

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended March 31, 2014.

I. FINANCIAL RESULTS

Sl. No	Particulars	2013-14 ₹ Lakhs	2012-13 ₹ Lakhs
1	Income for the year	140.28	7.61
2	Less: Expenditure	44.58	9.33
3	Profit Before Depreciation & Tax (PBDT)	95.70	(1.72)
4	Less: Depreciation	0.00	0.00
5	Profit / (Loss) before tax (PBT)	95.70	(1.72)
6	Less: Provision for tax	19.15	0.00
7	Profit / (Loss) after tax (PAT)	76.55	(1.72)
8	Balance brought forward from previous year	1,382.30	1,384.01
9	Balance carried to Balance Sheet	1,458.85	1,382.30

II. APPROPRIATIONS

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

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 under review.

IV. CAPITAL EXPENDITURE

Your Company has not incurred any expenditure of Capital nature during the year 2013-14.

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. 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.

IX. SUBSIDIARY COMPANIES

Your Company was holding 28,000,000 equity shares being 59.13% of the equity shareholding in M/S. Narmada Infrastructure Construction Enterprise Limited.

During the financial year, your Company disposed off its investment of 28,000,000 equity shares of ₹ 10 each of Narmada Infrastructure Construction Enterprise Limited to M/S. L&T Infrastructure Development Projects Limited at an agreed consideration of ₹ 28 Crores.

Pursuant to the above sale of investment, your Company does not have any subsidiary companies under its purview.

X. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- That the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit or loss of the Company for the year ended on that date;
- 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;
- That the annual accounts have been prepared on a going concern basis.
- That proper systems are in place to ensure compliance of all laws applicable to the Company.

XI. DIRECTORS

Mr. R Chandrasekaran, Director, who retires by rotation at this Annual General Meeting, being eligible, offer himself for reappointment.

The present Directors are as follows:

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

XII. 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 Anilbhai 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.

XIII. 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 Anilbhai Dave

XIV. STATUTORY AUDITORS

M/S. Sharp & Tannan, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment.

Certificate from Auditors have been received to the effect that their appointment, if made, would be within the limits prescribed under the provisions of the Companies Act, 2013.

XV. INTERNAL AUDITORS

Internal Audit Department, L&T IDPL, provides internal audit services to the Company.

XVI. 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.

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

– CONSERVATION OF ENERGY

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 2013- 14.

– FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no usage or earning of any foreign currency in the course of transactions during the year 2013-14.

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 : May 6, 2014

R CHANDRASEKARAN
Director

KARTHIKEYAN T V
Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF L&T WESTERN INDIA TOLL BRIDGE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **L&T WESTERN INDIA TOLL BRIDGE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- 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 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 purpose 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 dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2014, 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 : May 6, 2014

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, 2014, 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, 2014, 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, 2014.

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)
	Total	401,890		

- (x) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year but incurred cash loss 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 : May 6, 2014

V. R. LALITHA
Partner
Membership No.18284

BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at 31.03.2014		As at 31.03.2013	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' funds					
Share capital	A	13,95,00,070		13,95,00,070	
Reserves and surplus	B	15,68,09,992		14,91,54,602	
			29,63,10,062		28,86,54,672
Current liabilities					
Trade payables	C	–		20,164	
Other current liabilities	D	5,36,397		1,73,716	
			5,36,397		1,93,880
TOTAL			29,68,46,459		28,88,48,552
ASSETS					
Non-current assets					
Non current Investment	E		–		28,00,00,000
Current assets					
Current investments	F(I)	70,89,845		–	
Cash and cash equivalents	F(II)	28,91,36,243		87,06,812	
Short-term loans and advances	F(III)	6,20,371		1,41,740	
			29,68,46,459		88,48,552
TOTAL			29,68,46,459		28,88,48,552
CONTINGENT LIABILITIES	G				
COMMITMENTS	H				
OTHER NOTES FORMING PART OF ACCOUNTS	K				
SIGNIFICANT ACCOUNTING POLICIES	L				

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

R. CHANDRASEKARAN
Director

KARTHIKEYAN T. V.
Director

Place : Chennai
Date : May 6, 2014

Place : Chennai
Date : May 6, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Note	2013-14 ₹	2012-13 ₹
REVENUE			
Other income	I	1,40,28,548	7,60,639
Total Revenue		1,40,28,548	7,60,639
EXPENSES			
Administration and other expenses	J	44,58,315	9,32,954
Total Expenses		44,58,315	9,32,954
Profit/(loss) before tax		95,70,233	(1,72,315)
Tax Expense:			
Current tax		19,14,843	
Profit/(loss) after tax for the year		76,55,390	(1,72,315)
Earnings per equity share (Basic and Diluted)	K(9)	0.55	(0.01)
Face value per equity share		10.00	10.00
OTHER NOTES FORMING PART OF ACCOUNTS	K		
SIGNIFICANT ACCOUNTING POLICIES	L		

