsidiaries became fellow subsidiaries w.e.f December 28, 2011.

b) Disclosure of related party transactions:

Particulars	2013-14	*2012-13*
	₹	₹
Fellow Subsidiary Company		
L&T Infrastructure Development Projects Limited		
• Equity Share Capital	**20,69,78,380**	–
• Promoters mezzanine debt	**11,49,96,000**	*45,66,84,000*
• Interest on mezzanine debt	**–**	–
• Unsecured Loan	**46,07,04,000**	*11,49,96,000*
• Interest on Loan	**11,95,94,101**	*7,74,10,203*
• O&M and other expenses	**41,79,828**	*1,15,50,130*
• Reimbursement of expenses to	**1,39,33,934**	*45,93,166*
• Reimbursement of expenses from	**4,42,740**	*55,253*
Ultimate holding company		
Larsen & Toubro Limited		
• Equity Share Capital		
• EPC Cost	**3,61,08,410**	*2,13,32,58,366*
• Mobilisation Advance recovered	**36,10,841**	*23,83,25,838*
• Promoters mezzanine debt	**–**	*30,96,60,000*
• Interest Promoters mezzanine debt	**5,33,42,201**	*3,70,70,675*
• Performance Security Bank Guarantee Limits	**–**	–
• Cost of Services	**2,69,664**	–
• Purchase of goods and services	**–**	–
• Reimbursement of Expenses From	**7,054**	–
• Reimbursement of expenses to	**1,08,23,186**	*28,18,374*

NOTES FORMING PART OF ACCOUNTS (Contd.)

Particulars	2013-14	2012-13
	₹	₹
JV Partner :		
Ashoka Buildcon Limited*		
• Transfer of Equity Share Capital	**43,96,60,000**	
• EPC Cost	**16,72,38,793**	*1,78,31,69,119*
• Additional Work	**2,21,64,779**	*11,39,27,024*
• Utility Bill Payment	**4,15,26,194**	*7,39,23,816*
• Mobilisation Advance recovered	**1,62,23,919**	*17,83,16,991*
• Transfer of Promoters mezzanine debt	**43,96,60,000**	*26,92,56,000*
• Unsecured Loan	**4,64,00,000**	*4,04,04,000*
• Interest on Loan	**2,73,52,198**	*3,56,54,802*
• Cost of Services	**–**	–
• Purchase of goods and services	**–**	–
• Reimbursement of Expenses From	**–**	–
• Reimbursement of expenses to	**–**	–
JV Partner :		
Ashoka Concessions Limited*		
• Equity Share Capital	**43,96,60,000**	
• EPC Cost	**–**	
• Additional Work	**–**	
• Utility Bill Payment	**–**	
• Mobilisation Advance recovered	**–**	
• Promoters mezzanine debt	**43,96,60,000**	
• Unsecured Loan	**13,56,60,000**	
• Interest on Loan	**3,27,83,747**	
• Cost of Services	**–**	
• Purchase of goods and services	**–**	
• Reimbursement of Expenses From	**–**	
• Reimbursement of expenses to	**–**	
Fellow Subsidiaries		
L&T Chennai-Tada Tollway Limited		
• Reimbursement of expenses to	**–**	*22,11,350*
• Reimbursement of expenses from	**–**	–
L&T Krishnagiri Thopur Toll Road Limited		
• Reimbursement of expenses to	**–**	*56,346*
L&T Krishnagiri Walajahpet Tollway Limited	**–**	
• Reimbursement of expenses to	**86,888**	*22,911*
L&T Vadodra Bharuch Tollway Limited	**–**	
• Reimbursement of expenses to	**1,22,688**	*1,00,297*
• Change Money	**16,00,000**	*5,90,000*
L&T Ahmedabad - Maliya Tollway Limited		
• Reimbursement of expenses to	**30,479**	–
L & T Panipat Elevated Corridor Limited		
• Reimbursement of expenses to	**–**	*75,909*
L&T Rajkot Vadinar Tollway Limited		
• Reimbursement of expenses to	**25,911**	–
L&T Halol - Shamlaji Tollway Limited		
• Reimbursement of expenses to	**1,36,119**	–
L&T Transco Private Limited		
• Equity Share Capital	**40,58,40,000**	*2,06,97,838*
L&T General Insurance Company Limited		
• Insurance premium paid	**65,04,208**	*4,34,756*

