

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report and the Accounts for the Third year ended 31st March, 2013.

I. FINANCIAL RESULTS

The key financial parameters for the period ended 31st March 2013 are submitted below:

Sl. No	Particulars	2012-13 ₹ in Lakhs	2011-12 ₹ in Lakhs
1	Income for the year	NIL	NIL
2	Less: Expenditure	NIL	NIL
3	Profit Before Depreciation & Tax (PBDT)	NIL	NIL
4	Less: Depreciation on Tangible Assets	NIL	NIL
5	Less: Amortisation on Intangible assets	NIL	NIL
6	Profit / (Loss) before tax (PBT)	NIL	NIL
7	Less: Provision for tax	NIL	NIL
8	Prior Period Adjustment	NIL	519.40
9	Profit / (Loss) after tax (PAT)	NIL	519.40
10	Balance brought forward from previous year	(3.58)	(522.98)
11	Balance carried to Balance Sheet	(3.58)	(3.58)

II. PERFORMANCE OF THE COMPANY

The average daily collection of the company increased by 13.76% from ₹ 21.00 lakhs in 2011-12 to ₹ 23.96 lakhs in 2012-13. Toll Collected during construction are capital receipts in nature and are treated as a means of funding the project construction.

III. APPROPRIATION

The Directors wish to inform that there were no appropriations to any kind of specific Reserves of the Company during the year.

IV. DIVIDENDS

The Directors of your Company express their inability to consider any dividend to be paid to the Shareholders of the Company for the year 2012-13.

V. CAPITAL EXPENDITURE

As at 31st March, 2013, the Gross Fixed Assets (Tangible and Intangible) stood at ₹ 301.66 Lakhs and the Net Fixed Assets are ₹ 106.86 Lakhs, the Capital Work in Progress and pre-operative expenses stood at ₹ 2,95,658.06 Lakhs.

VI. AUDITORS' REPORT

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

VII. DEPOSITS

The Company has not accepted any deposits from the public.

VIII. MATERIAL CHANGES, IF ANY BETWEEN DATE OF THE BALANCE SHEET AND DATE OF THE DIRECTORS' REPORT

There are no material changes that have taken place in the Company between the Date of the Balance Sheet and the Date of the Directors' Report.

IX. 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.

X. SUBSIDIARY COMPANIES

Your Company does not have any subsidiary Company.

XI. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and

L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED

prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2013 and of the profit/loss of the Company for the year ended on that date;

3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the annual accounts have been prepared on a going concern basis; and
5. That proper systems are in place to ensure compliance of all laws applicable to the Company

XII. DIRECTORS

Mr. Karthikeyan T. V. Director of the Company retires at the forthcoming Annual General Meeting and offers himself for reappointment

The Board of Directors as on 31.03.2013 is as follows:

- Mr. T. S. Venkatesan
- Mr. Karthikeyan T. V.
- Mr. R. Chandrasekaran

XIII. 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

There are no Independent Directors on the Board 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.

F) INTERNAL AUDITORS

M/S Grant Thornton, Chartered Accountants is appointed as an Internal Auditor 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.

XIV. AUDIT COMMITTEE

The Audit Committee consists of three non-executive Directors. The present members of the Committee are:

- Mr. T. S. Venkatesan
- Mr. Karthikeyan T. V.
- Mr. R. Chandrasekaran

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.

XV. REMUNERATION COMMITTEE

The Remuneration Committee consists of three non-executive Directors. The present members of the Committee are:

- Mr. T. S. Venkatesan
- Mr. Karthikeyan T. V.
- Mr. R. Chandrasekaran

XVI. AUDITORS:

The Auditors, M/s. Gianender and Associates, Chartered Accountants, 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 have 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

XVII. DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER THE COMPANIES' (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

- CONSERVATION OF ENERGY

Since the Company is in Infrastructure business, conservation of energy, research and development, technology absorption does not apply.

- TECHNOLOGY ABSORPTION

There was no Technology Absorption during the year.

- FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company did not incur any expenditure on foreign currency during the year.

XVIII. MAINTENANCE OF COST RECORDS COMPLIANCE REPORT

Pursuant to the provisions of rule 5 of The Companies (Cost Accounting Records) Rules, 2011, your company is required to obtain a Maintenance of Cost Records 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.

XIX. ACKNOWLEDGEMENTS:

The Directors acknowledge the valuable support extended to the Company by the employees of the Company, staff and management of the parent company.

For and on behalf of the Board

Place : Chennai
Date : April 25, 2013

T. S. VENKATESAN
Director

KARTHIKEYAN T. V.
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED.

