

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report and the Accounts for the Second year ended March 31, 2012.

I. FINANCIAL RESULTS

The key financial parameters for the period ended March 31, 2012 are submitted below:

Sl. No	Particulars	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
1	Income for the year	285.37	182.45
2	Less: Expenditure	2.37	138.94
3	Profit Before Depreciation & Tax (PBDT)	283.00	43.51
4	Less: Depreciation	0.00	0.00
5	Profit / (Loss) before tax (PBT)	283.00	43.51
6	Less: Provision for tax	91.82	18.01
7	Profit / (Loss) after tax (PAT)	191.18	25.50
8	Balance brought forward from previous year	25.50	0.00
9	Balance carried to Balance Sheet	216.68	25.50

II. PERFORMANCE OF THE COMPANY

- Commencement of Tolling at KWTL from June 7, 2011.
- The Total Toll Collection for the year 2011-12 was Rs. 84.97 Crores.
- The project stretch is situated on the rapidly growing Chennai-Bangalore corridor.
- Safety enhancement signage like chevron boards, solar blinkers, road studs etc. installed on the project stretch.
- Safety awareness program and flyer distribution conducted.
- Training program on safety at work site for maintenance and route operations staff was conducted. Training programs on first aid and firefighting were also conducted.
- Construction Milestone – I was successfully achieved on February 16, 2012.

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 do not recommend any dividend to the Shareholders of the Company for the year 2011-12.

V. CAPITAL EXPENDITURE

As at March 31, 2012, the Gross Fixed Assets (Tangible and Intangible) stood at Rs. 504.52 lakhs and the net fixed assets are 390.14 lakhs, the capital work in progress and pre-operative expenses stood at Rs. 6,166.58 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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
2. That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2012 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. T. S. Venkatesan, Director of the Company retires at the forthcoming Annual General Meeting and offers themselves for reappointment.

The Board of Directors as on March 31, 2012 is as follows:

- Mr. T. S. Venkatesan
- Mr. R. Chandrasekaran
- Mr. A Soundararajan

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

None of the Directors is involved in the day to day affairs of the Company.

Number of Companies in which an Individual may become a Director

The Company has apprised its board members about the restriction on number of other directorships and the same is being complied with.

D) RESPONSIBILITIES OF THE BOARD

Presentations to the Board in areas such as financial results, budgets, business prospects etc. give the Directors, an opportunity to interact with senior managers and other functional heads. Directors are also updated about their role, responsibilities and liabilities.

The Company ensures necessary training to the Directors relating to its business through formal / informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable/ discharge his duties. The Directors are given time to study the data and contribute effectively to Board discussions. The Non-Executive Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees. Their inputs are also utilized to determine the critical skills required for prospective candidates for election to the Board. The system of risk assessment and compliance with statutory requirements are in place.

E) STATUTORY AUDITORS

The Company has obtained a certificate from the auditors certifying its independence and arm's length relationship with the Company.

F) INTERNAL AUDITORS

M/S. Guru & Ram Associates, 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. R. Chandrasekaran
- Mr. A Soundararajan

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. AUDITORS

The Auditors, M/s M K Dandekar & Co., 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.

XVI. 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

During the year the Company has incurred foreign currency expenditure as detailed below:-

Description	April 1, 2011 to March 31, 2012
	Rs. in Lacs
Purchase of Toll Equipments	100.65

XVII. 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 24, 2012

T. S. VENKATESAN
Director

R. CHANDRASEKARAN
Director

AUDITORS' REPORT

TO THE MEMBERS OF L&T KRISHNAGIRI WALAJAHPET TOLLWAY LIMITED

We have audited the attached Balance Sheet of L&T Krishnagiri Walajahpet Tollway Limited as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report that:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit;
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of accounts;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of the written representations received from the Directors of the Company as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - (f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies and notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii) in the case of the Statement of Profit and Loss, the Profit for the year ended on that date;
 - (ii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

M. K. DANDEKER & CO
Chartered Accountants
(Firm Registration No. 000679S)
S. NEELANKANTAN
Partner
Membership No. 018961

Place : Chennai
Date : April 24, 2012

ANNEXURE TO AUDITOR'S REPORT

(Referred to paragraph (1) of our report of even date)

