

## 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	7.61	19.53
2	Less: Expenditure	9.33	33.32
3	<b>Profit Before Depreciation &amp; Tax (PBDT)</b>	<b>(1.72)</b>	<b>(13.79)</b>
4	Less: Depreciation	Nil	Nil
5	<b>Profit / (Loss) before tax (PBT)</b>	<b>(1.72)</b>	<b>(13.79)</b>
6	Less: Provision for tax	Nil	Nil
7	<b>Profit / (Loss) after tax (PAT)</b>	<b>(1.72)</b>	<b>(13.79)</b>
8	Balance brought forward from previous year	1,384.02	1,397.81
9	<b>Balance carried to Balance Sheet</b>	<b>1,382.30</b>	<b>1,384.02</b>

### II. APPROPRIATIONS

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

### III. DIVIDEND

The Directors of your Company express their inability to consider any dividend to be paid to the Shareholders of the Company for the year in the light of the losses incurred during the current financial period under review.

### IV. CAPITAL EXPENDITURE

During the year, your Company has added fixed assets amounting to ₹ Nil thereby the Gross fixed assets of the Company stood at ₹ Nil and the net fixed assets stood at ₹ Nil after charging off depreciation to an extent of ₹ Nil as on March 31, 2013.

### V. AUDITORS' REPORT

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

### VI. DEPOSITS

The Company has not accepted any deposits from the public.

### VII. 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.

### VIII. 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.

### 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 is holding 59% of the equity shareholding in M/S. Narmada Infrastructure Construction Enterprise Limited.

The accounts of the Subsidiary Company for the year ended March 31, 2013 are being attached as part of the Annual Report along with the Statement as required under Section 212 of the Companies Act, 1956.

#### **XI. 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 or loss 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.

#### **XII. 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. Karthikeyan. T. V.
- b) Mr. R. Chandrasekaran
- c) Mr. Manoj Anilbhai Dave

#### **XIII. AUDIT COMMITTEE**

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

- a) Mr. Karthikeyan. T. V.
- b) Mr. R. Chandrasekaran
- c) Mr. Manoj Dave

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.

#### **XIV. REMUNERATION COMMITTEE**

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

- a) Mr. Karthikeyan. T. V.
- b) Mr. R. Chandrasekaran
- c) Mr. Manoj Dave

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

#### **XV. 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.

#### **XVI. 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

**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.

**XVII. 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.

**XVIII. 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 L&T WESTERN INDIA TOLLBRIDGE LIMITED**

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

We have audited the accompanying financial statements of **L&T WESTERN INDIA TOLLBRIDGE 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 loss 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  
(Firm's Registration No. 003792S)

Place : Chennai  
Date : April 25, 2013

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

**ANNEXURE TO THE 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 **L&T WESTERN INDIA TOLLBRIDGE LIMITED** on the financial statements for the year ended March 31, 2013, we report that:

- (i) The Company does not have any fixed asset during the year and hence reporting under this clause does not arise.
- (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 but no internal audit was carried out during the year.
- (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. However, 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	Dispute regarding depreciation	401,890	2008-09	Commissioner (Appeals)
	<b>Total</b>	<b>401,890</b>		

- (x) The Company has no accumulated losses at the end of the financial year and has incurred cash losses in the current financial year and 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.
- (xvii) The Company has not raised any short term funds 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  
(Firm's Registration No. 003792S)

Place : Chennai  
Date : April 25, 2013

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

**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	139,500,070		139,500,070	
Reserves & Surplus	B	149,154,602		149,326,917	
			288,654,672		288,826,987
<b>Current liabilities</b>					
Trade payables	C		193,880		529,480
<b>TOTAL</b>			<b>288,848,552</b>		<b>289,356,467</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Non-current investment	D		280,000,000		280,000,000
<b>Current Assets</b>					
Cash and cash equivalents	E	8,706,812		9,218,814	
Short-term loans and advances	F	141,740		137,653	
			8,848,552		9,356,467
			<b>288,848,552</b>		<b>289,356,467</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	G				
<b>OTHER NOTES FORMING PART OF ACCOUNTS</b>	J				
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	K				