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

R. CHANDRASEKARAN
Director

KARTHIKEYAN T. V.
Director

Place : Chennai
Date : May 6, 2014

Place : Chennai
Date : May 6, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013-14 ₹	2012-13 ₹
A NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	95,70,233	(1,72,315)
Adjustment for		
Interest income	(1,39,38,703)	(46,692)
(Profit)/loss on sale of current investments(net)	(89,845)	(7,13,947)
Operating profit before working capital changes	(44,58,315)	(9,32,954)
Adjustments for:		
Increase / (Decrease) in trade payables	(20,164)	(3,35,600)
Increase / (Decrease) in other current liabilities	3,62,681	—
(Increase) / Decrease in loans and advances	(4,78,631)	(4,087)
Net cash generated from/(used in) operating activities	(45,94,429)	(12,72,641)
Direct taxes paid (net of refunds)	(19,14,843)	
Net Cash(used in)/generated from Operating Activities	(65,09,272)	(12,72,641)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of current investments	(85,00,000)	(90,00,000)
Sale of current investments	15,00,000	97,13,947
Sale of non current investment	28,00,00,000	—
Interest received	1,39,38,703	46,692
Net cash (used in)/generated from investing activities	28,69,38,703	7,60,639
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	—	—
Net cash (used in)/generated from financing activities	—	—
Net increase / (decrease) in cash and cash equivalents (A+B+C)	28,04,29,431	(5,12,002)
Cash and cash equivalents as at the beginning of the year	87,06,812	92,18,814
Cash and cash equivalents as at the end of the year	28,91,36,243	87,06,812

Notes

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 "Cash flow Statement" as specified in the Companies (Accounting Standards) Rules 2006 (as amended).
- Cash and cash equivalent represent cash and bank balances
- Figures for the previous year have been regrouped / reclassified, wherever applicable.

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

R. CHANDRASEKARAN
Director

KARTHIKEYAN T. V.
Director

Place : Chennai
Date : May 6, 2014

Place : Chennai
Date : May 6, 2014

NOTES FORMING PART OF ACCOUNTS**NOTE A - SHARE CAPITAL****A(i) Authorised, issued, subscribed and paid up**

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	₹	No. of Shares	₹
Authorised:				
Equity shares of ₹ 10 each	<u>2,10,00,000</u>	<u>21,00,00,000</u>	<u>2,10,00,000</u>	<u>21,00,00,000</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	<u>1,39,50,007</u>	<u>13,95,00,070</u>	<u>1,39,50,007</u>	<u>13,95,00,070</u>

A(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	<u>1,39,50,007</u>	<u>13,95,00,070</u>	<u>1,39,50,007</u>	<u>13,95,00,070</u>
Issued during the year as fully paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At the end of the year	<u>1,39,50,007</u>	<u>13,95,00,070</u>	<u>1,39,50,007</u>	<u>13,95,00,070</u>

A(iii) Terms / rights attached to 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.
- All shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached for any specific shareholder.
- The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.
- 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.
- During the year ended 31st March, 2014, no dividend is declared by Board of Directors. (Previous year-Nil)

A(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	₹	No. of Shares	₹
Holding Company				
L&T Infrastructure Development Projects Limited (including nominees holding)	<u>1,39,50,007</u>	<u>13,95,00,070</u>	<u>1,39,50,007</u>	<u>13,95,00,070</u>
	<u>1,39,50,007</u>	<u>13,95,00,070</u>	<u>1,39,50,007</u>	<u>13,95,00,070</u>

A(v) Details of Shareholders holding more than 5% shares in the Company:

	As at 31.03.2014		As at 31.03.2013	
	No. of shares	%	No. of shares	%
L&T Infrastructure Development Projects Limited (including nominees holding)	<u>1,39,50,007</u>	<u>100.00</u>	<u>1,39,50,007</u>	<u>100.00</u>

A(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance sheet date : NIL .

