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	**2011-12 Rs. Lakhs**	*2010-11 Rs. Lakhs*
Gross Fixed Assets	**38.73**	*36.15*
Depreciation	**13.02**	*5.23*
Pre-Operative Expenses	**10,691.19**	*2,610.21*
Capital Work in Progress including Advances	**97,852.39**	*41,297.89*
Profit Before Tax	–	*(4.86)*
Profit After Tax	–	*(4.86)*

2. PERFORMANCE OF THE COMPANY

Your company is executing development, maintenance and management of NHAI's Pimplegaon –Nashik-Gonde section of NH-3 from km 380.000 to 440.000 (approx. 60.00km) in Maharashtra on BOT (Toll) basis. The concession period for the project is 20 years, including the construction period of 30 months.

The scope entails the construction of a six lane road including an elevated corridor of about 5.65 km (from km 413.175 to km 418.820) including approach ramps, 5 major bridges, 7 flyovers, 6 pedestrian underpasses, 23 minor bridges, and 132 culverts. Service roads are to be provided for a total length of about 51 kms.

The company designs, engineers, funds and constructs the project highway and would be responsible for toll collection, operation and maintenance of the road stretch for the period of concession.

The company is in the stage of Implementation.

1. Construction of the project highway is going on in full swing & is expected to complete in H1 of FY 2012
2. The project stretch on NH-3 is expected to cater to traffic plying between Mumbai and states like Madhya Pradesh, Uttar Pradesh & other eastern states.

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.38,73,189/- and the net fixed assets (tangible) stood at Rs. 25,71,008. The Capital Work-in-Progress is Rs.1036,81,26,003.

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, there is no expenditure in foreign currency.

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 22/07/2009 Mr.Mahaveer S. Dashrathna 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.
5. that proper systems are in place to ensure compliance of all laws applicable to the company.

11. DIRECTORS

Mr. T. S.Venkatesan, Mr. Karthikeyan T. V., Mr. Satish D. Parakh, Mr. C.Sankaralingam are the Current Directors of the Company.

Mr. Satish D.Parakh, retires by rotation at the Third 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 23/03/2010 . 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.

13. 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 re-appointment.

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

14. 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. Price Water House, Mumbai has been appointed as Internal Auditors 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	**T. S. VENKATESAN**	**KARTHIKEYAN T. V.**
Date : April 25, 2012	*Director*	*Director*

AUDITORS' REPORT

TO THE MEMBERS OF M/S PNG TOLLWAYS LIMITED

We have audited the attached Balance Sheet of M/s PNG Tollways Limited as at March 31, 2012 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of accounts;
   (d) in our opinion, the Balance Sheet, Profit and Loss Account 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 in Note 25, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
      ii) in the case of the Profit and Loss account, of the profit/loss for the year ended on that date; and
      (ii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For GIANENDER AND ASSOCIATES
Chartered Accountants
ICAI Regn. No. 004661N

ANKIT GUPTA
Partner
M. No. 511398

Place : New Delhi
Date : April 26, 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 M/s L&T Chennai Tada 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 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 and for collection of toll. 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 Section 58A, 58AA or any other relevant provisions of the Companies Act 1956. Hence Clause 4 (vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

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

(viii) The management has represented that the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the type of operations carried on by the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, 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 and cess.

(x) The Company is in existence for a period less than 5 years; hence reporting on accumulated losses under clause (x) of the Companies (Auditors' Report) Order 2003 is not required.

(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, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(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 instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management

For GIANENDER AND ASSOCIATES
Chartered Accountants
ICAI Regn. No. 004661N

ANKIT GUPTA
Partner
M. No. 511398

Place : New Delhi

Date : April 26, 2012

PNG TOLLWAY LIMITED
(Formerly L&T PNG Tollway Private Limited)