Report On The Financial Statements

We have audited the accompanying financial statements of **L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED**, which comprise the Balance Sheet as at 31st March 2013, and the statement of Profit and Loss and 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 principles generally accepted in India including accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). 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 auditing 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 Act 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 31st March 2013,
- 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.

Report On Other Legal And Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 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. 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 and 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, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, 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 : April 25, 2013

ANNEXURE TO THE 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: L&TSAMAKHIALI GANDHIDHAM TOLLWAY LIMITED

- (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 Para 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 Para-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 Para 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 Para 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) It has been represented by the management that since commercial operations of the company are yet to be started, maintenance of cost records u/s 209(1)(d) of the Act is not applicable.
- (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 31st March 2013, 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 five years; hence reporting on accumulated losses under Para 4(x) of the Companies (Auditor's 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 Para 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 explanations given to us and on the 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 investments.
- (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 & ASSOCIATES**
Chartered Accountants
(Firm Regn. No. 004661N)

G. K. AGRAWAL
Partner
M. No. 081603

Place : Chennai
Date : April 25, 2013

BALANCE SHEET AS AT MARCH 31, 2013

		As at 31.03.2013		As at 31.03.2012	
	Note	₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	A	805,400,000		805,400,000	
Reserves & Surplus	B	(358,500)	805,041,500	(358,500)	805,041,500
Non-current liabilities					
Long-term borrowings	C(I)	3,542,300,000		1,200,000,000	
Long-term liabilities	C(II)	24,260,982,247		24,937,151,015	
Long-term provisions	C(III)	731,125	27,804,013,372	312,323	26,137,463,338
Current liabilities					
Current maturities of long term Borrowings	D(I)	37,600,000		—	
Short-term borrowings	D(II)	225,100,000		—	
Trade payables	D(III)	—		—	
Other current liabilities	D(IV)	1,268,592,826		867,094,870	
Short-term provisions	D(V)	23,729	1,531,316,555	23,215	867,118,085
TOTAL			30,140,371,427		27,809,622,923
ASSETS					
Non-current assets					
Fixed Assets					
Tangible Assets	E(I)	10,685,610		16,687,808	
Intangible Assets under Development	E(II)	29,565,806,308		26,827,471,979	
Long-term loans and advances	E(III)	505,894,923	30,082,386,841	876,045,075	27,720,204,862
Current assets					
Cash and Bank balances	F(I)	16,378,006		72,092,048	
Short-term loans and advances	F(II)	41,606,580	57,984,586	17,326,013	89,418,061
TOTAL			30,140,371,427		27,809,622,923
CONTINGENT LIABILITIES AND COMMITMENTS	G				
OTHER NOTES FORMING PART OF ACCOUNTS	H				
SIGNIFICANT ACCOUNTING POLICIES	I				

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

Firm's Regn. No. 004661N

G. K. AGRAWAL

Partner

Membership No. 081603

C. N. DOIPHODE

Manager

T. S. VENKATESAN

Director

KARTHIKEYAN T. V.

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 25, 2013

Place : Chennai

Date : April 25, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

		2012-13		2011-12	
	Note	₹	₹	₹	₹
REVENUE					
Revenue from Operations		-		-	
Other Income		-		-	
Total Revenue			-		-
EXPENSES					
Operating and maintenance expenses		-		-	
Employee benefit expenses		-		-	
Administration and other expenses		-		-	
Depreciation of Tangible Assets		-		-	
Amortisation of Intangible Assets		-	-	-	
Total Expenditure			-		-
Profit Before Extraordinary & Exception Items and Tax			-		-
Prior Period Adjustments			-		51,939,660
Profit/(Loss) After Tax			-		51,939,660
Balance brought forward from previous period			(358,500)		(52,298,160)
Balance carried to Balance sheet			(358,500)		(358,500)
Earnings per share					
Basic/Diluted			N.A.		N.A.
Face value per Equity share (₹)			10.00		10.00
OTHER NOTES FORMING PART OF ACCOUNTS	H				
SIGNIFICANT ACCOUNTING POLICIES	I				

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

Firm's Regn. No. 004661N

G. K. AGRAWAL

Partner

Membership No. 081603

C. N. DOIPHODE

Manager

T. S. VENKATESAN

Director

KARTHIKEYAN T. V.

