

DIRECTORS' REPORT

The Directors have pleasure in presenting their Report and Accounts for the year ended March 31, 2009.

FINANCIAL RESULTS

Particulars	2008-2009 Rs. Lakhs	2007-2008 Rs. Lakhs
Income for the year	1,130.86	1,071.47
Less: Expenditure	(193.65)	(174.13)
Profit before Depreciation & Tax (PBDT)	937.21	897.34
Less: Depreciation	(601.02)	(601.35)
Profit / (Loss) before Tax (PBT)	336.19	295.99
Less: Provision for Tax	(35.28)	(31.77)
Profit / (Loss) after Tax (PAT)	300.91	264.22
Balance brought forward from previous year	789.94	525.72
Balance carried to Balance Sheet	1,090.85	789.94

APPROPRIATIONS

There were no appropriations made during the year 2008-2009.

DIVIDEND

Your Directors prefer to retain the profit available for the purposes of appropriation for future operational requirements and hence do not recommend any dividend for the year 2008-2009.

CAPITAL EXPENDITURE

During the year, your Company did not acquire any new fixed assets. Thereby the gross fixed assets of the Company stood at Rs. 5,210.75 Lakhs and the net fixed assets stood at Rs. 458.51 Lakhs after charging off depreciation to an extent of Rs. 4,752.24 Lakhs as on March 31, 2009.

AUDITORS' REPORT

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

DEPOSITS

The Company has not accepted any deposits from the public.

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

There are no material changes to be reported between date of the Balance Sheet and date of the Directors' Report.

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**

As the Company is engaged in developing, operating and maintaining toll Road-cum-Bridge, the provisions relating to conservation of energy do not apply.

Technology Absorption

There was no Technology absorption during the year 2008-2009.

Foreign Exchange Earnings and Outgo

There was no usage or earning of any foreign currency in the course of transactions during the year 2008-2009.

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.

SUBSIDIARY COMPANIES

Your Company does not have any subsidiary companies under its purview.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms

- i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the Directors made judgements 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, 2009 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. that the annual accounts have been prepared on a going concern basis.

DIRECTORS

Mr. Karthikeyan T. V., Director who retires by rotation at this Annual General Meeting, being eligible, offer himself for re-appointment.

AUDIT COMMITTEE

The Audit Committee consists of three non-executive and independent directors. The present members of the committee are

1. Mr. B. Ramakrishnan
2. Mr. Karthikeyan T. V.
3. Mr. M. H. Desai

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.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three non executive and independent directors. The present members of the committee are

1. Mr. B. Ramakrishnan
2. Mr. Karthikeyan T. V.
3. Mr. M. H. Desai

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

AUDITORS

The Auditors, M/s Sharp & Tannan, Chartered Accountants, being statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. Certificate from Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : Chennai
Date : April 20, 2009

B. RAMAKRISHNAN	KARTHIKEYAN T. V.
Director	Director

AUDITORS' REPORT

TO THE MEMBERS OF L&T WESTERN INDIA TOLLBRIDGE LIMITED

We have audited the attached Balance Sheet of L&T WESTERN INDIA TOLLBRIDGE LIMITED as at March 31, 2009, 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 (Auditors' 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 account;
 - (d) in our opinion, the Balance Sheet and Profit and Loss Account 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 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 Schedule J and notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SHARP & TANNAN
Chartered Accountants

V. R. LALITHA
Partner
Membership No. 18284

Place : Chennai
Date : April 20, 2009

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 of our report to the Members of L&T WESTERN INDIA TOLLBRIDGE LIMITED on the accounts for the year ended March 31, 2009 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 off substantial part of its fixed assets so as to affect the going concern assumption.
- (ii) As the Company is engaged in the business of infrastructure development and maintenance, the clauses relating to inventory are not applicable.
- (iii) 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. Accordingly, paragraphs 4(iii)(a) to (g) of the Order are not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of fixed assets and sale of services. 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 this clause does not arise .
- (vi) The Company has not accepted deposits from the public with in the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act 1956.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) Maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 is not applicable to 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 including Provident Fund, Income Tax, and other statutory dues during the year with the appropriate authorities. As at March 31, 2009, 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 disputed statutory liabilities in respect of Income Tax and Cess.
- (x) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the financial year or in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders, during the year.
- (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) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus fund in mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year.
- (xvii) The Company has not raised funds on short-term basis during the year.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued debentures during the year. Accordingly, no securities need to be created.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and the records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