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					
(a) Share Capital	1	1,691,000,000		*845,500,000*	
(b) Reserves & Surplus	2	(8,762,609)		*(8,762,609)*	
(c) Money received against share warrants		–		–	
			1,682,237,391		*836,737,391*
Share application money pending allotment			–		–
Non-current liabilities					
(a) Long-term borrowings	3	8,397,100,000		*3,172,100,000*	
(b) Deferred tax liabilities (Net)		–		–	
(c) Other Long term liabilities	4	5,092,502		–	
(d) Long-term provisions		–		–	
			8,402,192,502		*3,172,100,000*
Current liabilities					
(a) Short-term borrowings		–		–	
(b) Trade payables		–		–	
(c) Other current liabilities	5	809,110,406		*552,906,100*	
(d) Short-term provisions	6	668,498		*585,348*	
			809,778,904		*553,491,448*
TOTAL			10,894,208,797		*4,562,328,839*
ASSETS					
Non-current assets					
(a) Fixed Assets					
(i) Tangible Assets	7	2,571,008		*3,092,313*	
(ii) Intangible Assets		–		–	
(iii) Capital Work in Progress		–		–	
(iv) Intangible Asset under Development	8	10,368,126,003		*3,283,543,079*	
(b) Non-current Investments		–		–	
(c) Long-term loans and advances	9	486,233,081		*1,107,266,727*	
(d) Other non-current assets		–		–	
			10,856,930,092		*4,393,902,119*
Current Assets					
(a) Current investments		–		–	
(b) Inventories		–		–	
(c) Trade receivables		–		–	
(d) Cash and Bank Balances	10	24,047,080		*134,491,771*	
(e) Short-term loans and advances	11	13,231,625		*33,934,949*	
(f) Other current assets		–		–	
			37,278,705		*168,426,720*
TOTAL			10,894,208,797		*4,562,328,839*
SIGNIFICANT ACCOUNTING POLICIES	12				

See accompanying notes to the financial statements.

In terms of our report of even date attached

For and on behalf of the Board

GIANENDER AND ASSOCIATES
Chartered Accountants
ICAI Regn. No. 004661N

ANKIT GUPTA
Partner
M. No. 511398

MAHAVEER DASHRATHNA *Manager*

T. S. VENKATESAN *Director*

KARTHIKEYAN T. V. *Director*

Place : New Delhi
Date : April 26, 2012

Place : Chennai
Date : April 26, 2012

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

	Note No.	2011-2012 Rupees	*2010-2011 Rupees*
INCOME		–	*–*
Expenses		–	*–*
Profit / (Loss) Before Extraordinary items and Tax		–	*–*
Exceptional items		–	*–*
Prior Period Adjustments		–	*(485,943)*
Profit/(Loss) before Taxes - PBT		–	*(485,943)*
Tax expense			
Current tax		–	*–*
Deferred tax		–	*–*
Profit/(Loss) After Tax		–	*(485,943)*
Earnings per share	14		
- Basic/diluted		–	*(0.10)*
- Face Value per Equity Share		10.00	*10.00*

See accompanying notes to the financial statements.

In terms of our report of even date attached

For and on behalf of the Board

GIANENDER AND ASSOCIATES
Chartered Accountants
ICAI Regn. No. 004661N

ANKIT GUPTA
Partner
M. No. 511398

MAHAVEER DASHRATHNA
Manager

T. S. VENKATESAN
Director

KARTHIKEYAN T. V.
Director

Place : New Delhi
Date : April 26, 2012

Place : Chennai
Date : April 26, 2012

PNG TOLLWAY LIMITED
(Formerly L&T PNG Tollway Private Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH, 2012