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 25, 2013

Place : Chennai

Date : April 25, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	As at 31.03.2013 ₹	As at 31.03.2012 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax (excluding extraordinary items)	—	—
Adjustments for :		
Depreciation and amortisation	—	—
(Profit) / Loss on sale of investments (net)	—	—
Operating profit before working capital changes	—	—
Prior Period Adjustment	—	51,939,660
Cash generated from operations	—	51,939,660
Direct taxes paid (net of refund)	—	—
Net cash from operating activities	—	51,939,660
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including Preoperative Expenses) & net of deferred credit	(2,732,332,131)	(605,703,139)
Purchase of investments	(1,023,848,838)	—
Sale of investments	1,023,848,838	—
Adjustments For :		
(Increase) / Decrease in long term provisions	418,802	—
(Increase) / Decrease in long term loans and advances	370,150,152	(26,500)
(Increase) / Decrease in short term loans and advances	(24,280,567)	(11,509,097)
Increase / (Decrease) in long term liabilities	(676,168,768)	(643,970,250)
Increase / (Decrease) in other current liabilities	401,497,956	147,733,456
Increase / (Decrease) in short term provision	514	107,077
Net cash (used in) / from investing activities	(2,660,714,042)	(1,113,368,453)
C CASH FLOW FROM FINANCING ACTIVITIES		
Promoter's Mezzanine Debt	55,000,000	—
Short term borrowings	225,100,000	—
Proceeds from long term borrowings	2,550,000,000	1,050,000,000
Repayment towards long term borrowings	(225,100,000)	—
Net cash (used in) / from financing activities	2,605,000,000	1,050,000,000
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(55,714,042)	(11,428,793)
Cash and cash equivalents as at the beginning of the year	72,092,048	83,520,841
Cash and cash equivalents as at end of the year	16,378,006	72,092,048

NOTES

- 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 Standards) Rules, 2006.
- Previous year's figures have been regrouped/reclassified wherever applicable
- Components of Cash and cash equivalents:-

Balances with banks:

— on current account

3,591,966 6,754,538

— on Fixed Deposits with less than 3 months maturity

5,000,000 60,000,000

Cash in hand

7,786,040 5,337,510

TOTAL**16,378,006 72,092,048**

As per our report of even date attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

Firm's Regn. No. 004661N

G. K. AGRAWAL

Partner

Membership No. 081603

C. N. DOIPHODE

Manager

T. S. VENKATESAN

Director

KARTHIKEYAN T. V.

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 25, 2013

Place : Chennai

Date : April 25, 2013

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	₹	No. of Shares	₹
A SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10/- each	120,000,000	1,200,000,000	120,000,000	1,200,000,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10/- each fully paid up	80,540,000	805,400,000	80,540,000	805,400,000

A(1) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	₹	No. of Shares	₹
Equity Shares:				
At the beginning of the period	80,540,000	805,400,000	50,000	500,000
Issued during the year as fully paid	—	—	80,490,000	804,900,000
Outstanding at the end of the period	80,540,000	805,400,000	80,540,000	805,400,000

A(2) Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 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 company has not issued any securities with right/option to convert the same at a later date.

During the year ended 31st March 2013, no dividend is declared by Board of Directors.

A(3) Shares held by Holding / Ultimate holding company and/or their subsidiaries/associates:

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	₹	No. of Shares	₹
L&T Infrastructure Development Projects Limited and its nominees				
Holding Company	80,508,133	805,081,330	80,508,133	805,081,330
Larsen and Toubro Limited				
Ultimate Holding Company	13,000	130,000	13,000	130,000
L&T Transco Limited				
Fellow subsidiary company	18,867	188,670	18,867	188,670

A(4) Details of Shareholders holding more than 5% shares in the company:

	As at 31.03.2013		As at 31.03.2012	
	No of Shares	%	No of Shares	%
Equity Shares of ₹10/- each fully paid				
L&T Infrastructure Development Projects Limited, Holding Company and its nominees	80,508,133	99.96%	80,508,133	99.96%
Larsen and Toubro Limited				
Ultimate Holding Company	13,000	0.02%	13,000	0.02%
L&T Transco Limited				
Fellow subsidiary company	18,867	0.02%	18,867	0.02%

B RESERVES & SURPLUS**Surplus / (deficit) in the Statement of Profit and Loss**

Balance as per the last financial statement	(358,500)	(52,298,160)
Additions during the year/period	—	51,939,660
TOTAL	(358,500)	(358,500)

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2013	As at 31.03.2012
	₹	₹
C(I) LONG TERM BORROWINGS		
a) Term loans (Secured)		
From banks	3,487,300,000	1,200,000,000
b) Promoter's Sub debt (Unsecured)		
L&T Infrastructure Development Projects Limited, Holding Company	55,000,000	—
TOTAL	3,542,300,000	1,200,000,000