With reference to the Annexure referred to in paragraph 1 of the report of the Auditors to the Members of L&T Krishnagiri Walajahpet Tollway Ltd on the accounts for the year ended March 31, 2012, we report that:

- (i)
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) We are informed that the management of the Company has physically verified during the year all its fixed assets and no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed of any of its fixed assets so as to affect the going concern status.
- (ii) The Company is engaged in the business of infrastructure development and maintenance and hence the clauses 4 (ii) (a), (b) & (c) of the Companies (Auditor's Report) Order 2003 relating to inventory are not applicable.
- (iii) According to the information & explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence, reporting under clause-4 (iii) (b) to (g) of the Companies (Auditor's Report) Order 2003 does not arise.

- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business, for the purchase of fixed assets. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and hence, reporting under clause 4 (v)(b) of the Companies (Auditor's Report) Order 2003 does not arise .
- (vi) The Company has not accepted deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act 1956. Hence Clause 4 (vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (vii) In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Company is not required to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956. Hence, reporting under clause 4(viii) of the Companies (Auditor's Report) Order 2003 does not arise.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues, Income tax, and other statutory dues during the year with the appropriate authorities. As at March 31, 2012, there are no undisputed statutory dues payable for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues which have not been deposited on account of any dispute of income tax.
- (x) The Company is registered for a period of less than five years and hence reporting on the accumulated losses and cash loss incurred during the financial year and in the immediately preceding financial year under clause 4(x) of the Companies (Auditors Report) order does not arise.
- (xi) The Company has not defaulted in repayment of dues to any banks or financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures. However, the surplus funds have been invested in mutual funds. Proper records have been maintained for the transactions and contracts for the investment in mutual funds are updated on a timely basis. The investments have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has no Term Loans as on 31.03.2012. Hence, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xvii) According to the information and explanation given to us, the Company has not raised funds on short term basis. Hence, the provisions of clause 4 (xvii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company has not issued debentures during the year. Accordingly, no security or charge needs to be created.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and the records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

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

S. NEELANKANTAN
Partner
Membership No. 018961

Place : Chennai
Date : April 24, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at 31.03.2012		As at 31.03.2011	
		Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	1	900,000,000		900,000,000	
(b) Reserves & Surplus	2	21,667,943	921,667,943	2,550,137	902,550,137
Non-current liabilities					
(a) Long-term borrowings	3	356,525,000		356,525,000	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions		-	356,525,000	-	356,525,000
Current liabilities					
(a) Short-term borrowings		-		-	
(b) Trade payables	4	654,301,212		5,185,344	
(c) Current maturities of Long term borrowings		-		-	
(d) Other current liabilities	5	30,759,937		821,659	
(e) Short-term provisions	6	1,301,835	686,362,984	263,480	6,270,483
TOTAL			1,964,555,927		1,265,345,620
ASSETS					
Non-current assets					
(a) Fixed Assets					
(i) Tangible Assets	7	39,014,220		6,048,762	
(ii) Intangible Assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible Assets under development	8	616,658,374		60,918,470	
(b) Non-current Investments		-		-	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances		-		-	
(e) Other non-current assets		-	655,672,594	-	66,967,232
Current Assets					
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables		-		-	
(d) Cash and Bank Balance	9	232,118,810		135,037,085	
(e) Short-term loans and advances	10	1,076,764,523		1,063,341,303	
(f) Other current assets		-	1,308,883,333	-	1,198,378,388
TOTAL			1,964,555,927		1,265,345,620
SIGNIFICANT ACCOUNTING POLICIES	16				