SHARP & TANNAN
Chartered Accountants

V. R. LALITHA
Partner
Membership No. 18284

Place : Chennai
Date : April 20, 2009

BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees	As at 31.03.2008 Rupees
SOURCES OF FUNDS				
Shareholders Funds				
Share Capital	A	139,500,070	139,500,070	
Reserve & Surplus	B	120,009,573	89,919,147	
		259,509,643		229,419,217
TOTAL		259,509,643		229,419,217
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	C	521,074,861	521,074,861	
Less: Depreciation		475,224,269	415,122,427	
Net Block			45,850,592	105,952,434
Investments	D		–	113,252,289
Current Assets, Loan and Advances				
Cash and Bank Balances	E	23,008,490	12,681,167	
Loans and Advances		197,475,955	3,824,888	
		220,484,445	16,506,055	
Less: Current Liabilities and Provisions	F			
Liabilities		3,062,621	2,838,948	
Provisions		3,762,773	3,452,613	
		6,825,394	6,291,561	
Net Current Assets			213,659,051	10,214,494
TOTAL		259,509,643		229,419,217
SIGNIFICANT ACCOUNTING POLICIES				
NOTES FORMING PART OF ACCOUNTS	L			

The schedules referred to above and the notes attached form an integral part of the Balance Sheet.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants

V. R. LALITHA
Partner
Membership No. 18284
Place : Chennai
Date : April 20, 2009

V. RAVICHANDRAN
Secretary
Place : Chennai
Date : April 20, 2009

B. RAMAKRISHNAN
Director

KARTHIKEYAN T. V.
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	2008-2009	2007-2008
		Rupees	Rupees
		Rupees	Rupees
INCOME			
Fee Collection from user of facility		93,987,215	100,198,425
Other Income	G	19,098,719	6,948,220
TOTAL		113,085,934	107,146,645
EXPENDITURE			
Operating Expenses	H	15,988,758	14,073,930
Administration and Other Expenses	I	3,376,466	3,251,777
Interest Expenses	J	–	86,998
Depreciation & Amortisation		60,101,842	60,134,788
TOTAL		79,467,066	77,547,493
Profit / (Loss) before Taxes		33,618,868	29,599,152
Provision for Tax			
Current Tax		3,449,027	3,085,482
Fringe Benefit Tax		79,415	91,195
		3,528,442	3,176,677
Profit / (Loss) after Tax		30,090,426	26,422,475
Add: Balance brought forward from previous year		78,994,147	52,571,672
Balance carried to Balance Sheet		109,084,573	78,994,147
Earnings Per Share			
Basic and Diluted		2.16	1.89
Face value per share		10.00	10.00
SIGNIFICANT ACCOUNTING POLICIES	K		
NOTES FORMING PART OF ACCOUNTS	L		

The schedules referred to above and the notes attached form an integral part of the Profit and Loss Account.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants

V. R. LALITHA

Partner

Membership No. 18284

Place : Chennai

Date : April 20, 2009

V. RAVICHANDRAN

Secretary

Place : Chennai

Date : April 20, 2009

B. RAMAKRISHNAN

Director

KARTHIKEYAN T. V.