C(I) (a) (1) Details of Term Loans: (Secured)

Particulars	Rate of Interest	₹	Terms of Repayment
Term Loans	Base rate + applicable spread	3,524,900,000	Repayable in 144 unequal monthly installments ranging from ₹ 3,131,164 to ₹ 13,309,496 from August 2013 to July 2025 as per amortisation schedule of the common loan agreement.
TOTAL		3,524,900,000	

C(I) (a) (2) Security for the Term Loans

Term loans are secured (except project assets) by

- Mortgage of Immovable property by way of first charge having pari passu rights at a certain location.
- Hypotecation of Movable properties, Assignment of project documents, Insurance policies, Investments, Receivables.

C(I) (a) (2) Repayment to Senior lenders

Term loans amounting to ₹ 225,100,000 were repaid to the senior lenders during the month of March 2013.

C(I) (b) (1) Details of Promoter's Sub-Debt: (Unsecured)

Particulars	Rate of Interest As at 31.03.2013	₹	Terms of Repayment
L&T Infrastructure Development Projects Limited	NIL	55,000,000	Repayable after settlement of Term Loan from Banks.
TOTAL		55,000,000	

	As at 31.03.2013	As at 31.03.2012
	₹	₹
C(II) LONG TERM LIABILITIES		
Deferred Credit Liability payable to NHAI	24,260,982,247	24,937,151,015
TOTAL	24,260,982,247	24,937,151,015

^ Long term Liabilities represents total concession fee of ₹ 24,260,982,247/- payable to NHAI as per clause 26.2 of the concession agreement. Out of above, ₹ 676,168,762 is payable in next financial year and forms part of other current liabilities

C(III) LONG TERM PROVISIONS

Provisions for Employee Benefits

Gratuity	326,435	144,308
Leave encashment	404,690	168,015
TOTAL	731,125	312,323

D(I) CURRENT MATURITIES OF LONG TERM BORROWINGS

Current maturities of long-term debt

Term loans (Secured)

From banks	37,600,000	—
TOTAL	37,600,000	—

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
D(II) SHORT TERM BORROWINGS				
Inter corporate borrowings : Unsecured				
Loans from related party (Holding Company)		225,100,000		—
TOTAL		225,100,000		—

D(II) (1) DETAILS OF SHORT TERM BORROWINGS FROM RELATED PARTY- UNSECURED

Particulars	Rate of Interest as at 31.03.2013	₹	Terms of Repayment
L&T Infrastructure Development Projects Limited	RBI Bank Rate (presently at 8.50% p.a.)	225,100,000	Due on September 26, 2013
TOTAL		225,100,000	

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
D(III) TRADE PAYABLES				
Due to Micro and small enterprises *		—		—
Due to others		—		—
TOTAL		—		—

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

D(IV) OTHER CURRENT LIABILITIES

Other payables				
– Due to Related Parties (Ultimate Holding Company)	547,590,003		—	
– Due to Related Parties (Holding Company)	495,263		206,791	
Statutory liabilities	26,726,195		15,287,120	
Deferred Payment Liability to NHAI	676,168,762		643,970,250	
Others	17,612,603		207,630,709	
		1,268,592,826		867,094,870
TOTAL		1,268,592,826		867,094,870

D(V) SHORT TERM PROVISIONS

Provisions for Employee Benefits				
Gratuity		2,975		10,737
Leave Encashment		20,754		12,478
TOTAL		23,729		23,215

NOTES TO FINANCIAL STATEMENTS (Contd.)**8 FIXED ASSETS- TANGIBLE**

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				CARRYING VALUE	
	As at 1.04.2012	Additions	Adjustments	As at 31.03.2013	Up to 31.03.2012	For the year	Adjustments	"As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets										
Freehold Land	1,354,000	–	–	1,354,000	–	–	–	–	1,354,000	1,354,000
Office Equipments	2,647,216	1,292,415	–	3,939,631	959,621	1,024,281	–	1,983,902	1,955,729	1,687,595
Furniture & Fittings	173,249	54,517	(5,040)	222,726	110,819	10,323	–	121,142	101,584	62,430
Computers	1,377,660	314,500	–	1,692,160	398,881	430,308	–	829,189	862,971	978,779
Plant & Machinery	15,026,282	32,235	(975,560)	14,082,957	8,630,885	5,452,021	–	14,082,906	51	6,395,397
Motor Vehicles	7,501,858	1,372,523	–	8,874,381	1,292,251	1,170,855	–	2,463,106	6,411,275	6,209,607
Total	28,080,265	3,066,190	(980,600)	30,165,855	11,392,457	8,087,788	–	19,480,245	10,685,610	16,687,808
Previous year	–	28,080,265		28,080,265	–	11,392,457	–	11,392,457	16,687,808	–