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

M. K. DANDEKER & CO.
(Firm Registration No. 000679S)

S. NEELAKANTAN
Partner
Chartered Accountants
Membership No. 018961

BALAKRISHNA RAO
Manager

T. S. VENKATESAN
Director

R. CHANDRASEKARAN
Director

Place : Chennai
Date : April 24, 2012

Place : Chennai
Date : April 24, 2012

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

	Note No.	2011-12 Rupees	For the Period From 23.04.2010 to 31.03.2011 Rupees
INCOME			
Revenue from Operations		-	-
Other Income	12	28,536,777	18,245,568
TOTAL		28,536,777	18,245,568
EXPENSES			
Operational and Maintenance Expenses	13	-	5,043,658
Employee Benefits expense		-	-
Administrative and Other Expenses	14	237,160	8,850,585
Finance costs		-	-
Depreciation and Amortisation expense		-	-
		237,160	13,894,243
Profit / (Loss) Before Exceptional and Extraordinary items and Tax		28,299,617	4,351,325
Exceptional items		-	-
Extraordinary items		-	-
Profit/(Loss) before Taxes		28,299,617	4,351,325
Tax expense			
Current tax		9,181,811	1,801,188
Deferred tax		-	-
Profit/(Loss) after Taxes		19,117,806	2,550,137
Earnings per share			
Basic Earnings Per Share		0.21	0.08
Diluted Earnings Per Share		0.21	0.08
Face value per equity share		10.00	10.00
SIGNIFICANT ACCOUNTING POLICIES	16		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board

M. K. DANDEKER & CO.

(Firm Registration No. 000679S)

S. NEELAKANTAN

Partner

Chartered Accountants

Membership No. 018961

BALAKRISHNA RAO

Manager

T. S. VENKATESAN

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 24, 2012

Place : Chennai

Date : April 24, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	2011-12 Rupees	2010-11 Rupees
A Cash Flow from operating activities		
Profit before tax (excluding extraordinary items)	28,299,617	4,351,325
Adjustments for :		
Depreciation	-	-
Interest paid	-	-
Interest income	(20,260,817)	(15,105,875)
(Profit) / Loss on sale of investments (net)	(8,064,370)	(1,666,228)
Dividend Income	(211,590)	(1,473,465)
	-	-
Operating profit before working capital changes	(237,160)	(13,894,243)
Adjustments For :		
(Increase) / Decrease in trade and other receivables	-	-
(Increase) / Decrease in Loans and Advances	2,060,830	(1,059,671,303)
Increase / (Decrease) in trade payables	679,054,147	4,469,295
Increase / (Decrease) in provisions	1,038,352	-
Cash generated from operations	681,916,170	(1,069,096,251)
Direct taxes paid (net of refund)	(24,665,861)	(3,670,000)
Net cash from operating activities (A)	657,250,309	(1,072,766,251)
B Cash flow from Investing activities		
Purchase of fixed assets	(43,736,960)	(6,048,762)
Pre-operative expenses	(206,195,944)	(37,256,360)
Capital Work-in-progress	(338,772,458)	(23,662,110)
Dividend income	211,590	1,473,465
Purchase of investments	(1,057,136,931)	(1,505,000,000)
Sale of investments	1,065,201,301	1,506,666,228
Interest received	20,260,817	15,105,875
Net cash (used in) / generated from investing activities (B)	(560,168,585)	(48,721,664)
C Cash flow from financing activities		
Subscription of Equity Shares	-	900,000,000
Unsecured Loans from holding company	-	356,525,000
Net cash (used in) / generated from financing activities (C)	-	1,256,525,000
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	97,081,725	135,037,085
Cash and cash equivalents as at the beginning of the year	135,037,085	-
Cash and cash equivalents as at end of the year	232,118,810	135,037,085

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 Standard) Rules, 2006.
- Cash and cash equivalents represent cash and bank balances.
- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date

For and on behalf of the Board

M. K. DANDEKER & CO.
(ICAI Registration No. 000679S)

S. NEELAKANTAN
Partner
Chartered Accountants
Membership No. 018961

BALAKRISHNA RAO
Manager

T. S. VENKATESAN
Director

R. CHANDRASEKARAN
Director

Place : Chennai
Date : April 24, 2012

Place : Chennai
Date : April 24, 2012

NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2012		As at 31.03.2011	
	No of Shares	Rupees	No of Shares	Rupees
1 SHARE CAPITAL				
Authorized				
9,00,00,000 Equity Shares of Rs 10 each		<u>900,000,000</u>		<u>900,000,000</u>
Issued Subscribed & Paid up				
9,00,00,000 Equity Shares of Rs 10 each fully paid up.		<u>900,000,000</u>		<u>900,000,000</u>
TOTAL		<u><u>900,000,000</u></u>		<u><u>900,000,000</u></u>

