

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and Accounts for the year ended 31st March, 2012.

I. FINANCIAL RESULTS

Sl. No.	Particulars	2011-12 Rupees in Lacs	2010-11 Rupees in Lacs
1	Income for the year	19.53	8.65
2	Less: Expenditure	33.32	20.89
3	Profit Before Depreciation & Tax (PBDT)	(13.79)	(12.24)
4	Less: Depreciation	–	–
5	Profit / (Loss) before tax (PBT)	(13.79)	(12.24)
6	Less: Provision for tax	–	–
7	Profit / (Loss) after tax (PAT)	(13.79)	(12.24)
8	Balance brought forward from previous year	1397.81	1410.05
9	Profit available for appropriation	1384.01	1397.81
10	Balance carried to Balance Sheet	1384.01	1397.81

II. APPROPRIATIONS

There were no appropriations made during the year 2011-12.

III. DIVIDEND

No dividend is recommended for the year 2011-12.

IV. CAPITAL EXPENDITURE

During the year, your Company has not added any fixed assets. Since the concession period is over there are no fixed assets as on 31st March 2012.

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 is 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 2011- 12.

– FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no usage or earning of any foreign currency in the course of transactions during the year 2011-12.

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, 2012 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, 2012 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 an accrual basis.
- v. That proper systems are in place to ensure compliance of all laws applicable to the Company.

XII. DIRECTORS

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

Mr.B.Ramakrishnan, Director, resigned as Director with effect from 26.03.2012.

The present Directors are as follows:

- a) Mr. T.S. Sundaresan
- b) Mr. Karthikeyan T V
- c) Mr. R.Chandrasekaran

XIII. AUDIT COMMITTEE

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

1. Mr. T.S.Sundaresan
2. Mr. Karthikeyan T. V
3. 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.

XIV. REMUNERATION COMMITTEE

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

1. Mr. T.S.Sundaresan
2. Mr. Karthikeyan T. V
3. 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.

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

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

C) INDEPENDENT DIRECTORS

None of the Directors are involved in the day to day affairs 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

The Internal Audit department, L&T IDPL 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. ACKNOWLEDGEMENTS

The Directors acknowledge the invaluable support extended to the company by the Financial Institutions, Bankers, employees of the company and management staff of the parent company.

For and on behalf of the Board

Place : Chennai
Date : April 24, 2012

T. V. KARTHIKEYAN
Director

R. CHANDRASEKARAN
Director

INDEPENDENT AUDITORS' 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 comprise the balance sheet as at March 31, 2012 and the statement of income and expenditure for the year ended March 31, 2012 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 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, 2012;
- (b) in the case of the statement of income and expenditure, of the excess of income over expenditure 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") 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 income and expenditure, 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 income and expenditure, and cash flow statement 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, 2012, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SHARP & TANNAN
(ICAI registration No. 003792S)

V. R. LALITHA
Partner
Chartered Accountants
Membership No. 18284

Place : Chennai
Date : April 12, 2012

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, 2012, 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) The Company has not collected any toll fee during the year and hence cost records under section 209(1) (d) of the Companies Act, 1956 are not maintained.
- (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, 2012, there are no undisputed 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, 2012.

Nature of statute	Name of disputed dues	Amount (Rs.)	Period to which the amount relates	Forum where disputes are pending
Income Tax Act 1961	Dispute regarding depreciation	12,441,143	2002-03	ITAT
	Dispute regarding depreciation	401,890	2008-09	Commissioner (Appeals)
	Total	1,2843,033		

- (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 funds on short - term basis during the year
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued debentures during the year. Accordingly, no securities need to be created.

For SHARP & TANNAN
(ICAI registration No. 003792S)

V. R. LALITHA
Partner
Chartered Accountants
Membership No. 18284

Place : Chennai
Date : April 12, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Note	As at 31.03.2012		As at 31.03.2011	
		Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	A	139,500,070		139,500,070	
(b) Reserves & Surplus	B	149,326,917	288,826,987	150,706,327	290,206,397
Current liabilities					
Trade payables	C		529,480		1,173,370
TOTAL			289,356,467		291,379,767
ASSETS					
Non-current assets					
Non-current investment	D		280,000,000		280,000,000
Current Assets					
(a) Cash and cash equivalents	E	9,218,814		11,261,569	
(b) Short-term loans and advances	F	137,653	9,356,467	118,198	11,379,767
TOTAL			289,356,467		291,379,767
Contingent Liabilities and Commitments	G				
SIGNIFICANT ACCOUNTING POLICIES	L				