As per our report attached

For and on behalf of the Board

**For SHARP & TANNAN**  
Chartered Accountants  
Firm Registration No. 003792S  
By the hand of

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

**NEELKANT UPADHYAY**  
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>			
Other Income	H	760,639	1,952,818
<b>Total Revenue</b>		<b>760,639</b>	<b>1,952,818</b>
<b>EXPENSES</b>			
Administration and other expenses	I	932,954	3,332,228
<b>Total Expenses</b>		<b>932,954</b>	<b>3,332,228</b>
<b>Profit/(Loss) before tax</b>		<b>(172,315)</b>	<b>(1,379,410)</b>
Tax expenses			
Current tax		—	—
Deferred tax		—	—
<b>Profit/(Loss) after tax</b>		<b>(172,315)</b>	<b>(1,379,410)</b>
Earnings per equity share	J(9)		
- Basic/Diluted		(0.01)	(0.10)
Face Value per equity share (₹)		10.00	10.00
<b>OTHER NOTES FORMING PART OF ACCOUNTS</b>	J		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	K		

As per our report attached

For and on behalf of the Board

**For SHARP & TANNAN**

Chartered Accountants

Firm Registration No. 003792S

By the hand of

**V. R. LALITHA**

Partner

Membership No.: 18284

**NEELKANT UPADHYAY**

Manager

**KARTHIKEYAN T. V.**

Director

**R. CHANDRASEKARAN**

Director

Place : Chennai

Date : April 25, 2013

Place : Chennai

Date : April 25, 2013

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

	2012-13 ₹	2011-12 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) before tax & extraordinary items	(172,315)	(1,379,410)
Adjustments for :		
Interest expenses	-	-
Interest Income	(46,692)	(194,545)
(Profit) / Loss on sale of investments (net)	(713,947)	(685,632)
<b>Operating profit before working capital changes</b>	<b>(932,954)</b>	<b>(2,259,587)</b>
Adjustments for :		
(Increase) / Decrease in Loans and Advances	(4,087)	(19,455)
Increase / (Decrease) in trade payables	(335,600)	(643,890)
<b>Cash generated from operations</b>	<b>(1,272,641)</b>	<b>(2,922,932)</b>
Direct taxes paid (net of refund)	-	-
<b>Net Cash (used in) / from operating activities (A)</b>	<b>(1,272,641)</b>	<b>(2,922,932)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(9,000,000)	(28,507,986)
Sale of investments	9,713,947	29,193,618
Interest income	46,692	194,545
<b>Net Cash (used in) / from investing activities (B)</b>	<b>760,639</b>	<b>880,177</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	-	-
<b>Net cash (used in) / from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(512,002)</b>	<b>(2,042,755)</b>
<b>Cash and Cash equivalents as at the beginning</b>	<b>9,218,814</b>	<b>11,261,569</b>
<b>Cash and Cash equivalents as at the end</b>	<b>8,706,812</b>	<b>9,218,814</b>

**Notes**

- Cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard 3, "Cash Flow Statement" as specified by the Company (Accounting Standard) Rules, 2006.
- Previous year's figures have been regrouped/reclassified wherever applicable
- Previous period figures are regrouped/reclassified wherever necessary.

As per our report attached

For and on behalf of the Board

**For SHARP & TANNAN**

Chartered Accountants

Firm Registration No. 003792S

By the hand of

**V. R. LALITHA**

Partner

Membership No.: 18284

**NEELKANT UPADHYAY**

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****NOTE A - SHARE CAPITAL****A(I) Share Capital authorised, issued, subscribed and paid up :**

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	₹	No. of Shares	₹
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	21,000,000	210,000,000	21,000,000	210,000,000
<b>Issued, subscribed and fully paid up</b>				
Equity Shares of ₹ 10/- each	13,950,007	139,500,070	13,950,007	139,500,070

**A(II) Reconciliation of the number of equity shares and share capital :**

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	₹	No. of Shares	₹
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	13,950,007	139,500,070	13,950,007	139,500,070
Add : Shares issued during the year	—	—	—	—
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	13,950,007	139,500,070	13,950,007	139,500,070

**A(III) Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend.

No shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment."