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

At the beginning of the year	90,000,000	900,000,000	90,000,000	900,000,000
Issued during the year as fully paid	-	-	-	-
Outstanding at the end of the period	90,000,000	900,000,000	90,000,000	900,000,000

b. Terms / Rights attached to Equity Shares

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

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

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

	Relationship	As at	As at
		31.03.2012	31.03.2011
		Rupees	Rupees
L&T Infrastructure Development Projects Limited	Holding Company		
8,99,97,400 equity shares of Rs.10 each fully paid up		899,974,000	899,974,000
Larsen & Toubro Limited	Ultimate Company		
2,600 equity shares of Rs.10 each fully paid up		26,000	26,000

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

	As at 31.03.2012		As at 31.03.2011	
	No of Shares	%	No of Shares	%
Equity Shares of Rs.10/- each fully paid				
L&T Infrastructure Development Projects Limited, Holding Company	89,997,400	99.997%	89,997,400	99.997%

	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
2 RESERVES & SURPLUS				
Surplus / (deficit) in the Statement of Profit and Loss				
Balance as per the last financial statement		2,550,137		-
Add: Profit / Loss for the year		<u>19,117,806</u>		<u>2,550,137</u>
TOTAL		<u><u>21,667,943</u></u>		<u><u>2,550,137</u></u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
3 LONG TERM BORROWINGS				
a) Loans and advances from related parties (Unsecured)				
Promoters sub-ordinate debt from L&T Infrastructure Development Projects Limited, Holding Company		356,525,000		356,525,000
TOTAL		356,525,000		356,525,000
The Above amount includes :-				
a) Secured Borrowings		-		-
b) Unsecured Borrowings		356,525,000		356,525,000
TOTAL		356,525,000		356,525,000
4 TRADE PAYABLES				
a) Due to Micro and small enterprises		-		-
b) Due to Others		654,301,212		5,185,344
TOTAL		654,301,212		5,185,344
4.a.i. There have been no transactions with Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006. Hence, reporting details of principal and interest does not arise.				
5 OTHER CURRENT LIABILITIES				
a) Other payables				
-Additional concession fees payable		6,472,848		-
-Due to holding Company		580,335		-
-Expenses payable		16,151,107		739,800
-Statutory liabilities		7,555,647		81,859
TOTAL		30,759,937		821,659
6 SHORT TERM PROVISIONS				
a) Provision for Employee Benefits				
-Provision for Gratuity		593,472		107,168
-Provision for Leave encashment		708,363		156,312
TOTAL		1,301,835		263,480

7 FIXED ASSETS

(Figures in Rupees)

PARTICULARS	Gross Block			Depreciation			Net Carrying Value	
	As at 01.04.2011	Additions	2011-12	Up to 31.03.2011	For the year	Up to 31.03.2012	2011-12	Up to 31.03.2011
Tangible Assets								
Freehold Land	-	2,546,860	2,546,860		-	-	2,546,860	-
Office Equipment	1,084,881	3,708,588	4,870,139	226,239	961,132	1,187,371	3,682,768	858,642
Computers	1,315,165	570,938	1,886,103	128,824	326,989	455,813	1,430,290	1,186,341
Furniture & Fixture	934,105	1,196,885	2,054,320	135,700	206,390	342,090	1,712,230	798,405
Vehicles	3,380,624	8,796,516	12,177,140	175,250	1,141,112	1,316,362	10,860,778	3,205,374
Plant and Equipment	-	26,917,173	26,917,173	-	8,135,879	8,135,879	18,781,294	-
TOTAL	6,714,775	43,736,960	50,451,735	666,013	10,771,502	11,437,515	39,014,220	6,048,762
Previous Year	-	6,714,775	6,714,775	-	666,013	666,013	6,048,762	-

Note: Freehold Land of the Company has been mortgaged in favour of the lenders who have sanctioned term loans to the project.

