

## DIRECTORS' REPORT

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

### I. FINANCIAL RESULTS

The key financial parameters for the period ended March 31, 2013 are submitted below:

Sl. No.	Particulars	2012-13 ₹ in Lakhs	2011-12 ₹ in Lakhs
	<b>Sources of Funds</b>		
1.	Shareholders funds	7,200.00	7,200.00
2.	Secured Loans	30,500.00	30,000.00
3	Un-Secured Loan	5,326.98	–
	<b>TOTAL</b>	<b>43,026.98</b>	<b>37,200.00</b>
	<b>Application of Funds</b>		
1.	Fixed Asset & Pre-Operative Expenses	30,102.54	28,689.54
2.	Net Current Assets	8,425.96	8,470.61
3.	Profit and Loss Account	4,498.48	39.85
	<b>TOTAL</b>	<b>43,026.98</b>	<b>37,200.00</b>

### II. PERFORMANCE OF THE COMPANY

Due to non-allotment of additional land, the progress of implementation of the project was stalled and no further construction took place during the year under review. The Company invoked arbitration provisions and the arbitration award was made on April 20, 2013.

### III. APPROPRIATIONS

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

### IV. DIVIDEND

Your Company is in the process of implementing the project and hence the declaration of dividend for the current period does not arise.

### V. CAPITAL EXPENDITURE

As at March 31, 2013, the gross fixed assets stood at ₹ 15.98 Lakhs and the net fixed assets including capital work-in-progress and pre-operative expenses stood at ₹ 30,102.54 Lakhs.

### VI. DEPOSITS

The Company has not accepted any deposits from the public.

### VII. AUDITORS' REPORT

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

### VIII. MATERIAL CHANGES, IF ANY BETWEEN DATE OF THE BALANCE SHEET AND DATE OF THE DIRECTORS' REPORT

Due to non-allotment of land the Company could not be able to implement the project and hence invoked the arbitration proceedings. The arbitration award was made on April 20, 2013.

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

#### – CONSERVATION OF ENERGY

Since the Company is in Infrastructure business, conservation of energy, research and development, technology absorption does not apply.

#### – TECHNOLOGY ABSORPTION

There was no Technology Absorption during the year.

## L&T BANGALORE AIRPORT HOTEL LIMITED

### - FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has incurred the following expenditure in Foreign currency during the year 2012-13:-

Particulars	2012-2013 ₹ in Lakhs	2011-2012 ₹ in Lakhs
Professional Consultancy	-	17.70
Import of Capital Goods (on CIF basis)	-	844.90
Travel	-	0.22
<b>TOTAL</b>	<b>-</b>	<b>862.82</b>

### X PARTICULARS OF EMPLOYEES U/S 217(2A)

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.

### XI SUBSIDIARY COMPANIES

Your Company does not have any subsidiaries under its purview.

### XII 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, 2013 and of the profit 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.

### XIII DIRECTORS

Mr. Tej Kumar Sibal, Director retiring by rotation at the forthcoming Annual General Meeting being eligible, offer himself for re-appointment.

The Board of Directors as on 31.03.2013 is as follows:

- Mr. B. Ramakrishnan
- Mr. M. V. Satish
- Mr. Tej Kumar Sibal
- Mr. Nipun Kumar Malhotra

Mr. M. V. Satish, appointed as Additional Director during the year on 21st November 2012 and he holds office until the conclusion of the Annual General Meeting, a notice has been received under the provisions of Section 257 of the Companies Act, 1956 in respect of the above persons, proposing their appointment as Directors of the Company, along with requisite deposits.

Resolutions seeking approval of the Shareholders for their appointment have been incorporated in the Notice of the forthcoming Annual General Meeting.

### XIV AUDIT COMMITTEE

The present members of Audit committee are as follows:

1. Mr. B. Ramakrishnan
2. Mr. Tej Kumar Sibal
3. Mr. Nipun Kumar Malhotra

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

The Committee met periodically during the year and held discussions with the auditors on internal control systems.

### XV AUDITORS

The Auditors, M/S 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**

M/s. Govind & Bala Associates, Chartered Accountants, provide 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.

**IV. ACKNOWLEDGEMENTS**

The Directors acknowledge the invaluable support extended to the Company by the Financial Institutions, Bankers, employees as well as the management team.

For and on behalf of the Board

Place : Chennai  
Date : May 10, 2013

**B. RAMAKRISHNAN**  
Director

**M. V. SATISH**  
Director

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF L&T BANGALORE AIRPORT HOTEL LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **L&T BANGALORE AIRPORT HOTEL LIMITED** ("the Company"), which comprise 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 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.

#### **Emphasis of matter**

We draw attention to Note no. 17 accompanying the financial statements on preparation of the financial statements on going concern basis. Our opinion is not qualified in respect of this matter.