Notes referred to above form an integral part of accounts

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants

(ICAI registration No. 003792S)

By the hand of

V. R. LALITHA

Partner

Membership No. 18284

NEELKANTH UPADHYAY

Manager

T. V. KARTHIKEYAN

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 12, 2012

Place : Chennai

Date : April 12, 2012

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

	Note	2011-2012 Rupees	Rupees	2010-2011 Rupees	Rupees
REVENUE					
Other Income	H		1,952,818		865,166
EXPENSES					
Operating and Maintenance expenses	I	–		538,878	
Administration and other expenses	J	3,332,228		1,549,469	
Finance Cost	K	–	3,332,228	527	2,088,874
Profit/(Loss) before and after Tax			(1,379,410)		(1,223,708)
Earnings per share (Ref Note No. M 8)					
- Basic/Diluted			(0.10)		(0.09)
- Face Value per equity share			10.00		10.00
SIGNIFICANT ACCOUNTING POLICIES	L				

Notes referred to above form an integral part of accounts

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI registration No. 003792S)
By the hand of

V. R. LALITHA

Partner
Membership No. 18284

NEELKANTH UPADHYAY

Manager

T. V. KARTHIKEYAN

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 12, 2012

Place : Chennai

Date : April 12, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	2011-12 Rupees	2010-11 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax & extraordinary items	(1,379,410)	(1,223,708)
Adjustments for :		
Interest expenses	–	527
Interest Income	(194,545)	(450,282)
(Profit) / Loss on sale of investments (net)	(685,632)	(414,865)
Operating Profit before Working Capital changes	(2,259,587)	(2,088,328)
Adjustments For :		
(Increase) / Decrease in Loans and Advances	(19,455)	6,383,003
Increase / (Decrease) in trade payables	(643,890)	(6,583,787)
Cash generated from operations	(2,922,932)	(2,289,112)
Direct taxes paid (net of refund)	–	–
Net Cash from operating activities	(2,922,932)	(2,289,112)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(28,507,986)	(22,286,281)
Sale of investments	29,193,618	22,701,146
Interest received	194,545	450,282
Net Cash (used in) / from investing activities	880,177	865,147
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	–	(527)
Net cash (used in) / from financing activities	–	(527)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,042,755)	(1,424,492)
Cash and Cash equivalents as at the beginning	11,261,569	12,686,061
Cash and Cash equivalents as at the end	9,218,814	11,261,569

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

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI registration No. 003792S)
By the hand of

V. R. LALITHA

Partner
Membership No. 18284

NEELKANTH UPADHYAY

Manager

T. V. KARTHIKEYAN

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 12, 2012

Place : Chennai

Date : April 12, 2012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

		As at 31.03.2012		As at 31.03.2011	
		No. of Shares	Rupees	No. of Shares	Rupees
A	SHARE CAPITAL				
	AUTHORISED				
	Equity Shares of Rs.10/- each	21,000,000	210,000,000	21,000,000	210,000,000
	Issued				
	Equity Shares of Rs.10/- each	13,950,007	139,500,070	13,950,007	139,500,070
	Subscribed and fully paid up				
	Equity Shares of Rs.10/- each	13,950,007	139,500,070	13,950,007	139,500,070
	TOTAL	13,950,007	139,500,070	13,950,007	139,500,070
a.	Reconciliation of Equity Shares				
	Subscribed and fully paid up				
	At the beginning of the year	13,950,007	139,500,070	13,950,007	139,500,070
	Issued during the year	—	—	—	—
	At the close of the year	13,950,007	139,500,070	13,950,007	139,500,070
b.	Terms / Rights attached to Equity Shares				
	The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend.				
	No shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.				
c.	Shares held by Holding / Ultimate holding company and/or their subsidiaries/associates:				
	Relationship	As at 31.03.2012	As at 31.03.2011		
		No. of Shares	No. of Shares		
L&T Infrastructure Development Projects Limited	Holding Company	13,950,007	—		
Larsen and Toubro Limited	Ultimate Holding Company	—	13,950,007		
d.	Details of Shareholders holding more than 5% shares in the Company:				
	As at 31.03.2012	As at 31.03.2011			
	No. of Shares	Holding %	No. of Shares	Holding %	
L&T Infrastructure Development Projects Limited	13,950,007	100.00%			
Larsen and Toubro Limited			13,950,007	100.00%	
	As at 31.03.2012	As at 31.03.2011			
	Rupees	Rupees	Rupees	Rupees	
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 financial statement	139,781,327	141,005,036		
	Less: Loss for the year	(1,379,410)	(1,223,709)	139,781,327	
	TOTAL	149,326,917	150,706,327		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at 31.03.2012		As at 31.03.2011	
	Rupees	Rupees	Rupees	Rupees
C TRADE PAYABLES				
Due to Micro and small enterprises (Ref. note C. 1)		–		–
Due to Ultimate holding company		11,030		–
Due to others		518,450		1,173,370
TOTAL		529,480		1,173,370