E(II) INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at 31.03.2012	Additions during the year	As at 31.03.2013
	₹	₹	₹
A. Construction Cost			
EPC Contract bills	1,189,059,378	3,221,336,135	4,410,395,513
Capital Work in progress	26,175,125,110	17,886,773	26,193,011,883
	<u>27,364,184,488</u>	<u>3,239,222,908</u>	<u>30,603,407,396</u>
B. Pre-Operative Expenses pending allocation			
Construction related Pre-operative Expenses:			
Salaries and wages	33,052,829	13,285,342	46,338,170
Contribution to and provision for			
Provident fund	1,000,263	693,185	1,693,448
Gratuity	155,045	157,161	312,206
Leave encashment	295,506	342,625	638,131
Staff welfare expenses	1,905,998	867,242	2,773,240
Cost of Services	–	–	–
Consultancy charges	–	–	–
Depreciation & Amortisation	371,872,723	8,087,788	379,960,511
Toll Management Expenses	21,642,124	20,656,599	42,298,723
Insurance	418,305	1,810,159	2,228,464
Rent, Rates & Taxes	9,779,116	2,313,989	12,093,105
Professional Fees	32,954,888	67,396,498	100,351,386
Repairs and Maintenance	35,451,080	9,387,490	44,838,570
Rail overbridge Expenses	11,787,109	11,787,109	11,519,954
Travelling and Conveyance	15,429,676	8,303,327	23,733,003
Printing and Stationery	1,259,368	604,694	1,864,062
Power & Electricity charges	2,484,206	1,696,687	4,180,893
Postage and Communication	706,486	527,335	1,233,821
Interest on term loans	38,938,439	225,047,937	263,986,376
Finance charges	26,055,294	–	26,055,294
Bank Charges	3,962,325	1,570,630	5,532,955
Miscellaneous Expenses	7,884,041	5,225,648	13,109,689
Less:			
Fee Collections from users	1,121,259,343	874,454,274	1,995,713,617
Other Income	20,700,875	6,195,750	26,896,625
TOTAL	<u><u>26,827,471,979</u></u>	<u><u>2,738,334,329</u></u>	<u><u>29,565,806,308</u></u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

	2012-13 ₹		2011-12 ₹	
Auditors' Remuneration (Excluding Service Tax)				
As Auditor				
-Audit Fees		216,000		150,000
-Certification Fees		127,500		80,000
Reimbursement of Expense		5,000		—
TOTAL		348,500		230,000

	As at 31.03.2013 ₹		As at 31.03.2012 ₹	
E(III) LONG TERM LOANS AND ADVANCES				
Capital advances				
Secured, Considered good		—		—
Unsecured, Considered good		505,849,848		876,000,000
Security Deposit				
Unsecured, Considered good				
Others		45,075		45,075
TOTAL		505,894,923		876,045,075

F(I) CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Balances with banks				
on Current account	3,591,966		6,754,538	
on Term deposit (with less than 3 months maturity)	5,000,000		60,000,000	
Cash on hand	7,786,040		5,337,510	
		16,378,006		72,092,048
TOTAL		16,378,006		72,092,048

F(II) SHORT TERM LOANS AND ADVANCES				
Others	32,997,764		16,120,014	
Prepaid Expenses	1,980,722		599,745	
Income tax - net of previous years	6,628,094		606,254	
TOTAL	41,606,580		17,326,013	

G CONTINGENT LIABILITIES AND COMMITMENTS

- a. Contingent liabilities as at 31st March 2013 is Nil. (Previous year - NIL)
- b. The company has the following commitments remaining to be executed on capital account (net of advances)

Particulars	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account (net of advances)	4,349,604,487	6,744,779,269

- c. Other Commitments -Additional Concession Fees Payable Under The Concession Agreement

In terms of clause no. 26.2 of the concession agreement dated 17th March, 2010, the additional concession fee aggregating to ₹ 24,937,151,013 over the remaining period of concession shall be recognised as cost of toll collection rights and capitalised along with Intangible assets under development payable to National Highways Authority of India (NHAI) on achievement of Project Completion Date (PCD).

NOTES TO FINANCIAL STATEMENTS (Contd.)

I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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.