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

	Relationship	As at 31.03.2013 No. of Shares	As at 31.03.2012 No. of Shares
L&T Infrastructure Development Projects Limited (including nominee holding)	Holding Company	13,950,007	13,950,007

**A(V) Shareholders holding more than 5% shares in the Company:**

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	Holding %	No. of Shares	Holding %
L&T Infrastructure Development Projects Limited (including nominee holding)	13,950,007	100.00%	13,950,007	100.00%
	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹

**NOTE B - RESERVES & SURPLUS**

Capital Redemption Reserve	10,500,000	10,500,000
General Reserve	425,000	425,000
Surplus in the Statement of Profit and Loss		
Balance as per the last Balance Sheet	138,401,917	139,781,327
Add: Profit / (Loss) for the year	(172,315)	(1,379,410)
	138,229,602	138,401,917
<b>TOTAL</b>	<b>149,154,602</b>	<b>149,326,917</b>

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

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
<b>NOTE C - TRADE PAYABLES</b>				
Due to				
Micro and small enterprises (Note C(l)(a) )		—		—
Ultimate holding Company		20,164		11,030
Others		173,716		518,450
<b>TOTAL</b>		<b>193,880</b>		<b>529,480</b>

**Note C(l)(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.

**NOTE D - NON CURRENT INVESTMENT (AT COST)****Trade Investments-Unquoted**

Investment in equity instrument - fully paid				
Subsidiary				
Narmada Infrastructure Construction Enterprise Limited		280,000,000		280,000,000
(28,000,000 shares of ₹ 10/- each)				
Book value ₹ 280,000,000 (Previous year ₹ 280,000,000)				
<b>TOTAL</b>		<b>280,000,000</b>		<b>280,000,000</b>

**NOTE E - CASH AND CASH EQUIVALENTS**

Balances with banks				
On Current account		200,990		213,910
Fixed deposit with banks including interest accrued thereon with less than 3 months maturity		8,505,822		9,004,904
<b>TOTAL</b>		<b>8,706,812</b>		<b>9,218,814</b>

**NOTE F - SHORT TERM LOANS AND ADVANCES**

Unsecured, considered good				
Others		141,740		137,653
<b>TOTAL</b>		<b>141,740</b>		<b>137,653</b>

**NOTE G - CONTINGENT LIABILITIES AND COMMITMENTS**

- a) Estimated amount of contracts remaining to be executed on capital account (net of advance) ₹ Nil. (Previous year ₹ Nil).
- b) Contingent liabilities ₹ 161,792 (Previous year ₹ Nil)

	2012-13		2011-12	
	₹	₹	₹	₹
<b>NOTE H - OTHER INCOME</b>				
Interest income on bank deposits		46,692		194,545
Net gain/loss on sale of investment		—		—
Current Investment		713,947		685,632
Other non operating income		—		—
Unclaimed credit balance written back		—		1,072,641
<b>TOTAL</b>		<b>760,639</b>		<b>1,952,818</b>

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

	2012-13		2011-12	
	₹	₹	₹	₹
<b>NOTE I - ADMINISTRATION AND OTHER EXPENSES</b>				
Rent		24,000		24,000
Rates and taxes		18,612		11,510
Business support services		60,093		31,783
Professional fees		504,880		2,771,590
Payment to the auditors				
As auditors	140,450		140,450	
For other services	16,854		33,367	
		157,304		173,817
Travelling & conveyance		118,225		277,724
Miscellaneous expenses		49,840		41,804
<b>TOTAL</b>		<b>932,954</b>		<b>3,332,228</b>

**NOTE J - OTHER NOTES FORMING PART OF ACCOUNTS****J(1) Corporate Information**

The Company has been awarded on Build Operate and Transfer (BOT) basis, the construction of the two-lane bridge at Kheda across the River Watrak on National Highway 8, in the State of Gujarat under a Concession Agreement dated March 1, 1999 with Ministry of Surface Transport, Government of India and Roads and Buildings Department, Government of Gujarat. The construction was completed in February 2001 and the concession was valid till 31, December 2009. The said project was handed over on closing hours of 31st December, 2009 to Government of Gujarat / Government of India as per the terms and conditions of Concession Agreement and the defect liability period obligation was completed on 31st December, 2010.