C. 1 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

D NON CURRENT INVESTEMENT		
Non-Current Investment		
Trade Investment		
Investment in Equity instrument		
Subsidiary		
Narmada Infrastructure Construction Enterprise Limited	280,000,000	280,000,000
TOTAL	280,000,000	280,000,000

E CASH AND CASH EQUIVALENTS		
Balances with banks		
on Current account	213,910	1,204,006
on Term deposit including interest accrued thereon	9,004,904	10,057,563
TOTAL	9,218,814	11,261,569

F SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Others	137,653	118,198
TOTAL	137,653	118,198

G CONTINGENT LIABILITIES AND COMMITMENTS	
a) Estimated amount of contracts remaining to be executed on capital account (net of advance) Rs. Nil. (Previous year Rs. Nil).	
b) Contingent liabilities Rs. Nil. (Previous year Rs. Nil)	

	2011-2012		2010-2011	
	Rupees	Rupees	Rupees	Rupees
H OTHER INCOME				
Interest Income on Bank Deposits		194,545		450,301
Net gain/loss on sale of investment				
Current Investment		685,632		414,865
Other non operating income				
Unclaimed Credit balance written back		1,072,641		–
TOTAL		1,952,818		865,166

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	2011-2012		2010-2011	
	Rupees	Rupees	Rupees	Rupees
I OPERATING AND MAINTENANCE EXPENSES				
Repairs & maintenance				
Toll road & bridge		—		538,878
TOTAL		—		538,878
J ADMINISTRATIVE AND OTHER EXPENSES				
Rent	24,000		24,000	
Rates and Taxes	11,510		1,000	
Professional fees	2,803,373		1,255,819	
Auditor's Remuneration (Ref Note J.1)	173,817		171,517	
Travelling & conveyance	277,724		50,795	
Miscellaneous expenses	41,804	3,332,228	46,338	1,549,469
TOTAL		3,332,228		1,549,469
J.1 Auditor's Remuneration (Incl. service tax)		31.03.2012		31.03.2011
Audit Fees		140,450		137,875
Tax Audit Fees		—		27,575
Certification Fees		33,367		6,067
TOTAL		173,817		171,517
K FINANCE COST				
Interest expenses		—		527
TOTAL		—		527

L. SIGNIFICANT ACCOUNTING POLICIES**a) 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.

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

b) Revenue

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

c) Employee Benefits

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

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

NOTES TO FINANCIAL STATEMENTS

d) Fixed Assets

Fixed assets are stated at original cost less accumulated depreciation.

e) Depreciation

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

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

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

f) 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.

g) 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.

h) 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 Profit & Loss account in respect of all transactions including foreign currency liability related to fixed assets. Wherever forward contracts are entered into, the exchange differences are dealt with in the Profit & Loss account over the period of the contracts.

i) 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.

j) 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.

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.)

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

k) 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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.
- 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.

M 1. CORPORATE INFORMATION

The Company has been awarded on Build Operate and Transfer (BOT) basis, the construction of the second two-lane bridge at Kheda across the River Watrak on National Highway 8, in the State of Gujarat under a Concession Agreement dated March 1, 1999 with Ministry of Surface Transport, Government of India and Roads and Buildings Department, Government of Gujarat. The construction was completed in February 2001 and the concession 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.