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
8 INTANGIBLE ASSET UNDER DEVELOPMENT				
a) Toll Collection Rights – Carriage way under construction / development	1,212,097,159		23,662,110	
b) Pre-Operative Expenses (Refer Note 11)	254,223,806		37,256,360	
		1,466,320,965		60,918,470
Less :				
Capital receipts from the users of the facility		(849,662,591)		
TOTAL		616,658,374		60,918,470
9 CASH AND BANK BALANCE				
a) Balances with banks		-		
–on current account		5,698,531		1,037,085
–on Bank balances with less than 3 months maturity (including interest accrued thereon)		219,545,972		134,000,000
b) Cheques, drafts on hand		585,022		-
c) Cash on hand		6,289,285		-
d) Others		-		-
TOTAL		232,118,810		135,037,085
10 SHORT TERM LOANS AND ADVANCES				
a) Capital Advance				
–Secured, Considered good		-		-
–Unsecured, Considered good		1,063,000,000		-
b) Security Deposit				
–Secured, Considered good		-		-
–Unsecured, Considered good		145,000		250,000
c) Loans and advances to related parties				
–Secured, Considered good		-		-
–Unsecured, Considered good		-		1,057,068,082
d) Other Loans and Advances				
–Prepaid Expenses		875,101		2,556,607
–Advance Tax (Net of Provision for Taxation)		12,726,424		3,379,400
–Due from Subsidiaries		-		18,431
–Other Advance		17,997		68,783
TOTAL		1,076,764,522		1,063,341,303

NOTES TO FINANCIAL STATEMENTS (Contd.)**11 PRE-OPERATIVE EXPENSES**

	<i>As at 01.04.2011</i>	For the year 2011-12	As at 31.03.2012
	<i>Rupees</i>	Rupees	Rupees
Concession Fees to NHAI			
Additional Concession Fees to NHAI	–	59,560,343	59,560,343
Toll Management Fees	–	18,836,097	18,836,097
Operational and maintenance fees	–	8,720,361	8,720,361
Security Services	212,452	8,493,911	8,706,363
Insurance	1,800	765,970	767,770
Repairs & maintenance			
–Toll Roads & bridges	–	19,236,021	19,236,021
–Building	553,169	2,810,090	3,363,259
–Plant/Machinery/electric installation	11,578	3,113,859	3,125,437
–Vehicles		1,641,232	1,641,232
–Others	452,007	481,640	933,647
Power & electricity charges	41,840	3,484,815	3,526,655
Salaries, wages & bonus	8,592,600	21,557,659	30,150,259
Contribution to Provident and Other Funds	563,224	1,024,922	1,588,146
Gratuity Expense	107,168	486,304	593,472
Staff welfare expenses	911,146	2,174,376	3,085,522
Rent	–	140,000	140,000
Rates & taxes	411,433	707,114	1,118,547
Advertisement Expenses	–	218,976	218,976
Professional fees	5,137,712	39,290,384	44,428,096
Printing & stationery	671,180	1,361,955	2,033,135
Postage & Communication	169,228	961,276	1,130,504
Travelling & conveyance	3,220,600	8,553,646	11,774,246
Legal fees	–	1,024,350	1,024,350
Miscellaneous expenses	247,524	462,992	710,516
Bank Charges	15,285,686	1,087,651	16,373,337
Depreciation	666,013	10,771,502	11,437,515
TOTAL	37,256,360	216,967,446	254,223,806

NOTES TO FINANCIAL STATEMENTS (Contd.)

	2011-12	<i>For the period 23.04.2010 to 31.03.2011</i>
	<u>Rupees</u>	<u>Rupees</u>
12 OTHER INCOME		
a) Interest Income		
–Bank Deposits	1,700,775	–
–Current Investments	18,152,054	18,245,568
–Long term investments	–	–
–Interest on others – CP	407,988	–
a) Dividend Income		
–Current Investments	211,590	–
b) Net Gain On Sale of Current Investments	8,064,370	–
TOTAL	<u>28,536,777</u>	<u>18,245,568</u>
13 OPERATING AND MAINTENANCE EXPENSES		
Toll Management Charges	–	3,097,697
Route patrol charges	–	1,945,961
TOTAL	<u>–</u>	<u>5,043,658</u>
14 ADMINISTRATIVE AND OTHER EXPENSES		
Filing Fees	–	4,254,000
Audit fees		
–As Auditor		
–Audit Fees	224,720	110,300
–Tax Audit Fees	–	–
–In other capacity		
–Taxation Matters	–	–
– Company law Matters	–	–
– Management Service	11,032	–
– Other Service	–	–
– Reimbursement of Expense	1,408	3,958
Preliminary Expenses	–	4,482,327
TOTAL	<u>237,160</u>	<u>4,596,585</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