		2011-2012 Rupees	*2010-2011 Rupees*
A	**Cash Flow from operating activities**		
	Profit before tax		
	Profit before tax (excluding extraordinary items)	–	*(485,943)*
	Adjustments for :		
	Depreciation	–	–
	Operating profit/Loss before working capital changes	–	*(485,943)*
	Direct taxes paid (net of refund)		
	Net Cash(used in)/from Operating Activities (A)	–	*(485,943)*
	Cash flow from Investing activities :		
	Purchase of fixed assets (Including Pre-operative expenses)	**(7,088,311,943)**	*(2,646,375,238)*
	Add: Depreciation during the year	**779,153**	*396,790*
	(Increase)/ Decrease in Long-term Loans and Advances	**621,033,646**	*299,764,473*
	(Increase)/ Decrease in Short-term Loans and Advances	**20,703,324**	*(26,292,099)*
	Increase/ (Decrease) in Long-term Liabilities	**5,092,502**	–
	Increase/ (Decrease) in Other Current Liabilities	**256,204,306**	*531,899,673*
	Increase/ (Decrease) in Short term Provisions	**83,150**	*337,638*
	Purchase of Current Investments	**(1,129,500,000)**	*(797,004,097)*
	Sale of Current Investments	**1,132,971,171**	*800,477,619*
	Net cash (used in) / from investing activities	**(6,180,944,691)**	*(1,836,795,241)*
B	**Cash flow from financing activities**		
	Issue of Equity Shares	**845,500,000**	–
	Secured Loans	**4,725,000,000**	–
	Unsecured Loans	**500,000,000**	*2,401,500,000*
	Net cash (used in) / from financing activities	**6,070,500,000**	*2,401,500,000*
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(110,444,691)**	*564,218,816*
	Cash and cash equivalents as at the beginning of the year	**134,491,771**	*169,801,902*
	Cash and cash equivalents as at the end of the year	**24,047,080**	*134,491,771*

Notes:

1. Cash Flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3; “Cash Flow Statement” as per Companies (Accounting Standard) Rules, 2006.
2. Previous year’s figures have been regrouped/reclassified wherever applicable.
3. Components of Cash and cash equivalents-: Rupees Rupees.

Cash on Hand	–	–
Balance with Scheduled Banks - Current Accounts	**434,418**	*411,211*
Balance with Scheduled Banks in term deposits including accrued interest thereon	**23,612,662**	*134,080,560*
Cash & Cash Equivalents	**24,047,080**	*134,491,771*

In terms of our report of even date attached

For and on behalf of the Board

GIANENDER AND ASSOCIATES
Chartered Accountants
ICAI Regn. No. 004661N

ANKIT GUPTA
Partner
M. No. 511398

MAHAVEER DASHRATHNA
Manager

T. S. VENKATESAN
Director

KARTHIKEYAN T. V.
Director

Place : New Delhi
Date : April 26, 2012

Place : Chennai
Date : April 26, 2012

NOTES TO FINANCIAL STATEMENTS

1 SHARE CAPITAL

	As at 31.03.2012		*As at 31.03.2011*	
	No of Shares	**Rupees**	*No of Shares*	*Rupees*
Authorized Shares				
Equity Shares of Rs..10/- each	**170,000,000**	**1,700,000,000**	*170,000,000*	*1,700,000,000*
Issued, Subscribed and Paid up shares				
Equity shares of Rs..10/- each fully paid up	**169,100,000**	**1,691,000,000**	*84,550,000*	*845,500,000*
TOTAL		**1,691,000,000**		*845,500,000*

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

Equity Shares				
At the beginning of the year	**84,550,000**	**845,500,000**	*84,550,000*	*845,500,000*
Issued during the year as fully paid	**84,550,000**	**845,500,000**	*–*	*–*
Outstanding at the end of the year	**169,100,000**	**1,691,000,000**	*84,550,000*	*845,500,000*

b. Terms / Rights attached to Equity Shares

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

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

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

	Relationship	As at 31.03.2012 Rupees	*As at 31.03.2011 Rupees*
Larsen & Toubro Limited			
4,39,66,000 equity shares of Rs.10 each fully paid up	**Holding Company**	**439,660,000**	*219,830,000*
(previous year : 2,19,83,000 Equity Shares of Rs. 10 each)			
L&T Infrastructure Development Projects Limited			
6,04,70,158/- equity shares of Rs.10 each fully paid up	**Fellow Subsidiary**	**604,701,580**	–
(previous year : NIL)			
L&T Transco Private Limited		**206,978,380**	*405,840,000*
2,06,97,838/- equity shares of Rs.10 each fully paid up	**Fellow Subsidiary**		
(previous year :4,05,84,000 equity shares of Rs.10 each)			
Ashoka Buildcon Limited			
4,39,66,000 equity shares of Rs.10 each fully paid up	**Share holder having significant influence**	**439,660,000**	*219,830,000*
(previous year : 2,19,83,000 Equity Shares of Rs. 10 each)			

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				
Larsen and Toubro Limited	**43,966,000**	**35.14%**	*21,983,000*	*26.00%*
L&T Infrastructure Development Projects Limited	**60,470,158**	**48.32%**	*–*	*0.00%*
L&T Transco Private Limited	**20,697,838**	**16.54%**	*40,584,000*	*48.00%*
Ashoka Buildcon Limited				

NOTES TO FINANCIAL STATEMENTS (Contd.)