M 2. ARBITRATION

The Company has gone into arbitration pertaining to their outstanding claims of Rs. 48.72 Crores with GOG/GOI and awaiting the award. The same has not been considered in the books of accounts as on date.

M 3. 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.

M 4. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS

A. List of related parties

Holding company	:	L&T Infrastructure Development Projects Limited, w.e.f. 29th Mar 2012
Holding Company	:	Larsen and Toubro Limited, till 28th March 2012
Ultimate Holding Company	:	Larsen and Toubro Limited, w.e.f. 29th Mar 2012
Subsidiary company	:	Narmada Infrastructure Construction Enterprise Limited
Fellow subsidiaries	:	L&T Infrastructure Development Projects Limited (till 28th March 2012) L&T Urban Infrastructure Limited L&T Vadodara Bharuch Tollway Limited.

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

Name/Relationship/ Nature of Transaction	2011 – 2012			2010-2011		
	Amount of Transaction Rupees	Due to Rupees	Due From Rupees	Amount of Transaction Rupees	Due to Rupees	Due From Rupees
Larsen & Toubro Limited Ultimate Holding Company • Cost of Service • Reimbursement of Expenses to	11,030	11,030	–	1,43,252	–	–
L&T Infrastructure Development projects Limited Holding Company • Reimbursement of Expenses to	10,000	–	–	1,30,353	–	–
L&T Urban Infrastructure Limited Fellow subsidiary • Cost of Service • Reimbursement of Expenses to	31,783 –	–	–	– 13,451	–	–
L&T Vadodara Bharuch Tollway Limited Fellow subsidiary • Scrapped Assets sold • Retirement Benefit Transfer • Reimbursement of Expenses	– – – 930,201	–	–	250,025 134,688 35,670	–	–

NOTES TO FINANCIAL STATEMENTS (Contd.)**C) Amounts written off/written back : Nil****M 5. LEASES**

The Company has taken residential premises under cancelable Operating Lease. These lease agreements are normally renewable on expiry.

M 6. FOREIGN EXCHANGE TRANSACTIONS:

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

M 7. EARNINGS PER SHARE

Basic and Diluted Earnings Per Share (EPS) computed in accordance with Accounting Standards (AS 20) "Earning per Share"

Basic/ Diluted	2011-2012	2010-2011
Profit after Tax as per Accounts (Rs.)	(1,379,410)	(12,23,708)
PAT available to equity shareholder's (Rs.)	(1,379,410)	(12,23,708)
Weighted average number of share	13,950,007	13,950,007
Basic / Diluted EPS (Rs.)	(0.10)	(0.09)

M 8. DEFERRED TAX

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

M 9. PREVIOUS YEAR FIGURES

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified the previous year figures to confirm to this year's classification.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI registration No. 003792S)
By the hand of

V. R. LALITHA

Partner
Membership No. 18284

NEELKANTH UPADHYAY

Manager

T. V. KARTHIKEYAN

Director

R. CHANDRASEKARAN

Director

Place : Chennai

Date : April 12, 2012

Place : Chennai

Date : April 12, 2012

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

NAME OF THE SUBSIDIARY	NARMADA INFRASTRUCTURE CONSTRUCTION ENTERPRISE LIMITED
Financial year of the subsidiary ended on	March 31, 2012
Number of shares in the subsidiary company held by L&T Western India Tollbridge 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 amounted to	
(a) for the subsidiary's financial year ended March 31, 2012	–
(b) for previous financial years of the subsidiary since it became 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 amounted to	
(a) for the subsidiary's financial year ended March 31, 2012	–
(b) for previous financial years of the subsidiary since it became subsidiary since it became subsidiary of L&T Western India Tollbridge Limited	–
Changes in the interest of L&T Western India Tollbridge Limited between the end of the subsidiary's financial year and March 31,2012	
Number of shares acquired	
(i) Fixed Assets (net additions)	N.A.
(ii) Investments (Fixed Deposit with Scheduled bank)	N.A.
(iii) Moneys lent by the subsidiary	N.A.
(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	N.A.

For and on behalf of the Board

Place : Chennai
Date : April 24, 2012

T. V. KARTHIKEYAN
Director

R. CHANDRASEKARAN
Director