15 CORPORATE INFORMATION

L&T Krishnagiri Walajahpet Tollway Limited is a Special Purpose Vehicle (SPV) incorporated for the purpose of the augmenting of the existing 4-lane road from krishnagiri (K.m 0.0) to Walajahpet (Km 148.3) on National Highway 46 to 6-lane road. The project was awarded by National Highway Authority of India under Build, Operate and Transfer (BOT) with a concession period of 30 year starting from the appointed date i.e., 7th June 2011. The Company had commenced the construction and expect to complete the 6 laning of the road within 30 months from the appointed date. The Company has also commenced collection of toll for the existing 4-lane starting from the said appointed date.

16 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006 prescribed by the Central Government. However, certain escalation and other claims, which are not ascertainable or acknowledged by customers, are not taken into account.

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

b. Income

- a) Fee collections from users of facility are accounted for as and when the amount is due and recovery is certain.
- b) Dividend income is recognized when the right to receive is established.
- c) Interest income is accrued at applicable rates.
- d) Other items of income are accounted as and when the right to receive arises.

c. Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

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

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

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

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

(iii) Long Term Employee Benefits

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

e. 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 the recoverable amount, then that particular assets are written down to their recoverable amount.

NOTES TO FINANCIAL STATEMENTS (Contd.)

f. Depreciation

Depreciation on assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. However in respect of the following categories of fixed asset categories the Depreciation is provided at higher rates in line with their revised estimated useful life,

Category of Asset	Estimated Useful Life (Years)	Depreciation Rate (% per annum)
Building – Residential	50	2.00%
Office Equipment	4	25.00%
Electrical Installations	9	11.11%
Plant and Machinery	9	11.11%
Computers – Desktop	6	16.67%
Computers – Laptop	4	25.00%
Furniture and Fixtures	10	10.00%
Motor Cars	7	14.29%
Motor Bike	11	9.09%
Air conditioners	12	8.33%
Toll Equipments	7	14.29%

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

g. Intangible Assets and Amortization

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

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

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

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

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

h. Investments

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

i. Leases

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

j. 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. Income earned on temporary investments out of borrowings which is inextricably linked with the project is deducted from the related borrowing cost incurred.

NOTES TO FINANCIAL STATEMENTS (Contd.)**k. 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.

l. 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
 - (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
 - (ii) a present obligation when no reliable estimate is possible, and
 - (iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.
 - (iv) Contingent Assets are neither recognized, nor disclosed.
 - (v) Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

17 SEGMENTAL INFORMATION

The Company is engaged only in the business of building and operating the Toll roads and bridges. Accordingly furnishing segment details is not applicable. Further the company is carrying on its business in only one geographical segment and hence furnishing details of geographical segment does not arise.

18 EARNINGS PER SHARE

Particulars	2011-12		For the period April 23, 2010 to March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Basic EPS:				
Net Profit / (loss) for calculation of Basic EPS – A		19,117,806		2,550,137
Weighted Average No. of Equity Shares for calculation of Basic EPS – B		90,000,000		33,953,596
Earnings Per Share – Basic (EPS) – A/B		0.21		0.08
Diluted EPS:				
Net Profit / (loss) as per P/L A/c		19,117,806		2,550,137
Less: Effects of Dilution of equity shares		–		–
Net Profit / (loss) for calculation of Diluted EPS – A		19,117,806		2,550,137
Weighted Average No. of Equity Shares		90,000,000		33,953,596
Less: Effects of Dilution of equity shares		–		–
Weighted Average No. of Equity Shares for calculation of Diluted EPS – B		90,000,000		33,953,596
Earnings Per Share – Diluted (EPS) – A/B		0.21		0.08

