

**DIRECTORS' REPORT**

The Directors have pleasure in presenting their report and Accounts for the year ended March 31, 2013.

**I. FINANCIAL RESULTS**

Sl. No	Particulars	2012-13 ₹ Lacs	2011-12 ₹ Lacs
1	Income for the year	5,320.13	5,571.77
2	Less: Expenditure	(653.30)	(665.54)
3	<b>Profit Before Depreciation &amp; Tax (PBDT)</b>	<b>4,666.83</b>	<b>4,906.23</b>
4	Less: Depreciation	(870.30)	(1,129.68)
5	<b>Profit / (Loss) before tax (PBT)</b>	<b>3,796.53</b>	<b>3,776.55</b>
6	Less: Provision for tax	(763.14)	(755.60)
7	<b>Profit / (Loss) after tax (PAT)</b>	<b>3,033.39</b>	<b>3,020.95</b>
8	Balance brought forward from previous year	11,264.30	8,243.35
9	<b>Balance carried to Balance Sheet</b>	<b>14,297.69</b>	<b>11,264.30</b>

**II. APPROPRIATIONS**

There were no appropriations made during the year 2012-13.

**III. DIVIDEND**

The Directors of your Company prefer to retain the profits for future plans and therefore express their inability to consider any dividend to be paid to the Shareholders of the Company for the year.

**IV. PERFORMANCE OF THE COMPANY**

Your Company was able to significantly improve the other income growth of 75.79% as compared to last year from ₹ 10.12 Crores to ₹ 17.79 Crores. The Profit before tax increased to ₹ 37.97 Crores as compared to last year of ₹ 37.77 Crores.

Further, the Concession Period came to an end on 20th December, 2012 and the assets were accordingly handed over to National Highway Division which in turn handed over to National Highway Authority of India.

**V. CAPITAL EXPENDITURE**

During the year, your Company has added fixed assets amounting to ₹ 0.46 lakhs thereby the Gross fixed assets of the Company stood at ₹ 24.06 Lakhs and assets transferred / deletions amounting to ₹ 14,151.96 the net fixed assets stood at ₹ 18.74 Lakhs after charging off depreciation to an extent of ₹ 870.29 Lakhs as on March 31, 2013.

**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 to be reported between date of the Balance Sheet and date of the Directors' Report.

**IX. 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 was engaged in developing, operating and maintaining a bridge the provisions relating to conservation of energy does not apply.

**- TECHNOLOGY ABSORPTION**

There was no Technology absorption during the year 2012- 13.

**- FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no usage or earning of any foreign currency in the course of transactions during the year 2012-13.

**X. 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.

## NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED

### XI. SUBSIDIARY COMPANIES

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

### XII. 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 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, 2013 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;
- iv. That the annual accounts have been prepared on a going concern basis; and
- v. That proper systems are in place to ensure compliance of all laws applicable to the Company.

### XIII. DIRECTORS

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

Mr. T. S. Sundaresan has submitted his resignation as Director with effect from 06-08-2012.

The present Directors are as follows:

- a) Mr. B. Ramakrishnan
- b) Mr. Karthikeyan T. V.
- c) Mr. R. Chandrasekaran

### XIV. AUDIT COMMITTEE

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

- a) Mr. B. Ramakrishnan
- b) Mr. Karthikeyan T. V.
- c) 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 and internal audit report.

### XV. REMUNERATION COMMITTEE

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

- a) Mr. B. Ramakrishnan
- b) Mr. Karthikeyan T. V.
- c) 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.

### XVI. 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.

### XVII. 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 & MANAGER

The Directors are not paid any remuneration by way of sitting fees, etc.

## NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED

### 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 appraised its Board members about the restriction on number of other directorships and the same is being complied with.

### D) RESPONSIBILITIES OF THE BOARD

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

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

### E) STATUTORY AUDITORS

The Company has obtained a certificate from the auditors certifying its independence and arm's length relationship with the Company. The Company does not advocate rotation of Auditors as envisaged in these guidelines in view of the domain knowledge acquired by the Auditors over a period of time.

### F) INTERNAL AUDITORS

Internal Audit Department, L&T Infrastructure Development Projects Limited, provides internal audit services to 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.

## 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 invaluable support extended to the Company by the management staff of the parent Company.

For and on behalf of the Board

Place : Chennai

Date : April 25, 2013

KARTHIKEYAN T. V.

Director

R. CHANDRASEKARAN

Director

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 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 the 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 the 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 have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the 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 March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the 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") as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give 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, 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 subsection (3C) of Section 211 of the Act;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**SHARP & TANNAN**  
Chartered Accountants  
ICAI registration no. 003792S

Place : Chennai  
Date : April 25, 2013

**V. R. LALITHA**  
Partner  
Membership No. 18284

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

With reference to the Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of the independent auditor's report to the members of **NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED** on the financial statements for the year ended 31 March 2013, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has physically verified during the year all its fixed assets and discrepancies not being material noticed on such verification were dealt with in this accounts.
- (c) During the year, the Company has disposed off a substantial portion of its fixed assets on 20<sup>th</sup> December 2012, in accordance with the concession agreement entered into with the National Highway Authority of India. However, the going concern of the entity is not affected.
- (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. 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 within the meaning of Section 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) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (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, 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, following disputed statutory liabilities are not paid in respect of income tax as at March 31, 2013.