NOTES FORMING PART OF ACCOUNTS (Contd.)

c) Amount due to and due from related parties(net):

Particulars	Amounts due (to)/from	
	As at 31.03.2014	*As at 31.03.2013*
	₹	₹
Ultimate Holding Company		
Larsen & Toubro Limited		
• Equity Share Capital	**(43,96,60,000)**	*(43,96,60,000)*
• EPC Cost	**(12,86,35,358)**	–
• Mobilisation Advance recovered	**3,86,36,882**	–
• Promoters mezzanine debt	**(43,96,60,000)**	*(43,96,60,000)*
• Interest Promoters mezzanine debt	**(8,67,65,010)**	*(3,70,70,675)*
• Performance Security Bank Guarantee Limits	**–**	–
• Cost of Services	**–**	–
• Purchase of goods and services	**–**	–
• Reimbursement of Expenses From	**–**	*(11,93,763)*
• Reimbursement of expenses to	**(2,92,796)**	–
Fellow Subsidiary		
L&T Infrastructure Development Projects Limited		
• Equity Share Capital	**(81,16,80,000)**	*(6,04,70,162)*
• Promoters mezzanine debt	**(811,680,000)**	*(69,66,84,000)*
• Unsecured Loan	**(57,57,00,000)**	*(11,49,96,000)*
• Interest on Loan	**(19,61,74,255)**	*(7,55,12,359)*
• O&M and other expenses	**(3,85,057)**	*(4,63,850)*
JV Partner :		
Ashoka Buildcon Limited*		
• Equity Share Capital		*(43,96,60,000)*
• EPC Cost	**(5,29,90,658)**	*(15,15,53,486)*
• Additional Work	**–**	–
• Utility Bill Payment	**–**	–
• Mobilisation Advance recovered	**1,11,18,610**	–
• Promoters mezzanine debt		*(39,92,56,000)*
• Unsecured Loan	**–**	*(4,04,04,000)*
• Interest on Loan	**–**	*(3,72,66,909)*
• Cost of Services		
JV Partner :*		
Ashoka Concessions Limited		
Equity Share Capital	**(43,96,60,000)**	
Promoters mezzanine debt	**(43,96,60,000)**	
Unsecured loan	**(13,56,60,000)**	
Interest on loan	**(9,30,01,366)**	

* Holding of Ashoka Buildcon Limited is transferred on July 12, 2013 to Ashoka Concessions Limited

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

P(7) Disclosure pursuant to Accounting Standard (AS) 19 "Leases"

The Company has not entered into any finance lease. The Company has taken office premises and Guest house under cancellable operating lease. These agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases for the year ₹ 7,70,458/- *(previous year: ₹ 11,16,209/-)* has been included in Pre-operative expenses.

P(8) Disclosures pursuant to Accounting Standard (AS) 29 - "Provisions, Contingent Liabilities and Contingent Assets"

a) Movement in provisions:

Particulars	**Major Maintenance Reserve (₹)**
Opening Balance as at 1-4-2013	**3,08,00,000**
Additional provision during the year	**6,34,22,581**
Provision used/reversed during the year	**–**
Provision transferred due to transfer of business	**–**
Balance as at 31-3-2014	**9,42,22,581**
Represented as:	
- Long Term Provision	**9,42,22,581**
- Short Term Provision	**–**

NOTES FORMING PART OF ACCOUNTS (Contd.)

b) Nature of provisions:

Major Maintenance Provision: The Company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement.

For this purpose, besides a regular maintenance, periodic major maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures, repairs and refurbishment of tolling system and other equipments and maintenance of service roads.