		As at 31.03.2012		*As at 31.03.2011*	
		Rupees	**Rupees**	*Rupees*	*Rupees*
2	**RESERVES & SURPLUS**				
	Surplus / (deficit) in the Statement of Profit and Loss				
	Balance as per the last financial statement		**(8,762,609)**		*(8,276,666)*
	Add: Profit / (Loss) from current year		**–**		*(485,943)*
	Closing Balance		**(8,762,609)**		*(8,762,609)*
	Total of Reserves and Surplus		**(8,762,609)**		*(8,762,609)*
3	**LONG TERM BORROWINGS**				
	Term loans:				
	Secured				
	Bank of Baroda	**1,021,600,000**		*411,750,000*	
	Federal Bank	**1,021,600,000**		*411,750,000*	
	Indian Bank	**1,021,600,000**		*411,750,000*	
	State Bank of India	**3,139,400,000**		*1,266,100,000*	
	South Indian Bank	**496,200,000**		*193,300,000*	
	UCO Bank	**1,196,700,000**		*477,450,000*	
			7,897,100,000		*3,172,100,000*
	(Secured by pari-passu first charge on all the assets, including both tangible and intangible assets of the Company, both present and future except project assets)				
	Mezzanine Debt:				–
	Unsecured				
	L&T Infrastructure Development Projects Limited	**240,000,000**		–	
	Larsen & Toubro Limited	**130,000,000**		–	
	Ashoka Buildcon Limited	**130,000,000**		–	
			500,000,000		–
	TOTAL		**8,397,100,000**		*3,172,100,000*

3.1 Details of Term Loans

	Rate of Interest	**Amount (Rs.)**	Terms of Repayment
Rupee Term Loan	**12.25% p.a**	**7,897,100,000**	The loan is repayable in 138 unequal Monthly Installments beginning from July 2013 to March 2025 as per the amortization schedule given in Common Loan Agreement.
Mezzanine Debt	**12.30% p.a**	**500,000,000**	Monies brought in by way of unsecured loans incl. Mezzanine debt to meet the Project cost shall be subordinated to the facility and shall be repaid out of the cash flows of the Project. Mezzanine debt brought by the Sponsors can be replaced with the unsecured loans by any other person.

NOTES TO FINANCIAL STATEMENTS (Contd.)

		As at 31.03.2012		As at 31.03.2011	
		Rupees	**Rupees**	*Rupees*	*Rupees*
4	**OTHER NON-CURRENT LIABLITIES**				
	Interest Accrued on Unsecured Loans		**5,092,502**		
	TOTAL		**5,092,502**		–
5	**OTHER CURRENT LIABLITIES**				
	Other payables				
	- Due to Holding Company	**539,782,503**		*232,538,999*	
	- Due to Ashoka Buildcon Limited	**225,453,590**		*228,378,441*	
	- Statutory liabilities	**37,391,758**		*74,791,020*	
	- Others	**6,482,555**		*17,197,640*	
			809,110,406		*552,906,100*
	TOTAL		**809,110,406**		*552,906,100*

* There have been no transactions with Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence, reporting details of principal and interest does not arise

6	**SHORT TERM PROVISIONS**		
	Provisions for Employee Benefits		
	Provision for Gratuity (Note no. 15)	**236,774**	*121,992*
	Provision for Leave Encashment (Note no. 15)	**431,724**	*313,200*
	Other Provisions		
	Provision for Income Tax	**–**	*150,156*
	TOTAL	**668,498**	*585,348*