Name of the Statute	Name of the disputed dues	Amount	Period to which the amount relates	Forum where disputes are pending
		(₹)		
Income Tax Act 1961	Disallowance under Section 14A and rate of depreciation	460,828	2007-08	Commissioner (Appeals)
	<b>Total</b>	<b>460,828</b>		

- (x) The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current 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 explanation 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 explanation given to us, the Company had not availed any term loan during the year. Accordingly, reporting under clause 4 (xvi) of the Order is not applicable.
- (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 to parties and companies covered in the Register maintained under Section 301 of the Act.
- (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  
ICAI registration no. 003792S

Place : Chennai  
Date : April 25, 2013

**V. R. LALITHA**  
Partner  
Membership No. 18284

NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED

**BALANCE SHEET AS AT MARCH 31, 2013**

	Note	As at 31.03.2013		As at 31.03.2012	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share capital	A	473,500,070		473,500,070	
Reserves and surplus	B	1,429,769,147		1,126,429,676	
			1,903,269,217		1,599,929,746
<b>Non-current liabilities</b>					
Deferred tax liabilities (net)	J(VIII)		353,711		—
<b>Current liabilities</b>					
Short-term borrowings	C(I)	—		165,942,250	
Trade payables	C(II)	2,635,592		2,177,130	
Other current liabilities	C(III)	1,757,986		1,613,476	
Short-term provisions	C(IV)	5,946,450		4,749,099	
			10,340,028		174,481,955
			1,913,962,956		1,774,411,701
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed assets					
Tangible assets	D(I)	1,873,502		4,736,954	
Intangible assets	D(II)	—		84,119,847	
Intangible assets under development	D(III)	—		169,862	
			1,873,502		89,026,663
Long-term loans and advances	E		1,312,270,636		1,563,345,392
<b>Current Assets</b>					
Current Investments	F(I)	40,000,000			
Cash and bank balances	F(II)	35,027,251		42,522,340	
Short-term loans and advances	F(III)	524,791,567		79,517,306	
			599,818,818		122,039,646
			1,913,962,956		1,774,411,701
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>					
<b>OTHER NOTES FORMING PART OF ACCOUNTS</b>					
<b>SIGNIFICANT ACCOUNTING POLICIES</b>					

As per our report attached  
**SHARP & TANNAN**  
Chartered Accountants  
(Registration No. 003792S)  
By the hand of

For and on behalf of the Board

**V. R. LALITHA**  
Partner  
Membership No. 18284

**VIJAI GUPTA**  
Manager

**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**

	Note	2012-13		2011-12	
		₹	₹	₹	₹
<b>REVENUE</b>					
Revenue from operations	H(I)		354,122,484		456,003,793
Other income	H(II)		177,890,416		101,173,074
<b>Total Revenue</b>			<b>532,012,900</b>		<b>557,176,867</b>
<b>EXPENSES</b>					
Operating and maintenance expenses	I (I)	36,775,086		41,368,670	
Employee benefit expenses	I (II)	5,222,811		7,111,769	
Administration and other expenses	I (III)	21,568,360		16,702,498	
Finance costs	I (IV)	1,764,104		1,370,481	
Depreciation and Amortisation expenses		87,029,283		112,967,843	
<b>Total Expenses</b>			<b>152,359,644</b>		<b>179,521,261</b>
<b>Profit Before Tax</b>			<b>379,653,256</b>		<b>377,655,606</b>
<b>Tax expense:</b>					
Current tax		75,960,074		75,560,389	
Deferred tax	J(VIII)	353,711		—	
			<b>76,313,785</b>		<b>75,560,389</b>
<b>Profit After Tax</b>			<b>303,339,471</b>		<b>302,095,217</b>
<b>Earnings per share ( Basic and diluted )</b>	J(VII)		<b>6.41</b>		<b>6.38</b>
Face value per equity share			<b>10.00</b>		<b>10.00</b>
Other notes forming part of accounts	J				
Significant accounting policies	K				

As per our report attached  
**SHARP & TANNAN**  
Chartered Accountants  
(Registration No. 003792S)  
By the hand of

**V. R. LALITHA**  
Partner  
Membership No. 18284

Place : Chennai  
Date : April 25, 2013

**For and on behalf of the Board**

**VIJAI GUPTA**  
Manager

**KARTHIKEYAN T. V.**  
Director

**R. CHANDRASEKARAN**  
Director

Place : Chennai  
Date : April 25, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

	2012-13 ₹	2011-12 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax (excluding extraordinary items)	379,653,256	377,655,606
<b>Adjustments for :</b>		
Depreciation	87,029,283	112,967,843
Interest expense	1,764,104	1,370,481
Interest income	(142,080,067)	(72,448,978)
(Profit) / Loss on sale of investments (net)	(15,522,791)	(28,387,085)
<b>Operating profit before working capital changes</b>	<b>310,843,785</b>	<b>391,157,867</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in Loans and Advances	72,378,372	61,506,267
Increase / (Decrease) in trade payables	(75,102,001)	149,767,589
<b>Cash generated from operations</b>	<b>308,120,156</b>	<b>602,431,723</b>
Direct taxes paid (net of refund)	(73,837,685)	(69,832,679)
<b>Net cash from operating activities</b>	<b>234,282,471</b>	<b>532,599,044</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (net)	123,878	(5,469,946)
Purchase of investments	(1,993,775,940)	(1,846,855,199)
Sale of investments	1,969,298,731	1,875,242,284
Loans to related parties (Subsidiaries)	(192,740,192)	(604,205,200)
Interest received	142,080,067	72,448,978
<b>Net cash (used in) / from investing activities</b>	<b>(75,013,456)</b>	<b>(508,839,083)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment) / proceeds from other borrowings	(165,000,000)	(50,000,000)
Interest paid	(1,764,104)	(1,370,481)
<b>Net cash (used in) / from financing activities</b>	<b>(166,764,104)</b>	<b>(51,370,481)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(7,495,089)</b>	<b>(27,610,520)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>42,522,340</b>	<b>70,132,860</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>35,027,251</b>	<b>42,522,340</b>