**J(2) Arbitration**

The Company had gone into arbitration pertaining to their outstanding claims of ₹ 48.72 Crores with Government of Gujarat /Government of India.

During the current year, the Arbitration Tribunal has awarded in favour of the Company, a sum of ₹ 68.07 crores inclusive of interest up to 25th August, 2012 from the Government of Gujarat/ Government of India.

The Government of Gujarat /Government of India have preferred an appeal in the Honorable Court of the Principal Civil Judge of the District Court of Kheda at Nadiad against the award of the Arbitration Tribunal.

Pending disposal of the appeal, the sum of ₹ 68.07 crores awarded by the Arbitration Tribunal has not been considered in the books of accounts.

**J(3) Disclosures pursuant to AS 15 ( Revised ) - Employee Benefits**

There are no employees in the Company in the current accounting period and also the previous year, hence no disclosure is required under this accounting standard.

**J(4) Disclosures pursuant to AS 16 – Borrowing Costs**

Borrowing Cost capitalized during the year : NIL (*previous year : NIL*)

**J(5) Segmental Reporting**

Segment Reporting – The Company, being a Special Purpose Vehicle, has not carried out any operation during the year and hence furnishing segment information under Accounting Standard does not arise.

**J(6) Disclosure of Related Parties/ related party transactions****A. List of related parties**

Holding Company	: L&T Infrastructure Development Projects Limited
Ultimate Holding Company	: Larsen and Toubro Limited
Subsidiary Company	: Narmada Infrastructure Construction Enterprise Limited
Fellow subsidiaries	: L&T Urban Infrastructure Limited
	L&T Vadodara Bharuch Tollway Limited

**NOTES FORMING PART OF ACCOUNTS (Contd.)****B. Transactions with related parties and amounts due to / due from related parties**

Name/Relationship/Nature of Transaction	2012-13			2011-12		
	Amount ₹	Due to ₹	DueFrom ₹	Amount ₹	Due to ₹	DueFrom ₹
<b>Larsen &amp; Toubro Limited</b>						
Ultimate Holding Company						
Business Support service (inclusive of service tax)	1,827		—	—	—	—
Reimbursement of Expenses to	99,252	20,164	—	11,030	11,030	—
<b>L&amp;T Infrastructure Development projects Limited</b>						
Holding company						
Reimbursement of Expenses to	—	—	—	10,000	—	—
<b>L&amp;T Urban Infrastructure Limited</b>						
Fellow subsidiary						
Business support service (inclusive of service tax)	60,093	—	—	31,783	—	—
<b>L&amp;T Vadodara Bharuch Tollway Limited</b>						
Fellow subsidiary						
Reimbursement of Expenses	7,57,793	—	—	9,30,201	—	—

**C. Amounts written off/written back : Current year Nil (previous year: NIL)****J(7) Leases**

The Company has taken residential premises under cancellable Operating Lease. This lease is renewable on expiry.

**J(8) Foreign Exchange Transactions:**

- Value of Imports (on CIF) basis : NIL (previous year : NIL)
- Expenditure in Foreign Currency : NIL (previous year :NIL)
- Earnings in Foreign Exchange : NIL (previous year: NIL)

**J(9) Disclosure pursuant to AS 20 “Earnings per share”**

Basic and Diluted EarningsPerShare(EPS) computed in accordance with Accounting Standards(AS 20) “Earnings per Share”

Basic/ Diluted	2012-13	2011-2012
Profit after Tax as per Accounts (₹)	(1,72,315)	(1,379,410)
PAT available to equity shareholder's (₹)	(1,72,315)	(1,379,410)
Weighted average number of share	13,950,007	13,950,007
Basic / Diluted EPS (₹)	(0.01)	(0.10)
Face value per equity share (₹)	10	10

**J(10) Deferred Tax**

There is no Deferred tax asset/liability to be reckoned as at the date of the Balance Sheet.