2. Fixed Assets

Tangible

Tangible Fixed Assets are stated at original cost less accumulated depreciation

Intangible Assets

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

Toll collection rights represent the right to collect toll revenue during the concession period in respect of Design- Build-Finance-Operate-Transfer (DBFOT) project(s) undertaken by the Company. The construction costs, preoperative expenditure along with concession fee payable till the completion of construction of additional two lanes of the project are recognised as Intangible assets under development. The revenue towards collection of toll / other income during the period of construction of additional two lanes is reduced from the cost of intangible asset under development. Upon completion of construction of the additional two lanes of the project, the cumulative cost of the intangible assets under development [which includes the obligation towards additional concession fees payable to National Highway Authority of India (NHAI)] net of revenue towards collection of toll / other income during the period of construction is capitalized as toll collection rights and recognised under intangible assets. The said Toll collection rights are amortised from the date of completion of Project Completion Date (PCD) over the balance period of rights given under the concession agreement.

3. Depreciation

Accounting Standard (AS) 6 "Depreciation Accounting" requires depreciation to be provided on a systematic basis in each accounting period during the useful life of the asset. The rates specified in Schedule XIV to the Companies Act 1956 are only minimum requirements. However, in respect of the following asset categories the Depreciation is provided at higher rates in line with their revised estimated useful life.

Category of Asset	Depreciation Rate (% per annum)
Office Equipment	25.00%
Computers – Desktop	25.00%
Computers – Laptop	25.00%
Furniture and Fixtures	10.00%
Motor Cars	14.29%
Motor Bike	14.29%
Toll Equipments	40.00%

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 ₹ 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

Amortization:

- Toll Collection Rights are amortized over the period of rights given under the Concession Agreement as they represent right to collect Toll revenue during the concession period.
- Specialized Software: over a period of three years.

4. Investments

Current Investments are stated at lower of cost and fair value. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment. Long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

NOTES TO FINANCIAL STATEMENTS (Contd.)

5. 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 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. 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 Statement of Profit & Loss on accrual basis.

6. Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

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

7. 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.

(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.

8. 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 realised.

9. Impairment of Assets

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

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

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

Recoverable amount is determined:

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

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

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

NOTES TO FINANCIAL STATEMENTS (Contd.)

10. Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
 - (i) the Company has a present obligation as a result of a past event.
 - (ii) a probable outflow of resources is expected to settle the obligation, and
 - (iii) the amount of the obligation can be reliably estimated.
- b) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- c) Contingent Liability is disclosed in the case of
 - a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
 - b. a present obligation when no reliable estimate is possible, and
 - c. a possible obligation arising from past events where the probability of outflow of resources is not remote.
- d) Contingent Assets are neither recognized, nor disclosed.
- e) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Deferred Payment Liability

The obligation towards additional concession fee payable to NHAI is recognized as deferred payment liability when the Company, in its capacity of Concessionaire, becomes entitled to exercise the right and collect toll in accordance with the terms of the concession agreement on Commercial Operations Date. The total concession fee payable from the project completion date till the end of the concession period is capitalized as a part of cost of toll collection rights under intangible assets under development on recognition of deferred payment liability. (refer to policy on intangible asset). The deferred payment liability shall stand reduced based on actual payment towards additional concession fee payable to NHAI as and when the same is paid.

11. 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, 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.

12. Operating cycle for current and non-current classification

The company is engaged only in one line of business and the operating cycle shall be 12 months.

13. Commitments

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

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for
- ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the management

14. 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.

H OTHER NOTES FORMING PART OF ACCOUNTS

H(I) CORPORATE INFORMATION

The company has been awarded on Design, Build, Finance, Operate and Transfer (DBFOT) basis, the strengthening of existing 4-lane road from KM 306 to KM 362.16 (approximately 56.16 KM) on Samakhiali to Gandhidham section on National Highway No. 8A in the state of Gujarat and widening thereof to six lanes under concession agreement dated 17th March, 2010 with the National Highways Authority of India (NHAI).