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	2008-2009 Rupees	2007-2008 Rupees
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Tax & Extraordinary Items	33,618,868	29,599,152
Adjustments for		
Depreciation	60,101,842	60,134,788
Dividend received	(3,097,910)	(2,275,105)
Interest paid	-	86,998
Interest received	(11,458,493)	(2,851,356)
(Profit) / Loss on sale of investments (net)	(2,423,564)	(227,490)
Operating Profit before Working Capital changes	76,740,743	84,466,987
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Loans and Advances	3,449,543	1,044,941
Increase / (Decrease) in trade payables	(2,994,609)	(5,071,626)
Cash generated from Operations	77,195,677	80,440,302
Direct taxes paid (net of refund)	(3,700,610)	(3,176,333)
Net Cash from Operating Activities (A)	73,495,067	77,263,969
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets (net)	-	(37,368)
Loans & Advances to fellow subsidiaries (net)	(193,400,000)	-
Purchase of investments	(279,959,470)	(277,949,320)
Sale of investments	395,635,323	164,924,521
Dividend received from Other Investments	3,097,910	2,275,105
Interest received	11,458,493	2,851,356
Net Cash (used in) / from Investing Activities (B)	(63,167,744)	(107,935,706)
C. Cash Flow from Financing Activities		
Issue of Share Capital	-	-
(Repayment) / proceeds from other borrowings	-	(7,675,286)
Interest paid	-	(86,998)
Net Cash (used in) / from Financing Activities (C)	-	(7,762,284)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	10,327,323	(38,434,021)
Cash and Cash Equivalents as at the beginning	12,681,167	51,115,188
Cash and Cash Equivalents as at the end	23,008,490	12,681,167

- Notes**
1. Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3, "Cash Flow Statement" as specified by the Company (Accounting Standards) Rules, 2006.
 2. Cash and Cash Equivalents represent Cash and Bank Balances.
 3. Previous year's figures have been regrouped / reclassified wherever applicable

As per our report attached

For and on behalf of the Board

SHARP & TANNAN
Chartered Accountants

V. R. LALITHA
Partner
Membership No. 18284

Place : Chennai
Date : April 20, 2009

V. RAVICHANDRAN
Secretary

Place : Chennai
Date : April 20, 2009

B. RAMAKRISHNAN
Director

KARTHIKEYAN T. V.
Director

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE - A		
SHARE CAPITAL		
Authorised		
2,10,00,000 Equity Shares of Rs. 10/- each	210,000,000	210,000,000
Issued and Subscribed	139,500,070	139,500,070
1,39,50,007 Equity Shares of Rs. 10/- each fully paid-up (100% of the shares are held by Larsen & Toubro Limited and its nominees)		
TOTAL	139,500,070	139,500,070

SCHEDULE - B		
RESERVES & SURPLUS		
Capital Redemption Reserve Account	10,500,000	10,500,000
General Reserve	425,000	425,000
Profit and Loss Account	109,084,573	78,994,147
TOTAL	120,009,573	89,919,147

SCHEDULE - C										
FIXED ASSETS										
Particulars	COST				DEPRECIATION / AMORTISATION				BOOK VALUE	
	As at 01-04-2009 Rupees	Additions Rupees	Deduction Rupees	As At 31-03-2009 Rupees	Up to 31-03-2008 Rupees	For the Year Rupees	Deductions Rupees	Up to 31-03-2009 Rupees	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
Bridge	513,014,872	—	—	513,014,872	410,210,449	58,745,031	—	468,955,480	44,059,392	102,804,423
Office Building	964,499	—	—	964,499	672,822	163,014	—	835,836	128,663	291,677
Plant & Machinery	3,365,115	—	—	3,365,115	2,012,797	772,756	—	2,785,553	579,562	1,352,318
Furniture & Fittings	3,730,375	—	—	3,730,375	2,226,359	421,041	—	2,647,400	1,082,975	1,504,016
TOTAL	521,074,861	—	—	521,074,861	415,122,427	60,101,842	—	475,224,269	45,850,592	
Previous year	521,037,493	37,368	—	521,074,861	354,987,639	60,134,788	—	415,122,427		105,952,434