NOTES TO FINANCIAL STATEMENTS (Contd.)**19 GRATUITY EXPENSES**

The company recognises Gratuity based on the Actuarial Valuation. The following table summarizes the components of the net benefit expense recognised in the profit and loss account

Particulars	2011-12	2010-11
	Rs.	Rs.
1. Gratuity		
A. Results of Actuarial Valuation		
1. Valuation as on	March 31, 2012	<i>March 31, 2011</i>
2. Retirement Age	58	58
3. No of Employees	45	45
4. Present Value of Benefit Obligations	593,472	107,168
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	
2. Leave salary		
A. Summary of Staff		
1. No of Employees	45	45
2. Projected actuarial value of benefit obligation in Rupees	708,368	156,312
B. Principle rule 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. 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	8.50%	8.00%
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	<i>LIC 94 – 96 Rates</i>
2. Withdrawal / Attrition Rate	5% for all age	<i>5% for all age</i>
3. Disability / Ill health retirement	No Explicit Assumption	<i>No Explicit Assumption</i>
Contribution to the Provident Fund is made to Regional Provident Fund office		

20 RELATED PARTY DISCLOSURE**Names of the related party and related party relationship****A. Related party where control exists**

Ultimate Holding company	: Larsen & Toubro Limited
Holding company	: L&T Infrastructure Development Projects Limited (L&T IDPL)

NOTES TO FINANCIAL STATEMENTS (Contd.)**B. Related Parties with whom transaction have taken place during the year**

L&T PANIPAT ELEVATED CORRIDOR PROJECT LIMITED
 L&T CHENNAI TADA TOLLWAY LIMITED
 L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED
 L&T VADODARA BHARUCH TOLLWAY LIMITED
 L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED
 L&T DEVIHALLI HASAN TOLLWAY LIMITED
 L&T RAJKOT VADINAR TOLLWAY LIMITED
 L&T TRANSPORTATION INFRASTRUCTURE LIMITED
 L&T WESTERN ANDHRA TOLLWAY LIMITED

} Fellow Subsidiaries

C. Related Party Transactions

The following table shows the total amount of related party transaction that have been entered with the related persons during the year

a. Receipt / Provision of Services

	Year Ended	Receipt of Services	Provision of Services	Amount owed by Related party	Amount owed to Related party
		Rs.	Rs.	Rs.	Rs.
i. Holding and Ultimate Holding company :					
a. Larsen & Toubro Limited					
-Reimbursement of Expenses / Services	March 31, 2012	3,783,607	-	-	-
	March 31, 2011	842,371	-	-	(18,431)
-Mobilisation advance	March 31, 2012	1,063,000,000	-	-	-
	March 31, 2011	-	-	-	-
-EPC Progress Bills	March 31, 2012	594,430,174	594,506,421	-	66,027,511
	March 31, 2011	-	-	-	-
b. L&T IDPL					
Reimbursement of Expenses / Services	March 31, 2012	14,147,570	-	-	580,335
	March 31, 2011	5,529,745	-	-	-
ii. Fellow Subsidiaries : - Reimbursement for expenses / services					
L&T PANIPAT ELEVATED CORRIDOR PROJECT LTD	March 31, 2012	15,961	-	-	-
	March 31, 2011	-	-	-	-
L&T CHENNAI TADA TOLLWAY LIMITED	March 31, 2012	415,477	-	-	-
	March 31, 2011	2,072,321	-	-	-
L&T SAMAKHIALI GANDHIDHAM TOLLWAY LIMITED	March 31, 2012	185,577	-	-	-
	March 31, 2011	361,616	-	-	-
L&T VADODARA BHARUCH TOLLWAY LIMITED	March 31, 2012	1,345,277	-	-	-
	March 31, 2011	-	-	-	-
L&T KRISHNAGIRI THOPUR TOLL ROAD LIMITED	March 31, 2012	90,777	-	-	-
	March 31, 2011	(690,236)	-	-	-