A(vii) Calls unpaid : NIL; Forfeited Shares : NIL

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE B - RESERVES AND SURPLUS				
General reserve:		4,25,000		4,25,000
Capital Redemption Reserve		1,05,00,000		1,05,00,000
Surplus in Statement of Profit and loss:				
Balance as per last Balance Sheet	13,82,29,602		13,84,01,917	
Add: Profit/(Loss) for the year	76,55,390		(1,72,315)	
		14,58,84,992		13,82,29,602
TOTAL		15,68,09,992		14,91,54,602

NOTE C - TRADE PAYABLES

Due to Related Parties				
Micro, Small and Medium Enterprises [Note C(i)]		—		—
Holding Company		—		20,164
TOTAL		—		20,164

Note C(I)(a) : There have been no transactions during the year (previous year: ₹ Nil) with Micro and small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence reporting details of principal and interest paid/outstanding does not arise.

	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
NOTE D - OTHER CURRENT LIABILITIES				
Statutory liabilities		4,09,992		18,995
Others		1,26,405		1,54,721
TOTAL		5,36,397		1,73,716

NOTE E - NON CURRENT INVESTMENT**Trade Investments - Unquoted**

Investment in equity instrument - fully paid				
Subsidiary				
Narmada Infrastructure Construction Enterprise Limited (28,000,000 shares of ₹ 10/- each)		—		28,00,00,000
TOTAL		—		28,00,00,000

NOTE F(I) - CURRENT INVESTMENTS

Investment in Mutual funds - Quoted		70,89,845		—
HDFC Cash Management Fund - Savings Plan - Growth (289,012.201 units of NAV ₹ 24.5313)				
Book Value - ₹ 7,089,845/-				
Market value - ₹ 7,741,510/-				
TOTAL		70,89,845		—

NOTES FORMING PART OF ACCOUNTS (Contd.)

	As at 31.03.2014	As at 31.03.2013
	₹	₹
NOTE F(II) - CASH AND CASH EQUIVALENTS		
Balances with banks		
On current accounts	14,39,522	2,00,990
In deposit accounts with maturity less than three months (including interest accrued thereon)	28,76,96,721	85,05,822
TOTAL	28,91,36,243	87,06,812

NOTE F(III) - SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good		
Advance tax net of provisions	6,20,371	1,41,740
TOTAL	6,20,371	1,41,740

NOTE G - CONTINGENT LIABILITIES

Contingent liabilities ₹ 161,792/- (Previous year ₹ 161,792/-)

NOTE H - COMMITMENTS

Commitments as at March 31, 2014 ₹ Nil (previous year: ₹ Nil)

	2013-14	2012-13
	₹	₹
NOTE I - OTHER INCOME		
Interest income from:		
Bank deposits	2,22,539	46,692
Intercompany deposits	1,37,16,164	—
	1,39,38,703	46,692
Profit on sale of current investments	89,845	7,13,947
TOTAL	1,40,28,548	7,60,639

NOTE J - ADMINISTRATION AND OTHER EXPENSES

Rent, Rates and taxes	25,535	42,612
Professional fees [Refer note (a) below]	44,32,363	7,52,302
Travelling and conveyance	—	1,18,225
Miscellaneous expenses	417	19,815
TOTAL	44,58,315	9,32,954

**J(a) Professional fees includes Auditors remuneration
(excluding service tax) as follows:**

a) As auditor	1,25,000	1,25,000
b) For other services	13,500	15,000
c) Reimbursement of expenses	3,967	—
TOTAL	1,42,467	1,40,000

NOTES FORMING PART OF ACCOUNTS (Contd.)**NOTE K - OTHER NOTES FORMING PART OF ACCOUNTS****K(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 December 31, 2010.

K(2) Arbitration

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

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 Honourable 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.

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

There are no employees on the rolls of the Company during the current accounting period and previous year. Hence, no disclosure is required under this standard.

K(4) Disclosure pursuant to Accounting Standard (AS) - 16 "Borrowing Costs"

Borrowing cost capitalised during the year ₹ Nil. (previous year : ₹ Nil)

K(5) Foreign Currency Transactions

The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: ₹ Nil)

K(6) Segment Information

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting on primary segment does not arise. The Company does not have operations outside India. Hence, disclosure of secondary / geographical segment information does not arise.