As per industry practice, the periodic maintenance is expected to occur over a period 5-7 years. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of prudence, based on estimates, a provision for major maintenance expenses is provided for in the books annually.

c) Contingent Liabilities:

Disclosure in respect of contingent liabilities is given as part of Note (H) to the Balance Sheet.

P(9) The Wealth Tax Act, 1957

The Company does not have taxable wealth under the provisions of the Wealth Tax Act, 1957.

P(10) Expenditure in foreign currency

Nature of Expenses	₹	₹
	2013 - 14	*2012 - 13*
Import of Toll Equipment	**NIL**	*1,79,01,418*

P(11) - Disclosures pursuant to AS 22 - Accounting for Taxes on Income

The Company does not have taxable income and hence provision for current tax has not been made. The Company is eligible for deduction under Section 80(IA) of The Income Tax Act 1961 and the tax holiday period for the Company's project falls within the concession period of the Company as defined in Section 80(IA). Since deferred tax on timing differences between accounting income and taxable income that arise during the year is reversing during such tax holiday period , no deferred tax asset/liability arises and accordingly no provision is made in the accounts.

P(12) - Capitalisation of Intangible asset under development

During the year, the Company has received the Provisional Completion Certificate on 10th March 2014 for additional 9.716 Km (Total 55.161 Km). Accordingly Intangible Asset of 10,51,18,61,093 have been capitalised.

P(13) - Disclosure pursuant to Accounting Standard (AS) 20 "Earnings per share"

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

Particulars		**2013-14**	*2012-13*
		₹	₹
Basic and Diluted			
Profit after tax as per accounts (₹)	**A**	**(32,38,67,303)**	*(37,58,34,334)*
Weighted average number of shares outstanding	**B**	**16,91,00,000**	*16,91,00,000*
Basic and Diluted EPS (₹)	**A / B**	**(1.92)**	*(2.22)*
Face value per equity share (₹)		**10.00**	*10.00*

P(14) - Disclosure pursuant to Accounting Standard (AS) 28 "Impairment of Assets"

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

P(15) Previous Year Figures

The Company has reclassified/regrouped/rearranged the previous year figures wherever considered necessary to confirm to this year's classification.

As per our report of attached

For GIANENDER & ASSOCIATES
Chartered Accountants
Firm Registration No: 04661N

G. K. AGRAWAL
Partner
Membership No.081603

Place : Chennai
Date : May 6, 2014

For and on behalf of the Board

SANJAY P. INGLE *Manager*

T. S. VENKATESAN *Director*

KARTHIKEYAN T. V. *Director*

Place : Chennai
Date : May 6, 2014

NOTES FORMING PART OF ACCOUNTS (Contd.)

NOTE Q – SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (“GAAP”) and in compliance with provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting 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.

2. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule VI to the Companies Act, 1956 (“the Act”). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 “Cash Flow Statements”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule VI to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees rounded off to the nearest Rupee. Earnings Per share data are presented in Indian Rupees.

3. Revenue recognition

Revenue is recognized based on the nature of activity when consideration can be reasonable measured and there exists reasonable certainty of its recovery.

Revenue from Operations

a. **Service income**

Revenue from Toll Collections are accounted for as and when the amount is due and recovery is certain.

b. **Other Operating Income**

Other operational revenue represents income earned from activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

B. Other income

a Interest income is accrued at applicable interest rate on time proportion basis.

b Dividend income is accounted when the right to receive the same is established.

c Other items of income are accounted for as and when the right to receive arises.

4. Employee benefits

Short term employee benefits

a. All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. The benefits such as salaries, wages, short term compensated absences etc. and the expected cost of bonus, exgratia are recognized in the period in which the employee renders the related service.

b. **Post employment benefits**

(a) Defined contribution plans:

The Company’s superannuation scheme and State Governed Provident Fund linked with Employee Pension Scheme are Defined Contribution Plans. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

State Governed Provident Fund linked with Employee Pension Scheme is Defined Contribution Plans. The contribution paid/ payable under the scheme is recognized during the period in which the employee renders the related service.