**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 attached  
**SHARP & TANNAN**  
Chartered Accountants  
(Registration No. 003792S)  
By the hand of

For and on behalf of the Board

**V. R. LALITHA**  
Partner  
Membership No. 18284

**VIJAI GUPTA**  
Manager

**KARTHIKEYAN T. V.**  
Director

**R. CHANDRASEKARAN**  
Director

Place : Chennai  
Date : April 25, 2013

Place : Chennai  
Date : April 25, 2013



**NOTES FORMING PART OF ACCOUNTS****A SHARE CAPITAL**

	As at 31.03.2013		As at 31.03.2012	
	No of Shares	₹	No of Shares	₹
<b>Authorised :</b>				
Equity Shares of ₹10 each	60,000,000	600,000,000	60,000,000	600,000,000
<b>Issued, subscribed and fully paid up :</b>				
Equity Shares of ₹10 each	47,350,007	473,500,070	47,350,007	473,500,070
<b>A (I) Reconciliation of the number of equity shares and share capital</b>				
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	47,350,007	473,500,070	47,350,007	473,500,070
Add : Shares issued during the year	—	—	—	—
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	47,350,007	473,500,070	47,350,007	473,500,070

**A (II) Terms / Rights attached to Equity Shares**

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

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

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

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

**A (III) Shares held by Holding / Ultimate holding Company and/or their subsidiaries/associates:**

Particulars	Relationship	As at	As at
		31.03.2013	31.03.2012
		No of Shares	No of Shares
L&T Western India Tollbridge Limited	Holding Company	28,000,000	28,000,000
L&T Infrastructure Development Projects Limited	Holding Company	6,701,500	6,701,500
Larsen and Toubro Limited	Ultimate Holding Company	12,648,501	12,648,501

**A (IV) 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	%
L&T Western India Tollbridge Limited, Holding Company	28,000,000	59.14%	28,000,000	59.14%
L&T Infrastructure Development Projects Limited, Holding Company	6,701,500	14.15%	6,701,500	14.15%
Larsen and Toubro Limited, Ultimate Holding Company (along with its nominees)	12,648,507	26.71%	12,648,507	26.71%

**NOTES FORMING PART OF ACCOUNTS (Contd.)****B RESERVES AND SURPLUS**

	<b>As at 31.03.2013</b>		<b>As at 31.03.2012</b>	
	₹	₹	₹	₹
Surplus in the Statement of Profit and Loss				
Balance as per the last Balance Sheet		<b>1,126,429,676</b>		824,334,459
Add: Profit for the year		<b>303,339,471</b>		302,095,217
<b>TOTAL</b>		<b><u>1,429,769,147</u></b>		<b><u>1,126,429,676</u></b>

**C (I) SHORT TERM BORROWINGS**

Inter corporate borrowings : Unsecured				
Loans from related party (Holding Company)	-		165,000,000	
Deposits	-		942,250	
		-		165,942,250
<b>TOTAL</b>		-		<b><u>165,942,250</u></b>

**C (II) TRADE PAYABLES**

Due to Micro and small enterprises (Refer Note C (II)(a))		-		-
Due to others		<b>2,635,592</b>		2,177,130
<b>TOTAL</b>		<b><u>2,635,592</u></b>		<b><u>2,177,130</u></b>

**C (II) (a)** 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.

**C (III) OTHER CURRENT LIABILITIES**

Other payables				
Due to Holding Company	<b>3,080</b>		389,688	
Deposits	<b>800,000</b>		-	
Liability for Expenses	<b>624,129</b>		731,001	
Statutory liabilities	<b>330,777</b>		492,787	
		<b><u>1,757,986</u></b>		1,613,476
<b>TOTAL</b>		<b><u>1,757,986</u></b>		<b><u>1,613,476</u></b>

**C (IV) SHORT TERM PROVISIONS**

Provisions for Employee Benefits				
Gratuity (Note no. J (II)(ii) 1)		<b>55,965</b>		547,878
Compensated absences (Note J(II)(ii) 2)		<b>26,212</b>		459,337
Other Provisions				
Current Tax ( Net of Payments made ₹ 7,00,95,801, PY ₹ 7,18,18,505)		<b>5,864,273</b>		3,741,884
<b>TOTAL</b>		<b><u>5,946,450</u></b>		<b><u>4,749,099</u></b>

NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

<b>D (I) TANGIBLE ASSETS</b>										
Particular	Cost			Depreciation / Amortisation				Book Value		
	As at 01.04.2012	Additions	Deletions	As at 31.03.2013	Up to 31.03.2012	For the year	Deductions	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
Building										
Owned	273,816	–	(273,816)	–	190,364	83,452	273,816	–	–	83,452
Leased out	2,406,223	–		2,406,223	481,857	50,864		532,721	1,873,502	1,924,366
Plant & Equipment	14,254,696	–	(14,254,696)	–	11,769,853	2,484,840	14,254,696	–	–	2,484,843
Furniture & Fixture	400,719	–	(400,719)	–	350,807	49,912	400,719	–	–	49,912
Vehicles	710,065		(710,065)	–	708,234	1,828	710,065	–	–	1,831
Office Equipment	1,379,571	–	(1,379,571)	–	1,287,941	91,623	1,379,571	–	–	91,630
Computers	1,901,456	46,000	(1,947,456)	–	1,800,536	146,917	1,947,456	–	–	100,920
<b>Sub Total (A)</b>	<b>21,326,546</b>	<b>46,000</b>	<b>(18,966,323)</b>	<b>2,406,223</b>	<b>16,589,592</b>	<b>2,909,436</b>	<b>18,966,323</b>	<b>532,721</b>	<b>1,873,502</b>	
Previous year	21,154,862	171,684	–	21,326,546	12,711,891	3,877,701	–	16,589,592		4,736,954
<b>D(II) INTANGIBLE ASSETS</b>										
Toll collection rights (Refer Note D(II)(a))	1,388,605,578	–	1,388,605,578	–	1,309,024,702	79,580,876	1,388,605,578	–	–	79,580,876
Specialised Software	7,623,937	–	(7,623,937)	–	3,084,966	4,538,971	7,623,937	–	–	4,538,971
<b>Sub Total (B)</b>	<b>1,396,229,515</b>	<b>–</b>	<b>(1,396,229,515)</b>	<b>–</b>	<b>1,312,109,668</b>	<b>84,119,847</b>	<b>1,396,229,515</b>	<b>–</b>	<b>–</b>	<b>84,119,847</b>
Previous year	1,390,381,407	5,848,108	–	1,396,229,515	1,203,019,526	109,090,142	–	1,312,109,668		84,119,847
<b>D (III) INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										
Software									–	169,862
<b>Grand Total (A + B)</b>	<b>1,417,556,061</b>	<b>46,000</b>	<b>(1,415,195,838)</b>	<b>2,406,223</b>	<b>1,328,699,260</b>	<b>87,029,283</b>	<b>1,415,195,838</b>	<b>532,721</b>	<b>1,873,502</b>	

**D(II)(a):**

- Bridge over river Narmada constructed on land provided by Government of Gujarat under the Concession Agreement dated 21st November, 1997 with Ministry of Surface Transport, Government of India and Public Works Department, Government of Gujarat and the cost incurred for the said bridge is being depreciated equally over the operations period commencing from 11th November, 2000 to 20th December, 2012.
- In terms of the Notification no.G.S.R.298E dated April 17, 2012,issued by the Ministry of Corporate Affairs, on Amortisation of Intangible assets created under Build,Operate and Transfer, Build, Own Operate and Transfer and other modes of Public Private Partnership Route, the Company has reclassified in current year, the Toll bridge being the construction cost for acquiring the Toll Collection right as an Intangible Assets (Toll Collection Rights) as it represents a right to collect Toll revenue from the users of the facility during the concession period.
- As per para 63 of the Accounting Standard -26 "Intangible Assets", the Company amortises the Toll bridge being Toll Collection rights ("TCR"), on a Straight line basis ("SLM") over the concession period of 12 years for the bridge.
- During the year , the project was handed over to the Government of India and Government of Gujarat on the closing hours of 20th December,2012 as per the Concession Agreement. This being the last year of operation, toll collection rights have been continued to be amortised for 264 days proportionately based on straight line method and revenue based amortisation does not arise.

**E LONG TERM LOANS AND ADVANCES**

	As at 31.03.2013	As at 31.03.2012
	₹	₹
Unsecured, considered good		
Loans and advances to related parties		
Loans to fellow subsidiary companies	1,312,270,636	1,563,345,392
<b>TOTAL</b>	<b>1,312,270,636</b>	<b>1,563,345,392</b>

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

	<b>As at 31.03.2013</b>		<b>As at 31.03.2012</b>	
	₹	₹	₹	₹
<b>F (I) CURRENT INVESTMENTS</b>				
Investments in Mutual Funds - Quoted				
L&T Liquid Fund - Growth		<b>40,000,000</b>		-
(24,889.644 units of Face Value ₹1000 /-)				
<b>TOTAL</b>		<b>40,000,000</b>		-
Book Value - ₹ 4,00,00,000 /-				
Market value - ₹ 4,00,41,939 /-				
<b>F (II) CASH AND BANK BALANCES</b>				
<b>Balances with banks</b>				
on Current account	<b>809,269</b>		<b>2,306,970</b>	
on Bank deposits with less than three months maturity (including interest accrued thereon)	<b>12,584,365</b>		<b>2,501,363</b>	
Cash on hand	<b>5,716</b>		<b>5,797,276</b>	
		<b>13,399,350</b>		<b>10,605,609</b>
<b>Other Bank Balances</b>				
Bank Deposits with more than 3 months maturity including interest accrued thereon	<b>21,627,901</b>		<b>30,369,492</b>	
Margin Money Deposit including interest accrued thereon	-		<b>1,547,239</b>	
		<b>21,627,901</b>		<b>31,916,731</b>
<b>TOTAL</b>		<b>35,027,251</b>		<b>42,522,340</b>
<b>F (III) SHORT TERM LOANS AND ADVANCES</b>				
<b>Unsecured, considered good</b>				
Loans and advances to related parties				
Loans to Fellow Subsidiary Companies		<b>96,074,756</b>		<b>77,359,808</b>
Inter - corporate Deposits		<b>425,100,000</b>		-
Advances recoverable in cash or in kind or for value to be received		<b>2,079,371</b>		-
<b>Other Loans and Advances</b>				
Others		<b>1,537,440</b>		<b>2,092,408</b>
Security Deposit		-		<b>65,090</b>
<b>TOTAL</b>		<b>524,791,567</b>		<b>79,517,306</b>
<b>G CONTINGENT LIABILITIES AND COMMITMENTS</b>				
Contingent liabilities and Commitments as at March 31, 2013 is NIL. (Previous year: Nil)				

NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

	2012-13		2011-12	
	₹	₹	₹	₹
<b>H (I) REVENUE FROM OPERATIONS</b>				
Fee Collections - Toll Bridge		354,122,484		456,003,793
<b>TOTAL</b>		<u>354,122,484</u>		<u>456,003,793</u>
<b>H (II) OTHER INCOME</b>				
Interest Income on				
Bank Deposits	3,467,314		1,739,322	
Inter Corporate Deposits				
Holding Company and fellow subsidiaries	2,518,975		14,981,315	
Loans to Related Parties				
fellow subsidiaries	<u>136,093,778</u>		<u>55,728,341</u>	
		142,080,067		72,448,978
Net gain on sale of current investments		15,522,791		28,387,085
Gain on sale of fixed assets ( Net )		2,324		-
Other Income		712,617		337,011
Compensation for additional work		<u>19,572,617</u>		-
<b>TOTAL</b>		<u>177,890,416</u>		<u>101,173,074</u>
<b>I (I) OPERATING AND MAINTENANCE EXPENSES</b>				
Toll Management Fees		5,744,413		6,890,488
Security Services		3,933,455		5,562,918
Insurance		1,511,741		2,014,442
Repairs and Maintenance-Toll Bridge		22,837,429		22,065,614
General Repairs & maintenance		2,071,553		3,788,227
Power & fuel		<u>676,495</u>		<u>1,046,981</u>
<b>TOTAL</b>		<u>36,775,086</u>		<u>41,368,670</u>
<b>I (II) EMPLOYEE BENEFIT EXPENSES</b>				
Salaries, wages & bonus		3,913,463		5,885,838
Contribution to and Provisions for:				
Provident Fund	213,620		261,358	
Compensated absences	255,315		279,844	
Gratuity	<u>266,190</u>		<u>134,504</u>	
		735,125		675,706
Staff welfare expenses		<u>574,223</u>		<u>550,225</u>
<b>TOTAL</b>		<u>5,222,811</u>		<u>7,111,769</u>
<b>I (III) ADMINISTRATION AND OTHER EXPENSES</b>				
Rates & taxes		71,150		30,045
Rent		-		105,050
Professional fees		9,750,395		2,225,222
Printing & stationery		614,795		856,465
Postage & Communication		149,849		164,250
Travelling & conveyance		1,475,261		1,888,356
Business Support Service		4,785,464		4,640,655
O&M Expenditure		3,978,918		5,029,724
Other expenses		<u>742,528</u>		<u>1,762,731</u>
<b>TOTAL</b>		<u>21,568,360</u>		<u>16,702,498</u>
<b>I (IV) FINANCE COSTS</b>				
Interest expenses		<u>1,764,104</u>		<u>1,370,481</u>
<b>TOTAL</b>		<u>1,764,104</u>		<u>1,370,481</u>

**NOTES FORMING PART OF ACCOUNTS (Contd.)****NOTE J - OTHER NOTES FORMING PART OF ACCOUNTS****J (I) CORPORATE INFORMATION**

The Company has been awarded on Build and Transfer (BOT) basis, the construction of the second two-lane bridge at Zadeshwar across the River Narmada on National Highway - 8, under the concession Agreement dated 21st November, 1997 with the Ministry of Surface Transport, Government of India and Public Works Department, Government of Gujarat. The bridge was completed on 11th November, 2000. The operations period shall be the period commencing from 11th November 2000 being the date of commercial operation to 20th December, 2012. The said project was handed over on closing hours of 20th December, 2012 to Government of Gujarat/Government of India as per the terms and conditions of Concession Agreement.

**J (II) DISCLOSURES PURSUANT TO AS 15 (REVISED) - EMPLOYEE BENEFITS****(i) Defined contribution plan :**

An amount of ₹ 2,13,620 (PY ₹ 2,61,358) being contribution to recognised provident fund is recognised as expense and included under Employee Benefit expense (Note I(II)) in the Statement of Profit and Loss.