K(7) Disclosure of related parties / related party transactions pursuant to Accounting Standard (AS) 18 "Related Party Disclosures"**a) List of related parties with whom transactions entered during the year:**

Holding Company	:	L&T Infrastructure Development Projects Limited
Ultimate Holding Company	:	Larsen & Toubro Limited
Fellow Subsidiaries	:	L&T Vadodara Bharuch Tollway Limited
	:	L&T Urban Infrastructure Limited (merged with L&T Realty Limited w.e.f. 01.04.2012)

b) Disclosure of related party transactions:

Name/Relationship/Nature of Transaction	2013-14	2012-13
	₹	₹
Holding Company		
L&T Infrastructure Development Projects Limited		
• Intercompany deposits placed	28,00,00,000	—
• Intercompany deposits refunded	28,00,00,000	—
• Interest on Intercompany deposit	1,37,16,164	—
• Purchase of goods and services	39,39,281	—
• Sale of equity shares	28,00,00,000	—
• Reimbursement of expenses to	1,500	—

NOTES FORMING PART OF ACCOUNTS (Contd.)

Name/Relationship/Nature of Transaction	2013-14	2012-13
	₹	₹
Ultimate holding Company		
Larsen & Toubro Limited		
• Purchase of goods and services	–	1,827
• Reimbursement of expenses to	–	99,252
Fellow Subsidiaries		
L&T Vadodara Bharuch Tollway Limited		
• Reimbursement of expenses to	11,99,940	7,57,793
L&T Urban Infrastructure Limited		
• Purchase of goods and services	–	60,093

c) Amount due to and due from related parties(net):

Particulars	Amounts due (to) / from	
	As at March 31, 2014	As at March 31, 2013
	₹	₹
Ultimate Holding Company - Larsen & Toubro Limited	–	(20,164)

d) No amounts pertaining to related parties have been written off or written back during the year. (previous year: ₹ Nil)**K(8) Disclosure pursuant to Accounting Standard (AS) 19 “Leases”**

The Company has not entered into any finance lease / non-cancellable operating lease as specified in Accounting Standard (AS 19) Leases.

The Company has taken residential premises under cancellable operating lease. This lease is renewable on expiry. The lease rentals charged to Statement of Profit and Loss during the year is ₹ 24,000/-. (Previous year ₹ 24,000/-)

K(9) Disclosure pursuant to Accounting Standard (AS) 20 “Earnings per share”

Basic and Diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS 20) “Earnings per share”.

Particulars	2013-14	2011-2012
Profit after tax as per accounts (₹)	76,55,390	(1,72,315)
Profit after tax available to equity shareholder's (₹)	76,55,390	(1,72,315)
Weighted average number of shares outstanding Nos	1,39,50,007	1,39,50,007
Basic and Diluted EPS (₹)	0.55	(0.01)
Face value per equity share (₹)	10.00	10.00

K(10) Deferred Tax

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

K(11) Previous year figures

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

NOTE - L : SIGNIFICANT ACCOUNTING POLICIES**L(1) Basis of accounting**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (“GAAP”), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government.

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 year, 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 the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

NOTES FORMING PART OF ACCOUNTS (Contd.)

L(2) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule VI to the Companies Act, 1956 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule VI to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees rounded off to the nearest Rupee. Earnings Per share data are presented in Indian Rupees to two decimals places.

L(3) Revenue recognition

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

Other income

- i. Interest income is accrued at applicable interest rate on time proportion basis.
- ii. Dividend income is accounted when the right to receive the same is established.
- iii. Other items of income are accounted for as and when the right to receive arises.

L(4) Investments

Investments, which are readily realizable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary in nature.

Current investments are stated at lower of cost or market value. The determination of carrying amount of such investments is done on weighted average cost of each individual investment.

L(5) Cash and bank balances

Cash and bank balances also include fixed deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

L(6) Taxes on income

Tax on income for the current year 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 the 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 relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

L(7) Leases

Operating Leases

- (i) Assets acquired on leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Statement of Profit & Loss on accrual basis.
- (ii) Assets leased out under operating leases are capitalized. Rental income is recognized on accrual basis over the lease term.

L(8) 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 event, when it is not probable that an outflow of resources will be required to settle the obligation.
- (ii) a present obligation when no reliable estimate is possible and
- (iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed.

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

L(9) Commitments

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

- (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 management.

L(10) Operating cycle for current/non-current classification:

Operating cycle for the business activities of the Company is taken as twelve months for classification of its assets and liabilities into current/non-current.

L(11) 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
- (ii) any deferrals or accruals of past or future operating cash receipts or payments and
- (iii) items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

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

R. CHANDRASEKARAN

Director

KARTHIKEYAN T. V.

Director

Place : Chennai

Date : May 6, 2014

Place : Chennai

Date : May 6, 2014