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE - D		
INVESTMENTS		
Current Investment		
Mutual Funds		
HSBC Liquid Plus-Inst. Plus-Daily Dividend 10,16,777 units of Rs. 10/- each purchased during the year (1,13,04,876 units at Rs. 10/- each sold during the year)	—	103,010,621
SBI Premier Liquid Fund-Institutional Daily Dividend 21,14,860 units of Rs. 10/- each purchased during the year (31,35,709 units at Rs. 10/- each sold during the year)	—	10,241,668
TOTAL	—	113,252,289
	—	113,252,289

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)**Notes :**

	As at 31.03.2009	As at 31.03.2008
	Rupees	Rupees
Quoted Investments		
Book Value	–	113,252,289
Market Value	–	113,252,289

Details of Investments Purchased and Sold during the year	Face Value Rs. Per Unit	Nos.	Cost Rupees
HSBC Liquid Plus Institutional Plus - Growth	10	1,00,40,572	116,592,759
HSBC Cash Fund-Institutional Plan - Growth	10	30,92,563	44,070,437
HSBC Regular - Growth Fund	10	2,94,347	3,400,000
SBI Premier Liquid Fund - Institutional - Growth	10	26,56,501	35,458,999
SBI SHF Ultra Short Term Fund- Retails Plan Growth	10	3,97,242	4,500,000
HDFC Cash Management Fund - Saving Plan - Growth	10	7,81,038	14,000,000
HDFC Cash Management Fund - Saving Plan - Retail - Growth	10	4,44,426	8,400,000
Reliance Liquid Fund Treasury Plan - Growth Option	10	6,72,686	14,037,819
Reliance Medium Term Fund-Retail Plan - Growth Option	10	4,51,969	8,101,547
TOTAL		1,88,31,344	248,561,561

	As at 31.03.2009	As at 31.03.2008
	Rupees	Rupees
SCHEDULE - E		
CURRENT ASSETS, LOANS AND ADVANCES		
Cash and Bank Balances		
Cash on hand	843,509	665,577
Balances with Scheduled Banks		
On Current Account	17,789,549	6,782,952
On Fixed Deposits [Including interest accrued there on Rs. NIL (Previous Year Rs. 9,735)]	–	1,133,161
On Margin Money Deposit accounts [including interest Rs. 3,56,808 (Previous year Rs. 21,671)]	4,375,432	4,099,477
	23,008,490	12,681,167
Loans & Advances		
Unsecured, considered good		
Intercompany deposits	193,400,000	–
Advance recoverable in cash or in kind or value to be received	4,075,955	3,824,888
	197,475,955	3,824,888
TOTAL	220,484,445	16,506,055

SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)

	As at 31.03.2009 Rupees	Rupees	As at 31.03.2008 Rupees	Rupees
SCHEDULE - F				
CURRENT LIABILITIES AND PROVISIONS				
Liabilities				
Sundry Creditors				
Due to				
Micro, Small & Medium Industries	-		-	
Others	3,062,621		2,838,948	
		3,062,621		2,838,948
Provisions for				
Income Tax	3,449,027		3,085,482	
Fringe Benefit Tax	79,415		91,195	
Gratuity	188,334		230,714	
Leave Encashment	45,997		45,222	
		3,762,773		3,452,613
TOTAL		6,825,394		6,291,561

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	2008-2009 Rupees	Rupees	2007-2008 Rupees	Rupees
SCHEDULE - G				
OTHER INCOME				
Interest Income				
Interest on Fixed Deposit [Tax deducted at source: Rs. 86,929; (Previous Year Rs. 602,230)]	384,211		2,117,794	
Interest on Inter Corporate Deposit from fellow subsidiaries [Tax deducted at source: Rs. 2,509,432; (Previous Year Rs. NIL)]	11,074,282		733,562	
		11,458,493		2,851,356
Dividend Income from Current Investments		3,097,910		2,275,105
Profit on Sale of Current Investments (net)		2,423,564		227,490
Miscellaneous Income		2,118,752		1,594,269
TOTAL		19,098,719		6,948,220