7 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2011	Additions	Deductions	**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										
Freehold Land	940,000	–	–	**940,000**	–	–	–	–	**940,000**	*940,000*
Office Equipments	1,388,934	39,300	–	**1,428,234**	196,184	480,132	–	**676,316**	**751,918**	*1,192,750*
Computers	1,031,765	92,010	–	**1,123,775**	235,191	268,788	–	**503,979**	**619,796**	*796,574*
Furniture & Fixture	254,642	126,538	–	**381,180**	91,653	30,233	–	**121,886**	**259,294**	*162,989*
TOTAL	**3,615,341**	**257,848**	–	**3,873,189**	**523,028**	**779,153**	–	**1,302,181**	**2,571,008**	*3,092,313*
Previous year	*2,293,263*	*1,322,078*		*3,615,341*	*126,239*	*396,789*		*523,028*	*3,092,313*	

NOTES TO FINANCIAL STATEMENTS (Contd.)

8 INTANGIBLE ASSET UNDER DEVELOPMENT

	As at 31.03.2011	For the year	**As at 31.03.2012**
	Rupees	Rupees	**Rupees**
A. Construction Cost			
EPC Contract bills	*2,997,644,718*	6,228,259,657	**9,225,904,375**
Others	*32,191,078*	40,910,706	**73,101,784**
TOTAL (A)	*3,029,835,796*	6,269,170,363	**9,299,006,159**
B. Pre-Operative Expenses pending allocation			
Salaries and Wages	*8,084,672*	11,425,937	**19,510,609**
Contribution to			
Provident Fund	*508,801*	449,708	**958,509**
Gratuity	*121,992*	114,782	**236,774**
Leave Encashment Exp.	*313,200*	118,524	**431,724**
Staff Welfare Expenses	*467,164*	390,428	**857,592**
Rent, Rates and Taxes	*1,055,798*	950,709	**2,006,507**
Concession Fee	*1*	2	**3**
Utilities Shifting Works Payments	*351,736,573*	90,992,674	**442,729,247**
Travelling and Conveyance	*4,362,710*	3,219,042	**7,581,752**
Communication Expenses	*466,815*	446,055	**912,870**
Printing and Stationery	*281,335*	239,887	**521,222**
Insurance	–	9,203,781	**9,203,781**
Professional Fees	*40,565,391*	120,833,137	**161,398,528**
Service & Agency Fees	*3,176,539*	4,416,261	**7,592,800**
Repair and Maintenance-Others	*927,448*	822,535	**1,749,983**
Miscellaneous Expenses	*3,264,592*	272,353	**3,536,945**
Electricity Expenses	*133,890*	204,108	**337,998**
Depreciation	*523,028*	779,153	**1,302,181**
Project Expenses	*603,313*	1,523,933	**2,127,246**
Borrowing cost			
Interest On Term Loan	*171,376,511*	652,497,050	**823,873,561**
Interest on Unsecured loans		5,658,336	**5,658,336**
Bank & Finance charges	*20,947,605.45*	5,318,011.40	**26,265,617**
Total Pre-operative expenses pending allocation	*608,917,378*	909,876,406	**1,518,793,784**
Less :			
Utility Shifting Works Reimbursements	*351,736,573*	90,992,674	**442,729,247**
Income on Investments	*3,473,522*	3,471,171	**6,944,693**
TOTAL (B)	*253,707,283*	815,412,561	**1,069,119,844**
GRAND TOTAL (A+B)	*3,283,543,079*	7,084,582,924	**10,368,126,003**

NOTES TO FINANCIAL STATEMENTS (Contd.)