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Year Ended	Receipt of Services	Provision of Services	Amount owed by Related party	Amount owed to Related party
		Rs.	Rs.	Rs.	Rs.
L&T DEVIHALLI HASAN TOLLWAY LIMITED	March 31, 2012	20,214	-	-	-
	March 31, 2011	-	-	-	-
L&T RAJKOT VADINAR TOLLWAY LIMITED	March 31, 2012	75,798	-	-	-
	March 31, 2011	-	-	-	-
L&T TRANSPORTATION INFRASTRUCTURE LIMITED	March 31, 2012	828	-	-	-
	March 31, 2011	4,812	-	-	-
L&T WESTERN ANDHRA TOLLWAY LIMITED	March 31, 2012	52,295	-	-	-
	March 31, 2011	486,061	-	-	-

b. Loans given and Repayment thereof					
	Year Ended	Loans given	Repayment	Interest Accrued	Amount owed by Related party
		Rs.	Rs.	Rs.	Rs.
ICD to L&T IDPL	March 31, 2012		1,050,000,000	18,152,055	-
	March 31, 2011	1,050,000,000		11,478,081	-
c. Loans taken and Repayment thereof					
	Year Ended	Loans taken	Repayment	Interest Accrued	Amount owed to Related party
		Rs.	Rs.	Rs.	Rs.
Unsecured Loan from L&T IDPL	March 31, 2012	356,525,000	-	-	356,525,000
	March 31, 2011	356,525,000	-	-	356,525,000
d. Commercial Papers purchase and Sale					
	Year Ended	CP purchased	CP sold	Interest Accrued	Amount owed to Related party
		Rs.	Rs.	Rs.	Rs.
Purchase of 7.75% CP 2013 from L&T IDPL	March 31, 2012	96,074,616	-	-	-
Sale of 7.75% CP 2013 to L&T KTTL	March 31, 2012		96,482,604	96,482,604	-
	March 31, 2011	-	-	-	-
e. Managerial Remuneration:					
Manager's salary and perquisites of Rs.19,04,024 /- (Previous year: Rs. 13,78,286/-) for the year 2011 – 12 have been charged to the accounts.					

21 CAPITALISATION OF EXPENSES

As the construction of the roadways is in progress the company has not capitalised the expenses incurred till date.

22 CONTINGENT LIABILITY

The company does not foresee any contingent liability

NOTES TO FINANCIAL STATEMENTS (Contd.)**23 LEASES**

The Company has taken office premises on cancellable operating lease. Lease rentals paid during the year amounting to Rs.9,25,900/- (Previous period: Rs.54,000/-) has been included in pre-operative expenses.

24 FOREIGN CURRENCY TRANSACTION

Particulars	2011-12		2010-11	
	Foreign currency value	Rs.	Foreign currency value	Rs.
Purchase of Toll equipments	Euro 1,54,721	10,065,109	<i>NIL</i>	<i>NIL</i>

25 CAPITAL COMMITMENTS

The estimated amount of contracts remaining to be executed on capital account (net of advances) as at March 31, 2012 amounts to Rs. 7,31,00,00,000 crores. (PY Rs. 10,63,00,00,000)

26 WEALTH TAX ACT 1957

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

27 CHANGE IN PREPARATION AND PRESENTATION

The Company was using the Pre-revised Schedule VI to the Companies Act, 1956, for the preparation and presentation of its financials statements till the year ended March 31, 2011. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The adoption does not have any impact on the recognition and measurement principle followed in the presentation of the financial statement. However it has significant impact in the presentation and disclosure made in the preparation of the financial statement. The Company has reclassified the previous year figures to confirm to this year's classification. Also the previous years figures are not comparable as the previous year being the first accounting period the financials have been prepared from the date of incorporation i.e., 23rd April 2010 to March 31, 2011 and hence not comparable with the current year financial statements.

As per our report of even date

M. K. DANDEKER & CO.
(ICAI Registration No. 000679S)

S. NEELAKANTAN
Partner
Chartered Accountants
Membership No. 018961

Place : Chennai
Date : April 24, 2012

For and on behalf of the Board

BALAKRISHNA RAO
Manager

T. S. VENKATESAN
Director

R. CHANDRASEKARAN
Director

Place : Chennai
Date : April 24, 2012