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)

	2008-2009		2007-2008	
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
SCHEDULE - H				
OPERATING EXPENSES				
Toll Management Fees		3,816,810		4,094,020
Security Services		2,069,342		2,059,738
Salaries, wages & bonus		2,894,811		3,051,569
Contribution to and provision for				
Provident Fund	119,278		102,165	
Gratuity	(42,380)		111,697	
Leave Encashment	8,522		26,715	
		85,420		240,577
Staff welfare expenses		188,046		201,096
Insurance		867,353		1,164,563
Repairs & Maintenance				
Building	4,337,287		1,758,421	
Plant & Machinery	322,394		293,442	
Others	645,510		608,577	
		5,305,191		2,660,440
Power & electricity charges		761,785		601,927
TOTAL		15,988,758		14,073,930

SCHEDULE - I**ADMINISTRATION AND OTHER EXPENSES**

Rent, Rates & taxes	44,150	85,388
Professional fees	1,503,582	1,129,792
Printing & stationery	256,484	290,805
Postage & Communication	144,613	158,306
Travelling & conveyance	1,015,618	1,074,618
Miscellaneous expenses	412,019	512,868
TOTAL	3,376,466	3,251,777

SCHEDULE - J**INTEREST EXPENSES**

Interest on fixed loans	-	84,209
Interest - others	-	2,789
TOTAL	-	86,998

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE - K

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with the Generally Accepted Accounting Principles ("GAAP") except for the revaluation of certain fixed assets, 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 Central Government. However certain escalation and other claims, which are not ascertainable / acknowledged by customers, are not taken into account.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets and intangible assets, provision for doubtful advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates.

2. Revenue

- (i) Fee collections from users of facility are accounted for as and when the amount is due and recovery is certain.
- (ii) Other items of income are accounted as and when the right to receive arises.

3. Employee Benefits

As per Accounting Standard 15 - Employee Benefits (Revised) issued by the Companies (Accounting Standards) Rules, 2006, the provisions for / contributions to retirement benefit schemes are made as follows

- (i) Provident Fund on actual liability basis.
- (ii) Provision for Leave Encashment and Gratuity are made as per Actuarial Valuation.

4. Fixed Assets

Fixed assets are recorded at cost. The carrying amounts are reviewed at each Balance Sheet date to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed this recoverable amount assets are written down to their recoverable amount.

5. Depreciation

Depreciation on the assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. Assets constructed on land not owned by the Company and acquired / installed thereon are depreciated over the period of the rights given under the Concession Agreement dated March 1, 1999 with the Ministry of Surface Transport, Government of India and Public Works Department, Government of Gujarat.

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

6. Investments

Long-term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature. Current Investments are carried at cost or market value, whichever is lower.

7. Intangible Assets and Amortisation

Intangible assets are recognized as per criteria specified in Accounting Standard (AS) 26 "Intangible Assets" as specified in the Companies (Accounting Standards) Rules, 2006.

8. 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.

9. Foreign Currency Transactions and Derivatives

- (i) Foreign currency assets and liabilities are converted at contracted / year-end rates as applicable.
- (ii) All other foreign currency transactions are accounted for at the rates prevailing on the dates of the transactions.
- (iii) The exchange differences on settlement / conversion are charged to Profit & Loss Account in respect of all transactions including foreign currency liability related to fixed assets. Wherever forward contracts are entered into, the exchange differences are dealt with in the Profit & Loss Account over the period of the contracts.

10. 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 recognised 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.

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

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.

11. Fringe Benefit Tax for the period is computed in accordance with the provisions of Chapter XII-H of the Income Tax Act, 1961.

12. Provisions, Contingent Liabilities and Contingent Assets

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

- a) the Company has a present obligation as a result of a past event;
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated.