NOTES TO FINANCIAL STATEMENTS (Contd.)**H(2) DISCLOSURES PURSUANT TO AS 15 (REVISED) - EMPLOYEE BENEFITS**

The company recognises Gratuity and Compensated absences based on the Actuarial Valuation. The following table summarizes the components of the net benefit expense recognised in the Profit and Loss Account

1. Gratuity

Particulars	2012-13	2011-12
	₹	₹
A. Results of Actuarial Valuation		
1. Valuation as on	31st March 2013	<i>31st March 2012</i>
2. Retirement Age	58	58
3. No of Employees	22	17
4. Present Value of Benefit Obligations	329,410	155,045
B. Principal rules to compute Benefit Obligations		
1. Salary reckoned for calculating benefit obligations	As per rule of the Company	<i>As per rule of the Company</i>
2. Vesting Period	5 years of Gratuity	<i>5 years of Gratuity</i>
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:

A) Present value of defined benefit obligation		
– Wholly funded	–	–
– Wholly unfunded	329,410	155,045
Less : Fair value of plan assets		
Amount to be recognised as liability or (asset)	329,410	155,045
B) Amounts reflected in the Balance Sheet		
Liabilities		
Current	2,975	10,737
Non-Current	326,435	144,308
Assets	–	–

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

1 Current service cost	152,034	114,889
2 Interest on Defined benefit obligation	13,179	7,432
3 Expected return on plan assets	329,410	155,045
4 Actuarial losses/(gains)	(8,053)	(57,358)
5 Past service cost	329,410	155,045
Total (1 to 10)		
I Amount included in “employee benefit expenses”	157,160	64,963
II Amount included as part of “finance costs”	2,975	10,737
Total (I + II)	157,160	64,963
Actual return on plan assets	–	–

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

Particulars	2012-13	2011-12
	₹	₹
Opening balance of the present value of defined benefit obligation	–	90,082
Add: Current service cost	152,034	114,889
Add: Interest cost	13,179	7,432
Add: Contribution by plan participants		
i) Employer	–	–
ii) Employee	–	–
Add/(less): Actuarial losses/(gains)	(8,053)	(57,358)
Less: Benefits paid	–	–
Add: Past service cost	–	–
Add: Transfer in obligation	17,205	
Closing balance of the present value of defined benefit obligation	174,365	155,045

2. Compensated Absences

A. Summary of Staff		
1. No of Employees	22	17
2. Projected actuarial value of benefit obligation in ₹	425,444	180,492
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	8.10%	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	LIC 94 - 96 Rates	LIC 94 - 96 Rates
2. Withdrawal / Attrition Rate	5% for all age	5% for all age
3. Disability / Ill health retirement	No Explicit Assumption	No Explicit Assumption
Contribution to the Provident Fund is made to Regional Provident fund office		

H OTHER NOTES FORMING PART OF ACCOUNTS**H(3) Disclosures pursuant to AS 17 - "Segment Reporting"**

The Company is engaged in single business segment of Construction of four lane Road to six lane of Samakhiali Gandhidham Section of NH14 from KM 306 to KM 362.16 on Design Build Finance Operate and Transfer basis to NHAI on a 24 Year Concession Period which 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 is not applicable.

H(4) Disclosures pursuant to AS 18 - "Related Party Disclosures"**A. List of Related Parties**

Holding Company	L&T Infrastructure Development Projects Limited
Ultimate Holding Company	Larsen and Toubro Limited
Fellow Subsidiaries	L&T Urban Infrastructure Limited
	L&T Vadodara Bharuch Tollway Limited
	L&T Transco Private Limited
	L&T Panipat Elevated Corridor Limited
	L&T Interstate Road Corridor Limited
	L&T Ahmedabad-Maliya Tollway Limited
	L&T Krishnagiri Walajahpet Tollway Limited
	L&T Krishnagiri Thopur Tollroad Limited
	L&T Halol-Shamlaji Tollway Limited
	Narmada Infrastructure Construction Enterprise Limited