(b) Defined benefit plans:

The employees gratuity fund schemes and provident fund scheme managed by the trust of the holding company are the Company’s defined benefit plans. The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using 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 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 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.

NOTES FORMING PART OF ACCOUNTS (Contd.)

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date. Actuarial gains and losses are recognized immediately in the Statement of profit and loss.

c. **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.

5. Tangible fixed assets

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

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

6. Depreciation

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

Ashoka Concessions Limited (ACL) - JV Partner

	Category of Asset	Rate of Depreciation (% p.a)
i	Furniture and fixture	**10%**
ii	Office equipment	**25%**
iii	Computers - Desktops and laptops	**25%**
iv	Desktops and laptops given to employees under the Company's Scheme	**25%**
v	Plant and Equipment	**11.11%**
vi	Motor Cars	**14.29%**
vii	Motor bike	**9.50%**
viii	Building - Residential	**2%**
ix	Electrical Installations	**11.11%**
x	Toll equipment	**14.29%**
xi	Air Conditioners	**8.33%**

Individual assets whose value is below ₹ 5,000 are fully depreciated at 100%.

Depreciation on additions/deductions is calculated pro-rata from/to the month of additions/deductions except for those whose value is less than ₹ 5,000

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

7. Intangible assets and amortisation

a) **Intangible assets**

Intangible Asset is recognized when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Administrative and other general overhead expenses that are directly attributable to acquisition of intangible assets are allocated and capitalized as part of cost of the Intangible assets.

b) **Amortisation**

Amortisation is computed in accordance with terms of the Notification no. G.S.R. 298(E) dated April 17, 2012 issued by the Ministry of Corporate Affairs (on amortisation of Intangible assets created under Build Operate and Transfer, Build, Own, Operate and Transfer and other forms of Public Private Partnership Route), accordingly the amortisation is being charged on the actual revenue collected vis-a-vis the estimated revenue to be collected during the entire concession period. Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining period so as to allocate the asset's revised carrying amount over its remaining useful life.

8. Investments

Investments, which are readily realizable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary in nature.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Current investments are stated at lower of cost or market value. The determination of carrying amount of such investments is done on a weighted average cost of each individual investment.

9. Impairment of assets

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

(i) the provision for impairment loss, if any; and

(ii) the reversal of impairment loss recognised in previous periods, if any,

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

Recoverable amount is determined :

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

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

(Value in use is determined at 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)

10. Foreign Currency Transactions

(i) The reporting currency of the Company is the Indian Rupee.

(ii) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognized as income or expense in the period in which they arise.

11. Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposit, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

12. Borrowing costs

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

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires 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 are intermittently surplus but inextricably linked to the project is deducted from the related borrowing costs incurred.”

13. Taxes on income

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, and based on the expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head “capital gains” are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other 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.

14. Leases

Operating Leases

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

Finance Leases

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

NOTES FORMING PART OF ACCOUNTS (Contd.)

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

15. Provisions, Contingent liabilities and contingent assets

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.

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

(i) 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.

(ii) a present obligation when no reliable estimate is possible and

(iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

(iv) Contingent Assets are neither recognized, nor disclosed.

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

16. Commitments

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

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

(ii) Uncalled liability on shares and other investments partly paid

(iii) Funding related commitment to subsidiary, associate and joint venture companies and

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

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

17. Operating cycle for current/non-current classification:

Operating cycle for the business activities of the Company is taken as twelve months for classification of its assets and liabilities into current/ non-current.

18. Cash Flow Statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of:

(i) transactions of a non-cash nature

(ii) any deferrals or accruals of past or future operating cash receipts or payments and

(iii) items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

As per our report of attached

For GIANENDER & ASSOCIATES
Chartered Accountants
Firm Registration No: 04661N

G. K. AGRAWAL
Partner
Membership No.081603

Place : Chennai
Date : May 6, 2014

For and on behalf of the Board

SANJAY P. INGLE
Manager

T. S. VENKATESAN
Director

KARTHIKEYAN T. V.
Director

Place : Chennai
Date : May 6, 2014