		As at 31.03.2012		As at 31.03.2011	
		Rupees	Rupees	Rupees	Rupees
	Auditor Remuneration (Excl. Service tax)				
	As				
	Auditor		**200,000**		*150,000*
	For taxation matters		**–**		–
	For Company law matters		**–**		–
	For management services		**–**		–
	For other services		**170,000**		*150,000*
	Reimbursement of Expense		**–**		–
	TOTAL		**370,000**		*300,000*
9	**LONG TERM LOANS AND ADVANCES**				
	Capital advances				
	Secured, Considered good				
	- to Larsen & Toubro Limited, Holding Company		**280,573,561**		*653,581,144*
	- to Ashoka Buildcon Limited		**205,659,520**		*453,685,583*
	TOTAL		**486,233,081**		*1,107,266,727*
10	**CASH AND BANK BALANCES**				
	Cash and Cash Equivalents				
	Balances with banks				
	on Current account	**434,418**		*411,211*	
	on Bank deposit with less than 3 months original maturity (including interest accrued thereon)	**23,612,662**		*134,080,560*	
			24,047,080		*134,491,771*
	Other Bank Balances		**–**		–
	TOTAL		**24,047,080**		*134,491,771*
11	**SHORT TERM LOANS AND ADVANCES**				
			Amount (Rs.)		
	Security Deposit				
	Unsecured, Considered good		**1,213,750**		*690,000*
	Other Loans and Advances				
	Unsecured, Considered good				
	Utility Shifting receivable		**-**		*21,592,161*
	Statutory dues Receivable		**10,247,987**		*10,825,538*
	Prepaid Expenses		**1,692,517**		*827,250*
	Others		**77,371**		-
	TOTAL		**13,231,625**		*33,934,949*

NOTES TO FINANCIAL STATEMENTS (Contd.)

12 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

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

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

c) Interest income is accrued at applicable rates.

d) License fees for wayside amenities are accounted on accrual basis, based on contract.

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

c. Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

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

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

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

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

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

(iii) Long Term Employee Benefits

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

d. Fixed Assets

Tangible

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

Intangible Assets and Amortization

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets"" as specified in the Companies (Accounting Standards) Rule, 2006 and are amortized as follows:

Carriageway representing toll collection rights are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis. The cost of such carriageway comprises of construction cost, and other preoperative costs incurred during the construction phase.

Such Carriageway on completion are capitalized as Intangible Asset and are amortized over the period of rights given under the Concession Agreement on a straight line as they represent right to collect toll revenue during the concession period.

Pre-operative expenses including administrative and other general overhead expenses, incurred up to the date of commencement of commercial operations and which are specifically attributable to construction of the carriageway are capitalized as a part of the cost of the asset. Other expenses have been written in the year of incurrence of such expenditure.

Preliminary Expenses are written off in the year of the incorporation of the company.

NOTES TO FINANCIAL STATEMENTS (Contd.)

e. 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 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%

Depreciation on impaired assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

Depreciation on additions/deductions is calculated pro-rata from/to the month of additions/deductions.

Individual assets whose value is below Rs. 5,000 has been written off in the year of purchase.

f. Investments

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

g. Leases

a) Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized 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. 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.

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

h. Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized 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 recognized as an expense in the period in which they are incurred.

i. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessments / appeals.

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

Deferred tax assets 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 realized.”

j. 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

d) Contingent Assets are neither recognized, nor disclosed.

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

k. Foreign currency Transactions and Derivatives

a) The reporting currency of the company is the Indian Rupee.

b) Foreign currency transactions are recorded on initial recognition in the foreign currency, using the exchange rate on the date of the transaction.

c) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of monetary items at the closing rate are adjusted in pre-operative expenses.

13 CORPORATE INFORMATION

PNG Tollway Limited is a Special Purpose Vehicle (SPV) incorporated on 16th Februarry 2009 for the purpose of Conversion of 2 lane to six lane of NH3 from KM 380.00 t0 KM 440 from Pimpalgaon-Nasik-Gonde Section in Nasik District of Maharashtra State, under Design, Build, Finance, Operate and Transfer (DBFOT) basis based on the Concession Agreement dated 8th July 2009 with Ministry of Surface Transport, Government of India and Department of Highways. The consruction is under progress. The concession period is 20 years which includes construction period 30 Months.