**J(11) Previous year figures**

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

**NOTE - K.SIGNIFICANT ACCOUNTING POLICIES****1) Basis of Accounting**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with the Generally Accepted Accounting Principles (“GAAP”) and in compliance with the 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 / acknowledged by customers, are not taken into account.

## NOTES FORMING PART OF ACCOUNTS (Contd.)

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

### 2) Revenue

- i) Fee collections from users of facilities are accounted for as and when the amount is due and recovery is certain.
- ii) Dividend income is recognized when the right to receive is established.
- iii) Interest income is accrued at applicable rates.
- iv) Other items of income are accounted as and when the right to receive arises.

### 3) Employee Benefits

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

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

### 4) Fixed Assets

Fixed assets are stated at original cost less accumulated depreciation.

### 5) Depreciation

Depreciation on the assets has been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956.

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

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

### 6) Investments

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

### 7) 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.

### 8) Foreign Currency Transactions

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

### 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 realized.

### 10) Impairment of assets

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

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

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

## NOTES FORMING PART OF ACCOUNTS (Contd.)

Recoverable amount is determined:

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

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

### 11) Provisions, Contingent Liabilities and Contingent Assets

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.

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:

- i) a present obligation arising from a past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) a present obligation when no reliable estimate is possible; or
- iii) a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are neither recognized, nor disclosed.

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

### 12) Cash Flow Statement

Cash flow statements are prepared segregating the cash flow from operating, investing and financing activities. Cash flow from under the indirect method, net profit is adjusted for the effect of

- i) transaction of non-cash nature
- ii) deferrals or accruals of past or future operating cash receipt or payment and
- iii) items of income or expenses 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.

### 13) Commitments

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

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

### 14) Operating Cycle

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

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As per our report attached

For and on behalf of the Board

**For SHARP & TANNAN**

*Chartered Accountants*

*Firm Registration No. 003792S*

*By the hand of*

**V. R. LALITHA**

*Partner*

*Membership No.: 18284*

**NEELKANT UPADHYAY**

*Manager*

**KARTHIKEYAN T. V.**

*Director*

**R. CHANDRASEKARAN**

*Director*

*Place : Chennai*

*Date : April 25, 2013*

*Place : Chennai*

*Date : April 25, 2013*

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,  
RELATING TO SUBSIDIARY COMPANIES**

<b>Name of the subsidiary</b>	<b>Narmada Infrastructure Construction Enterprise Limited</b>
Financial year of the subsidiary Company ended on	31-03-2013
Number of Shares in the subsidiary Company held by L&T Western India Tollbridge Limited at the above date	
- Equity shares	28,000,000
- Preference shares	–
The net aggregate of profits, less losses, of the subsidiary Company so far as it concerns the members of L&T Western India Tollbridge Limited (rupees in thousands)	
(i) Dealt with in the accounts of L&T Western India Tollbridge Limited amounted to	
(a) for the subsidiary's financial year ended March 31, 2013	–
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Western India Tollbridge Limited	
(ii) Not dealt with in the accounts of L&T Western India Tollbridge Limited amounted to:	
(a) for the subsidiary's financial year ended March 31, 2013	179,377
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Western India Tollbridge Limited	666,104
<b>Changes in the interest of L&amp;T Western India Tollbridge Limited between the end of the subsidiary's financial year and March 31, 2013</b>	
Number of shares acquired	NA
Material changes between the end of the subsidiary's financial year and March 31, 2013	
(i) Fixed assets (net additions)	NA
(ii) Investments (Fixed deposit with scheduled bank)	NA
(iii) Moneys lent by the subsidiary	NA
(iv) Moneys borrowed by the subsidiary Company other than for meeting current liabilities	NA

For and on behalf of the Board

**NEELKANT UPADHYAY**  
Manager

**KARTHIKEYAN T. V.**  
Director

**R. CHANDRASEKARAN**  
Director

Place : Chennai  
Date : April 25, 2013