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

- a) a present obligation arising from a past 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.

Contingent Assets are neither recognized, nor disclosed.

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

SCHEDULE - L**NOTES FORMING PART OF ACCOUNTS**

1. The Company has been awarded on Build Operate and Transfer (BOT) basis, the construction of the second two-lane bridge at Kheda across the River Watrak on National Highway 8, in the State of Gujarat under a Concession Agreement dated March 1, 1999 with Ministry of Surface Transport, Government of India and Roads and Buildings Department, Government of Gujarat. The construction was completed in February 2001 and the concession is valid till December 31, 2009.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. NIL (*Previous Year Rs. NIL*).
3. There have been no transactions during the year with Micro, Small and Medium enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, Hence reporting details of principal and interest does not arise.
4. The Company is a service company and accordingly information required under paragraph 4C of Part II of Schedule VI to the Companies Act, 1956 has not been furnished.
5. Manager's salary and perquisites on deputation of Rs. NIL (*Previous Year Rs. NIL*) have been charged to accounts.
6. Auditor's remuneration (excluding Service Tax)

Particulars	2008-2009 Rupees	2007-2008 Rupees
Audit Fees	125,000	75,000
Tax Audit Fees	25,000	20,000
Certification Fee	5,000	Nil

7. (i) The Company is governed by the provisions of Sec 115JB of the Income Tax Act 1961. Accordingly provision for Income Tax amounting to Rs. 34,49,027 has been made under Minimum Alternate Tax under the said Act.
(ii) No provision for Wealth Tax has been made for the current year as there is no taxable wealth under the provisions of the Wealth Tax Act, 1957.
8. Borrowing cost capitalised during the year is Rs. NIL (*Previous Year Rs. NIL*).
9. Segment Reporting – The Company operates in a single business and geographic segment of Toll Collection Activity.

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

10. Employee Benefits

(i) Provisions for Gratuity and Leave Encashment is made on actuarial basis as summarized below

(Amount in Rupees)

(ii) A Results of Actuarial Valuation- Gratuity

	March 31, 2009	March 31, 2008
1. Valuation as on		
2. Retirement Age	As per rule of the Company	
3. No. of Employees	7	10
4. Notional Benefit Obligations (Accrued benefits) on Current Salary in Rupees	220,929	236,768
5. Present Value of Benefit Obligations in Rupees	188,334	230,714

B Principle Rules to Compute Benefit Obligations

1. Salary reckoned for calculating Benefit Obligations	As per rule of the Company	
2. Vesting Period	5 Years for 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	

(iii) Leave Salary Valuation

A Summary of Staff date

1. No of Employees	7	10
2. Notional benefit obligations on current salary in rupees	53,327	46,424
3. Projected actuarial value of benefit obligation in rupees	45,997	45,222

B Principle rules to compute benefit obligations

1. Salary reckoned for calculating Benefit Obligations	As per rule of the Company	
2. Benefit formula for all exits	B1 x Leave Balance / 30	

(iv) Summary of Actuarial Assumptions

A Mean Financial Assumptions

1. Discount Rate per unit per annum	6.50%	7.50%
2. Salary escalation rate per unit per annum	6%	6%
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	15% for all age	15% for all age
3. Disability / ill health retirement	No Explicit Assumption	No Explicit Assumption

(v) Contribution to Provident Fund is made to the Regional Provident Fund Office.