14 EARNINGS PER SHARE

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

Particulars	**2011-12**	*2010-11*
	Rupees	*Rupees*
Basic / Diluted		
Profit after tax as per Accounts	**0**	*(485,943)*
PAT available to Equity Share holders	**0**	*(485,943)*
Weighted Average number of shares	**16,91,00,000**	*8,45,50,000*
Basic / Diluted EPS	**0**	*(0.10)*

15 GRATUITY AND LEAVE ENCASHMENT

1. Gratuity

A. Results of Acturial Valuation

1. Valuation as on	**31.03.2012**	*31.03.2011*
2. Retirement Age	**As per rule of the Company**	*As per rule of the Company*
3. No of Employees	**14**	*12*
4. Notional Benefit Obligations (Accrued benefits) on Current Salary	**236,774**	*121,992*
5. Present Value of Benefit Obligations	**236,774**	*121,992*

B. Principal rules to compute Benefit Obligations

1. Salary recknoed 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**	

2. Leave Salary

A. Summary of Staff

1. No of Employees	**14**	*12*
2. Notional Benefit Obligations (Accrued benefits) on Current Salary	**431,724**	*313,200*
3. Projected acturial value of benefit obligation in Rs.	**431,724**	*313,200*

NOTES TO FINANCIAL STATEMENTS (Contd.)

B. Principal rules to compute Benefit Obligations

1. Salary recknoed 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 Acturial Assumptions

A. Mean Financial Assumptions

1. Discount Rate per unit per annum	**8.00%**	*7.50%*
2. Salary escalation rate per unit per annum	**6.00%**	*6.00%*
3. Expected rate of return on Plan Assets per unit per annum	**N.A**	*N.A*

B. Mean Demographic Assumptions

1. Mortality Rate	**LIC 94 - 96 Rates**	
2. Withdrawal / Attrition Rate	**5% for all age**	*15% for all age*
3. Disability / Ill health retirement	**No Explicity Assumption**	

Contribution to the Provident Fund is made to regional provident fund office

16 CAPITAL COMMITMENT

Estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2012

	As on 31.03.2012	As on 31.03.2011
	Rupees	*Rupees*
EPC - Larsen & toubro Limited	**2,805,735,617**	*6,535,811,444*
EPC - Ashoka Buidlcon Limited	**2,056,595,227**	*4,611,978,516*
Others	**85,363,887**	*–*
TOTAL	**4,947,694,731**	*11,147,789,960*
Less mobilization Advance	**486,233,081**	*1,107,266,727*
Net Amount	**4,461,461,650**	*10,040,523,233*

17 SEGMENT REPORTING

The Company is engaged in single business segment of Construction of 2 lane Road to 6 lane of Pimpalgaon-Nasik-Gonde Section of NH3 from KM 380.00 to KM 440.00 on Design Build Finance Operate and Transfer basis to NHAI on a 20 Year Consession Period whcih includes construction period of 30 Months. Accordingly furnishing segment details is not applicable. Further the company is carrying on its business in only one geographical segment and hence furnishing details of geographical segment does not arise

18 RELATED PARTY TRANSACTIONS

A. List of Related Parties

Holding Company	Larsen and Toubro Limited
Subsidiary Company	Nil
Fellow Subsidiaries	L&T Transco Private Limited
	L&T Infrastructure Development Projects Limited
	L&T Urban Infrastructure Limited
	L&T Seawood Private Limited
	L&T Chennai Tada Tollway Limited
	L&T Halol Shamlaji Tollway Limited
	L&T Vadodra Bharuch Tollways Limited
	L&T Inter State Road Corridor Limited
Company having significant influence	Ashoka Buildcon Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

B. Transactions with related parties

Amount in Rs.