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

Name / Nature of transaction	2012-13			2011-12		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
L&T Infrastructure Development Projects Limited						
§ Investment in Shares	–	–	–	805,081,280	–	–
§ Intercompany deposit received	225,100,000	225,100,000	–	–	–	–
§ Services received	17,869,673	212,192	–	6,521,500	206,791	–
§ Reimbursement of Expenses to	3,731,124	–	–	–	–	–
§ Mezzanine Debt Received	55,000,000	55,000,000	–	–	–	–
§ Interest Accrued on ICD	314,523	283,071	–	–	–	–
§ Change Money	–	–	–	–	–	–
Total Accounts Payable (net) - ICD	–	225,100,000	–	–	–	–
Total Accounts Payable (net) - Mezzanine Debt	–	55,000,000	–	–	–	–
Total Accounts Payable (net)	–	495,263	–	–	206,791	–
Larsen & Toubro Limited						
§ Investment in Shares	–	–	–	209,274,000	–	–
§ Interest received on ICD	–	–	–	–	–	–
§ Reimbursement of Expenses to	12,023,254	–	–	9,723,763	–	–
§ Reimbursement of Expenses from	–	–	–	3,773,540	–	–
§ Services received	217,138	–	–	181,995	–	–
§ EPC Cost	3,221,336,135	547,590,003	–	1,031,923,572	–	–
Total Accounts Payable (net)	–	547,590,003	–	–	–	–
L&T Urban Infrastructure Limited						
§ Reimbursement of Expenses to	–	–	–	19,954	–	–
Total Accounts Receivable (net)	–	–	–	–	–	–
L&T Vadodara Bharuch Tollway Limited						
§ Funds received	18,000,000	–	–	–	–	–
§ Funds repaid	18,000,000	–	–	–	–	–
§ Supply of Materials by	–	–	–	103,600	–	–
§ Reimbursement of Expenses to	531,274	–	–	528,784	–	–
§ Change Money	8,455,401	–	–	15,375,000	–	–
§ Reimbursement of Expenses From	236,476	–	–	–	–	–
Total Accounts Receivable (net)	–	–	–	–	–	–
L&T Transco Private Limited						
§ Investment in Shares	–	–	–	181,280	–	–
§ Reimbursement of Expenses	–	–	–	151,797	–	–
Total Accounts Receivable (net)	–	–	–	–	–	–
L&T Panipat Elevated Corridor Limited						
§ Reimbursement of Expenses	–	–	–	272,151	–	–
Total Accounts Receivable (net)	–	–	–	–	–	–
L&T Interstate Road Corridor Limited						
§ Reimbursement of Expenses to	106,960	–	–	191,963	–	–
Total Accounts Receivable (net)	–	–	–	–	–	–
L&T Ahmedabad-Maliya Tollway Limited						
§ Reimbursement of expenses to	–	–	–	5,854	–	–
§ Reimbursement of Expenses From	2,106	–	–	–	–	–
L&T Krishnagiri Walajahpet Tollway Limited						
§ Reimbursement of expenses to	–	–	–	185,577	–	–
L&T Krishnagiri Thopur Tollroad Limited						
§ Reimbursement of expenses to	–	–	–	23,402	–	–
L&T Halol-Shamlaji Tollway Limited						
§ Reimbursement of Expenses From	8,052	–	–	–	–	–
Narmada Infrastructure Construction Enterprise Limited						
§ Reimbursement of Expenses From	26,151	–	–	–	–	–

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

NOTES TO FINANCIAL STATEMENTS (Contd.)**H(5) DISCLOSURES PURSUANT TO AS 19 - "LEASES "**

The company has taken office premises on cancellable operating lease. ₹ 2,310,129 has been paid as a lease rent during the period which forms part of pre-operative expenses pending allocation to fixed assets. (*previous year : ₹ 2,158,032*)

H(6) DISCLOSURES PURSUANT TO AS 20 - "EARNINGS PER SHARE"

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

Particulars	2012-13	2011-12
Basic / Diluted		
Profit after tax as per Accounts (₹)	N.A.	N.A.
PAT available to Equity Share holders (₹)	N.A.	N.A.
Weighted Average number of shares (Nos.)	80,540,000	24,813,562
Basic / Diluted EPS (₹)	N.A.	N.A.

H(7) DISCLOSURES PURSUANT TO AS 28 - "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.

H(8) WEALTH TAX

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

H(9) CIF VALUE OF IMPORTS

CIF Value of Imports is ₹ Nil (*previous year - ₹ Nil*)

H(10) BORROWING COSTS

Borrowing costs capitalised (included in pre-operative expenses) during the period is ₹ 225,047,937 (*previous year: ₹ 38,231,803*)

H(11) CHANGE IN ACCOUNTING ESTIMATE

As a result of change in the accounting estimate for useful life of Desktop-computers, the increase in the depreciation amount for desktop is ₹ 146,289. Accordingly, the pre-operative expenditure shall be higher to the extent of additional depreciation amount.

H(12) DEFERRED TAX

There are no timing difference between accounting income and taxable income during the period. Accordingly no deferred tax asset/deferred tax liability has been recognised in these accounts.

H(13) PREVIOUS YEAR FIGURES

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

As per our report of even date attached

For and on behalf of the Board

For **GIANENDER & ASSOCIATES**

Chartered Accountants

Firm's Regn. No. 004661N

G. K. AGRAWAL

Partner

Membership No. 081603

C. N. DOIPHODE

Manager

T. S. VENKATESAN

Director

KARTHIKEYAN T. V.

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 25, 2013

Place : Chennai

Date : April 25, 2013