**(ii) Defined benefit plan :**

The amounts recognised are as under :

Particulars	2012-13	2011-12
	₹	₹
<b>1. Gratuity</b>		
<b>A. Results of Actuarial Valuation</b>		
1. Valuation as on	<b>March 31, 2013</b>	<i>March 31, 2012</i>
2. Retirement Age	<b>58</b>	58
3. No of Employees	<b>1</b>	20
4. Present Value of Benefit Obligations	<b>55,965</b>	547,878
<b>B. Principal rules to compute Benefit Obligations</b>		
1. Salary reckoned for calculating benefit obligations	<b>As per rule of the Company</b>	<i>As per rule of the Company</i>
2. Vesting Period	<b>5 years of Gratuity</b>	<i>5 years of Gratuity</i>
3. Benefit formula for Gratuity for all exits except death	<b>B1 X Completed year of Service X 15/26 subject to benefit having vested</b>	
4. Benefit formula for Gratuity on death	<b>Same as B3 but no vesting condition</b>	

**The amounts recognised in Balance Sheet are as follows:**

Particulars	2012-13	2011-12
A) Present value of defined benefit obligation		
– Wholly funded	–	–
– Wholly unfunded	<b>55,965</b>	547,878
Less : Fair value of plan assets		
<b>Amount to be recognised as liability or (asset)</b>	<b>55,965</b>	547,878
B) Amounts reflected in the Balance Sheet		
Liabilities	<b>55,965</b>	547,878
Assets	–	–

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

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

Particulars	2012-13	2011-12
1 Current service cost	6,535	77,650
2 Interest on Defined benefit obligation	45,724	35,137
3 Expected return on plan assets	—	—
4 Actuarial losses/(gains)	213,931	21,717
5 Past service cost	—	—
6 Effect of Curtailment or settlement	—	—
7 Actuarial gain/(loss) not recognised in books	—	—
8 Adjustment for earlier years	—	—
9 Translation adjustments	—	—
10 Amount capitalised out of the above	—	—
<b>TOTAL (1 TO 10)</b>	<b>266,190</b>	<b>134,504</b>
I Amount included in "employee benefit expenses"	266,190	134,504
II Amount included as part of "finance costs"	—	—
<b>TOTAL (I + II)</b>	<b>266,190</b>	<b>134,504</b>
Actual return on plan assets	—	—

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	547,878	413,374
Add: Transfer out obligation	(738,199)	—
Add: Current service cost	6,535	77,650
Add: Interest cost	45,724	35,137
Add: Contribution by plan participants	—	—
i) Employer	—	—
ii) Employee	—	—
Add/(less): Actuarial losses/(gains)	213,931	21,717
Less: Benefits paid	(19,904)	—
Add: Past service cost	—	—
Add: Business combinations/acquisition	—	—
<b>Closing balance of the present value of defined benefit obligation</b>	<b>55,965</b>	<b>547,878</b>

**2. Compensated Absences**

<b>A. Summary of Staff</b>		
1. No of Employees	1	20
2. Projected actuarial value of benefit obligation in Rupees	26,212	459,337
<b>B. Principle rule to compute benefit Obligations</b>		
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**

<b>A. Mean Financial Assumptions</b>		
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>B. Mean Demographic Assumptions</b>		
1. Mortality Rate	LIC 94 - 96 Rates	LIC 94 - 96 Rates
2. Withdrawal / Attrition Rate	5% at younger ages reducing to 1% at older ages	5% for all age
3. Disability / Ill health retirement	No Explicit Assumption	No Explicit Assumption

**NOTES FORMING PART OF ACCOUNTS (Contd.)****J (III) DISCLOSURES PURSUANT TO AS-16 - " BORROWING COSTS"**Borrowing costs capitalised during the year : Nil (*previous year : Nil*)**J (IV) DISCLOSURES PURSUANT TO AS 17 - " SEGMENT REPORTING"**

The Company is engaged only in the business of building and operating the Toll bridge . Accordingly furnishing segment details in accordance with Accounting Standard (AS-17) is not applicable. Further the Company is carrying on its business only in India and hence furnishing details of geographical segment does not arise

**J (V) DISCLOSURES PURSUANT TO AS 18 - " RELATED PARTY DISCLOSURES "****A. List of Related Parties**

Holding Company

Ultimate Holding Company

Fellow Subsidiaries

**A. List of Related Parties**

L&amp;T Western India Tollbridge Limited

L&amp;T Infrastructure Development Projects Limited

Larsen &amp; Toubro Limited

L&amp;T Urban Infrastructure Limited

L&amp;T Chennai Tada Tollway Limited

L&amp;T South City Projects Limited

Larsen &amp; Toubro Infotech Limited

L&amp;T Vadodara Bharuch Tollway Limited

L&amp;T Krishnagiri Thopur Toll road Limited

L&amp;T Panipat Elevated Corridor Limited

L&amp;T Halol-Shamlaji Tollway Limited

L&amp;T Samakhiali Gandhidham Tollway Limited

L&amp;T Krishnagiri Walajahpet Tollway Limited

L&amp;T Transportation Infrastructure Limited

L&amp;T General Insurance Company Limited

L&amp;T Interstate Road Corridor Limited

L&amp;T Ahmedabad Maliya Tollway Limited

L&amp;T Metro Rail (Hyderabad) Limited

**B. Transactions with related parties:**

Amount in ₹

Name / Relationship/ Nature of transaction	2012-13			2011-12		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
<b>L&amp;T Infrastructure Development Projects Limited</b>						
• ICD Given	860,100,000	—	—	282,500,000	—	—
• ICD Refund received	435,000,000	—	—	282,500,000	—	—
• Interest received /receivable on ICD	2,518,975	—	—	2,106,575	—	—
• Services received	8,764,382	—	—	9,670,379	—	—
• Reimbursement of Expenses to	11,746	—	—	—	—	—
• Reimbursement of Expenses from	136,427	—	—	3,138,673	—	—
• ICD Received	—	—	—	215,000,000	—	—
• ICD Refunded	165,000,000	—	—	50,000,000	—	—
• Interest Paid on ICD	1,414,520	—	—	959,110	—	—
• Sale of fixed assets	2	—	—	—	—	—
• Retirement benefits transferred out	266,569	—	—	—	—	—
Total Accounts Payable (net) - ICD	—	—	—	—	165,000,000	—
Total Accounts Receivable (net) - ICD	—	—	425,100,000	—	—	—
Total Accounts Payable (net)	—	—	—	—	389,688	—
Total Accounts Receivable (net)	—	—	2,079,371	—	—	—



NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

Amount in ₹

Name / Relationship/ Nature of transaction	2012-13			2011-12		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
<b>Larsen &amp; Toubro Limited</b>						
• Reimbursement of Expenses to	4,591,585	–	–	5,276,315	–	–
• Gross rental income	156,267	–	–	208,356	–	–
• Payroll Processing	202,248	–	–	198,540	–	–
Total Accounts Payable (net)		3,080				49,910
<b>L&amp;T Urban Infrastructure Limited</b>						
• ICD Given	–	–	–	–	–	–
• ICD Refund received		–	–	1,000,000,000	–	–
• Interest received on ICD		–	–	8,701,370	–	–
Total Accounts Receivable (net)			–			–
<b>L&amp;T Vadodara Bharuch Tollway Limited</b>						
• Loans Given	–	–	–	715,000,000	–	–
• Loans Refunded	29,000,000	–	–	6,075,000	–	–
• Purchase of fixed assets	–	–	–	171,684	–	–
• Interest received on Loans	62,629,563	–	–	10,996,576	–	–
• Advance received/refunded	–	–	–	7,850,000	–	–
• Reimbursement of Expenses to	39,900	–	–	757,082	–	–
• Sale of fixed assets	12	–	–			
• Retirement benefits transferred out	216,491	–	–			
Total Accounts Receivable (net)			679,925,000			70,89,25,000
<b>L&amp;T Panipat Elevated Corridor Limited</b>						
• Loans Given	–	–	–	421,500,000	–	–
• Loans Refunded	171,859,808	–	–	4,219,800	–	–
• Interest received on Loans	24,755,363	–	–	20,981,916	–	–
• Reimbursement of Expenses from	–	–	–	1,070,979	–	–
• Retirement benefits transferred out	10,511	–	–			
Total Accounts Receivable (net)			245,420,932			41,72,80,200
<b>L&amp;T South City Projects Limited</b>						
• ICD Given	–	–	–	45,000,000	–	–
• ICD Refunded	–	–	–	81,500,000	–	–
• Interest received on ICD	–	–	–	4,173,370	–	–
Total Accounts Receivable (net)			–			–
<b>L&amp;T Krishnagiri Thopur Toll Road Limited</b>						
• Loans Given	–	–	–	525,000,000	–	–
• Loans Refunded	31,500,000	–	–	10,500,000	–	–
• Interest received on Loans	45,073,784	–	–	23,749,849	–	–
Total Accounts Receivable (net)			483,000,000			51,45,00,000

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

Amount in ₹

Name / Relationship/ Nature of transaction	2012-13			2011-12		
	Amount of transaction	Due to	Due from	Amount of transaction	Due to	Due from
<b>L&amp;T Samakhiali Gandhidham Tollway Limited</b>						
• Retirement benefits transferred out	26,151	—	—	—	—	—
<b>Larsen &amp; Toubro Infotech Limited</b>						
• Purchase of Software	—	—	—	4,987,767	—	—
• Services received	—	—	—	562,530	—	—
Total Accounts Receivable (net)		—			—	
<b>L&amp;T Chennai Tada Tollway Limited</b>						
• Reimbursement of expenses to		—	—	3,600	—	—
• Advance given/refunded		—	—	900,000	—	—
<b>L&amp;T Krishnagiri Walajahpet Tollway Limited</b>						
• Advance given/refunded	—	—	—	950,000	—	—
• ICD Given	240,000,000	—	—			
• ICD Refunded	240,000,000	—	—			
• Interest received on Loans	2,520,000	—	—			
Total Accounts Receivable (net)		—	—			
<b>L&amp;T Transportation Infrastructure Limited</b>						
• Advance refunded	—	—	—	250,000	—	—
<b>L&amp;T General Insurance Company Limited</b>						
• Services availed	14,595	—	—	25,875	—	—
<b>L&amp;T Halol-Shamlaji Tollway Limited</b>						
• Retirement benefits transferred out	24,726	—	—	—	—	—
<b>L&amp;T Interstate Road Corridor Limited</b>						
• Sale of fixed assets	1	—	—	—	—	—
<b>L&amp;T Ahmedabad-Maliya Tollway Limited</b>						
• Retirement benefits transferred out	853,644	—	—	—	—	—
<b>L&amp;T Metro Rail (Hyderabad) Limited</b>						
• Advance given/refunded						
• ICD Given	100,000,000	—	—	—	—	—
• ICD Refunded	100,000,000	—	—	—	—	—
• Interest received on Loans	1,115,068	—	—	—	—	—
Total Accounts Receivable (net)		—	—	—	—	—

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

**NOTES FORMING PART OF ACCOUNTS (Contd.)****J(VI) DISCLOSURES PURSUANT TO AS 19 - "LEASES"**

- (a) The Company has not taken any asset on finance lease.
- (b) The Company has taken residential premises under cancellable operating lease. Lease amount is charged to the Statement of Profit and Loss.