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						
Professional Fee	77,982,100					
Equity Capital	405,840,000					
Mezz. Debt (Promoter's Contribution)	240,000,000					
Cost of Services	3,540,585					
Reimbursement of Expenses to	409,585			*14,680,532*		
Reimbursement of Expenses from	34,001					
TOTAL		–	–		*10,800,000*	*–*
Larsen & Toubro Limited						
Equity Capital	219,830,000					
Mobilization Advance Recovered	373,007,583			*172,910,056*	*–*	*–*
Balance Mobilization Advance Recoverable			280,573,561		*–*	*653,581,144*
EPC Bills Payments	3,730,075,827			*1,729,100,556*	*–*	
Mezz. Debt (Promoter's Contribution)	130,000,000			*–*	*–*	*–*
Reimbursement of Expenses	1,915,223			*103,599*	*–*	*–*
Cost of Services	198,540					
Bill Payable		539,782,503	–	*–*	*23,538,999*	*–*
L&T Urban Infrastructure Limited						
Reimbursement of Expenses	–	–	–	*21,597*	*–*	*–*
L&T Chennai Tada Tollway Ltd.						
Reimbursement of Expense	50,120.00	–	–	*30,646*	*–*	*–*
L&T Halol Shamlaji Tollway Private Limited						
Reimbursement of Expenses	–	–	–	*5,752*	*–*	*–*
L&T Seawood Private Ltd						
Reimbursement of Expenses	–	–	–	*4,218*	*–*	*–*
L&T Vadodra Bharuch Tollway Limited						
Reimbursement of Expenses	6,509	–	–	*–*	*–*	*–*
Ashoka Buildcon Limited						
Equity Capital	219,830,000					
Mezz. Debt (Promoter's Contribution)	130,000,000					
Mobilization Advance Recovered	248,026,063			*126,854,417*		
Balance Mobilization Advance Recoverable			205,659,520			*453,685,583*
Utility Bills Payments						
EPC Bills Payments	2,480,260,611			*1,268,544,162*		
Additional Works	32,806,156					
Bills payable		225,453,590			*228,378,441*	

NOTES TO FINANCIAL STATEMENTS (Contd.)

C. **The List Guarantees given by M/s. Ashoka Buildcon Limited and by M/s. Larsen & Toubro Limited**

Nature of Guarantee	Amount in Rs.	Period From	Period up to
A. Gurantees given by M/s. Ashoka Buildcon Limited			
1.BG Against Performance Security	145,135,000	4th Jan 2010	4th July 2012
2.BG Against Performance Security	145,135,000	4th Jan 2010	4th July 2013
3.Corporate Guarantee against Advance	290,270,000	4th Jan 2010	4th July 2012
4.Performance Corporate Guarantee	290,270,000	4th Jan 2010	4th July 2013
5.B G against Mobilization advance	70,000,000	4th Jan 2010	4th May 2012
6.B G against Mobilization advance	50,000,000	4th Jan 2010	4th July 2012
B. Gurantees given by M/s. Larsen & toubro Limited			
1.Corporate Guarantee against Advance	413,245,600	4th Jan 2010	3rd July 2012
2.Performance Corporate Guarantee	413,245,600	4th Jan 2010	4th July 2013
3.BG Against Performance Security	206,622,800	4th Jan 2010	4th July 2013
4.BG Against Performance Security	206,622,800	4th Jan 2010	4th July 2012
5.B G against Mobilization advance	413,245,600	4th Jan 2010	4th July 2012

19 TAXATION

a. No Provision has been made for Wealth Tax as the Company does not have taxable wealth under the provisions of the Wealth Tax Act, 1952.

b. 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 80IA of Income Tax Act and the tax holiday period of the company's project falls within the concession period of the company as defined in Section 80IA. 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.

20 IMPAIRMENT OF ASSETS

The Company has revised the future discounted cash flows based on value in use of fixed assets and is satisfied that the recoverable amount is more than the amount carried in the books. Accordingly, no provision is required to be made for the impairment in the accounts.

21 EXPENDITURE IN FOREIGN CURRENCY

	2011-12	*2010-11*
	Rupees	*Rupees*
Import of Toll Equipment	**9,143,488**	*Nil*

22 CIF VALUE OF IMPORTS

	2011-12	*2010-11*
	Rupees	*Rupees*
Import of Toll Equipment	**9,143,488**	*Nil*

23 EARNINGS IN FOREIGN CURRENCY

The company has no earnings in foreign currency during the current year

24 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 March 31, 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 reclassifed the previous year figures to make them comparable.

In terms of our report of even date attached

For and on behalf of the Board

GIANENDER AND ASSOCIATES
Chartered Accountants
ICAI Regn. No. 004661N

ANKIT GUPTA
Partner
M. No. 511398

MAHAVEER DASHRATHNA
Manager

T. S. VENKATESAN
Director

KARTHIKEYAN T. V.
Director

Place : New Delhi
Date : April 26, 2012

Place : Chennai
Date : April 26, 2012