11. Disclosure of Related Parties/ related party transactions

A. List of related parties

Holding Company	: Larsen & Toubro Limited
Subsidiary Company	: NIL
Fellow subsidiaries	: L&T Infrastructure Development Projects Limited L&T Urban Infrastructure Limited

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

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

	2008-2009			2007-2008		
Name / Relationship/ Nature of transaction	Amount of transaction Rupees	Due to Rupees	Due from Rupees	Amount of transaction Rupees	Due to Rupees	Due from Rupees
Larsen & Toubro Limited Holding Company						
• Cost of Service	89,051	–	–	588,019	–	–
• Reimbursement of Expenses from	14,365	530,648	–	90,088	455,962	–
L&T Infrastructure Development Projects Limited Fellow subsidiary						
• ICD placed / refunded	163,400,000	–	163,400,000	85,000,000	–	–
• Interest received	10,387,981	–	–	733,562	–	–
• Purchase of Goods & Services (Inclusive of S.T)	1,070,994	–	–	1,129,792	–	–
• Reimbursement of Expenses to	94,594	–	–	548	263,404	–
L&T Urban Infrastructure Limited Fellow subsidiary						
• ICD placed	30,000,000	–	30,000,000	–	–	–
• Interest received	686,301	–	–	–	–	–

C. Amounts written off / written back : Rs. NIL.

12. As per Accounting Standard 22 on Accounting for Taxes on Income – the Company has a deferred tax liability as detailed below

Deferred Tax Liabilities	31.03.2009 Rupees	31.03.2008 Rupees
Difference between carrying amount of fixed assets in the books and the income tax return.	–	4,352,079
TOTAL (A)	–	4,352,079
Less: Deferred tax assets		
Difference between carrying amount of fixed assets in the books and the Income Tax return	11,274,465	–
Disallowance U/s 43B	86,415	110,877
TOTAL (B)	11,360,880	110,877
Net deferred tax (asset) / liability	(11,360,880)	4,241,202

No provision for the said liability is made since the Company is eligible for benefit U/s 80-IA of the Income Tax Act, 1961 for the entire period of its operations as per the Concession Agreement.

13. The Company has taken residential premises under cancellable Operating Lease. These lease agreements are normally renewed on expiry.
14. The Company confirms that they are not aware of the existence of any condition, which could indicate that any of the assets may be impaired.
15. There are no imports or expenditure / earnings in foreign currency / exchange during the year.
16. Basic and Diluted Earning per share (EPS) computed in accordance with Accounting Standard (AS 20) "Earning per Share"

Basic / Diluted	2008-2009	2007-2008
Profit after Tax as per Accounts (Rs.)	30,090,426	26,422,475
PAT available to equity share holder's (Rs.)	30,090,426	26,422,475
Weighted average number of share	13,950,007	13,950,007
Basic / Diluted EPS (Rs.)	2.16	1.89

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

17. The Company does not have transactions during the year attracting provisions of the following Accounting Standards:

Valuation of Inventories	– AS 2
Accounting for foreign exchange transactions	– AS 11
Accounting for Borrowing Costs	– AS 16
Accounting for Intangible Asset	– AS 26
Accounting for Contingent Liabilities / Assets	– AS 29

18. Figures for the previous year have been regrouped / reclassified wherever necessary.

As per our report attached

SHARP & TANNAN
Chartered Accountants

V. R. LALITHA
Partner
Membership No. 18284
Place : Chennai
Date : April 20, 2009

For and on behalf of the Board

V. RAVICHANDRAN
Secretary

Place : Chennai
Date : April 20, 2009

B. RAMAKRISHNAN
Director

KARTHIKEYAN T. V.
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**Registration No. State Code

Balance Sheet Date

Date Month Year

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

Public Issue

Bonus Issue

Rights Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds

Paid-Up Capital (including advance)

Unsecured Loans

Reserves & Surplus

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Net Current Assets

Deferred Tax Asset

Investments

Miscellaneous Expenditure

Accumulated Losses

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

Turnover (including other income)

+ -

Profit / Loss Before Tax

+ -

Earning Per Share in Rs. (Basic)

Total Expenditure

+ -

Profit / Loss After Tax

Dividend rate %

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

Item Code:

(ITC Code)

Product description

For and on behalf of the Board

Place : Chennai
Date : April 20, 2009**V. RAVICHANDRAN**
Secretary**B. RAMAKRISHNAN**
Director**KARTHIKEYAN T. V.**
Director