**J (VII) DISCLOSURES PURSUANT TO AS 20 - "EARNINGS PER SHARE"**

Particulars	2012-13	2011-12
	₹	₹
<b>Basic / Diluted</b>		
Profit after tax as per accounts	303,339,471	302,095,217
PAT available to equity share holders	303,339,471	302,095,217
Weighted average number of shares	47,350,007	47,350,007
Basic / Diluted EPS	6.41	6.38
Face value per share (₹ )	10	10

**J(VIII) MAJOR COMPONENTS OF DEFERRED TAX LIABILITIES AND DEFERRED TAX ASSETS PURSUANT TO AS 22 " ACCOUNTING FOR TAXES ON INCOME"**

As per Accounting Standard 22 (AS 22) on Taxes on Income – the Company has deferred tax as given below

Description	2012-13	2011-12
	₹	₹
Deferred tax liabilities	381,643	–
Difference between book and tax depreciation		
<b>TOTAL</b>	<b>381,643</b>	<b>–</b>
Less: Deferred tax assets		
Difference between book and tax depreciation	–	16,172,721
Gratuity & Provision for Leave Encashment liabilities	27,932	326,791
<b>TOTAL</b>	<b>27,932</b>	<b>16,499,512</b>
Net Deferred Tax( Assets)/ Liabilities	353,711	(16,499,512)
Charge / (Credit) to Statement of Profit and Loss	353,711	–

- (i) Deferred tax assets upto 31st March 2012 was not recognised in the books due to deduction available under Section 80-IA of the Income tax Act, 1961
- (ii) The project has been handed over on 20th December 2012 and deduction under Section 80 IA is no longer available. Hence the deferred tax liability as above is recognised in the Statement of Profit and Loss..

**J(IX) DISCLOSURE PURSUANT TO AS 28 - "IMPAIRMENT OF ASSETS"**

Based on a review in the case of flat, the net selling price is higher than the carrying amount and hence no provision for impairment is made for in the accounts.

**J(X) DISCLOSURE PURSUANT TO AS 29 - "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"**

No provisions were recognized during the year. Disclosure in respect of Contingent liabilities has been given under Note G to the Balance Sheet.

**J(XI) AUDITOR'S REMUNERATION**

Particulars	2012-13	2011-12
	₹	₹
As auditor	252,810	202,248
For taxation	44,944	44,120
For other services	86,292	9,927

**J(XII) TAXATION**

Provision for current tax is made as per the provisions of Section 115JB of the Income Tax Act, 1961 since tax under the normal computation is lesser than that computed under Section 115JB.

The Company does not have taxable wealth under Wealth Tax Act, 1957 and hence no provision for wealth tax has been made.

**J(XIII) FOREIGN CURRENCY TRANSACTIONS**

There were no foreign currency earnings, expenditure and imports by the Company during the current and previous year.

Hence, reporting for the same does not arise.

**J(XIV) PREVIOUS YEAR'S FIGURES**

The Company has regrouped/reclassified the previous year figures wherever necessary.

**NOTES FORMING PART OF ACCOUNTS (Contd.)****NOTE K - 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, allowance for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates.

**2 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.

**3 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.

**4 Fixed Assets****Tangible**

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

**Intangible Assets**

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.

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 off in the year of incurrence of such expenditure.

**5 Depreciation**

Depreciation on assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. However where the rate of depreciation provided in Schedule XIV of the Companies Act, 1956 does not depreciate the asset fully over the period of

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

concession, such tangible assets are depreciated over the period of rights given under the Concession Agreement. Where there is a revision of the estimated useful life of an asset, the WDV is charged over the revised remaining useful life.

<b>Category of Asset</b>	<b>Depreciation Rate (% per annum)</b>
Building – Residential	2.00%
Office Equipment	25.00%
Plant and Machinery	11.11%
Computers – Desktop & Laptops	25.00%
Furniture and Fixtures	10.00%
Motor Cars	14.29%
Air conditioners	25.00%
Toll Equipment's	14.29%

Intangible Asset representing Toll bridge is amortized at the higher of

- Rates prescribed by any under Sch XIV of the Companies Act, 1956, and
- The period of 12 years in accordance with the concession agreement as they represent right to collect Toll revenue during the concession period.

**6 Investments**

Investments which are readily realisable and are intended to be held for not more than one year from the date of acquisition are classified as current investments.

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

**7 Leases**

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

**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 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.

**10 Provisions, Contingent Liabilities and Contingent Assets**

- Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if
  - the Company has a present obligation as a result of a past event.
  - a probable outflow of resources is expected to settle the obligation, and
  - 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 present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
  - a present obligation when no reliable estimate is possible, and

**NOTES FORMING PART OF ACCOUNTS (Contd.)**

- (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.

**11 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.

**12 Operating cycle for current and non-current classification**

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

**13 Cash Flow Statement**

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

- i) transactions of a non-cash nature
- 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.

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As per our report attached  
**SHARP & TANNAN**  
Chartered Accountants  
(Registration No. 003792S)  
By the hand of

**V. R. LALITHA**  
Partner  
Membership No. 18284

Place : Chennai  
Date : April 25, 2013

**For and on behalf of the Board**

**VIJAI GUPTA**  
Manager

Place : Chennai  
Date : April 25, 2013

**KARTHIKEYAN T. V.**  
Director

**R. CHANDRASEKARAN**  
Director