#### **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 dealt with by this report comply with the accounting standards referred to in subsection (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, 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

**L. VAIDYANATHAN**  
Partner  
Membership no. 16368

Place : Chennai  
Date : May 20, 2013

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

With reference to the Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of the Independent Auditor's Report to the members of **L&T BANGALORE AIRPORT HOTEL LIMITED** on the financial statements for the year ended March 31, 2013, we report that:

- (i) (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern status.
- (ii) The Company is engaged in the business of development and operating of hotel and has not commenced its commercial operations, hence reporting under clause 4(ii)(a), (b) and (c) of the Order relating to inventory does not arise.
- (iii) (a) According to the information and the explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly reporting under clause 4(iii)(b), (c) and (d) of the Order does not arise.
- (e) According to the information and the explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly reporting under clause 4(iii)(f) and (g) of the Order does not arise.
- (iv) In our opinion, and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and nature of its business for purchase of fixed assets and expenses incurred during the year. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement, particulars of which need to be entered in the register maintained under section 301 of the Companies Act, 1956 and hence reporting under clause 4 (v) of the Order does not arise
- (vi) The Company has not accepted any deposit from the public within the meaning of and sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder. Hence reporting under clause 4(vi) of the Order does not arise.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business. However, no internal audit was conducted during the year.
- (viii) The Company has not commenced its commercial operations during the year and hence maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. Hence reporting under clause 4(vi) of the Order does not arise.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is regular in depositing undisputed statutory dues including provident fund, income-tax and other statutory dues as applicable with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, income tax and other statutory dues outstanding as at March 31, 2013 for a period of more than six months from the date from which they became payable.
- (b) According to the information and explanations given to us, there are no statutory liabilities which have not been deposited on account of a dispute.
- (x) The accumulated losses of the Company as at March 31, 2013 exceed fifty percent of its net-worth. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank during the year. The Company has not issued any debentures.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund / nidhi / mutual benefit fund / society. Hence reporting under clause 4(xiii) of the Order does not arise.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other securities. Accordingly reporting under clause 4(xiv) of the Order does not arise.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, reporting under clause 4(xv) of the Order does not arise.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies to be covered in the register maintained under section 301 of the Companies Act, 1956, during the year and hence reporting under clause 4(xviii) of the Order does not arise.

L&T BANGALORE AIRPORT HOTEL LIMITED

- (xix) The Company has not issued any debentures during the year and hence reporting under clause 4(xix) of the Order does not arise.
- (xx) The Company has not raised any money by public issues during the year. Accordingly reporting under clause 4(xx) of the Order does not arise.
- (xxi) During the course of our audit of the books and records of the Company carried out in accordance with generally accepted auditing practices followed in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed by us or reported during the year, nor have we been informed of such cases by the management.

**SHARP & TANNAN**

*Chartered Accountants*

*Firm's Registration No. 003792S*

**L. VAIDYANATHAN**

*Partner*

*Membership no. 16368*

*Place : Chennai*  
*Date : May 20, 2013*

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

	Note No.	As at March 31, 2013		As at March 31, 2012	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
(a) Share capital	2	720,000,000		720,000,000	
(b) Reserves and surplus	3	(449,848,670)		(3,984,861)	
			270,151,330		716,015,139
<b>Non - current liabilities</b>					
(a) Long term provisions	4	-		33,453	
<b>Current liabilities</b>					
(a) Short term borrowings	5	3,582,698,550		3,000,000,000	
(b) Other current liabilities	6	63,933,849		107,791,832	
(c) Short-term provisions	7	-		26,960	
			3,646,632,399		3,107,818,792
<b>TOTAL</b>			<b>3,916,783,729</b>		<b>3,823,867,384</b>
<b>ASSETS</b>					
<b>Non - current assets</b>					
(a) Fixed assets					
(i) Tangible assets	8	254,444		428,140	
(ii) Capital work-in-progress	9	3,010,000,000		2,868,525,705	
		3,010,254,444		2,868,953,845	
(b) Long-term loans and advances	10	-		766,301,722	
			3,010,254,444		3,635,255,567
<b>Current assets</b>					
(a) Cash and bank balances	11	113,229,548		111,782,851	
(b) Short-term loans and advances	12	793,299,737		76,828,966	
			906,529,285		188,611,817
<b>TOTAL</b>			<b>3,916,783,729</b>		<b>3,823,867,384</b>
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	13				
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1				

See accompanying notes to the financial statements.

As per our report attached

For and on behalf of the Board

**SHARP & TANNAN**

Chartered Accountants  
Firm's Registration No. 003792S

**L. VAIDYANATHAN**

Partner  
Membership No.: 16368

**V. RAVICHANDRAN**

Secretary

**B. RAMAKRISHNAN**

Director

**M. V. SATISH**

Director

Place : Chennai  
Date : May 20, 2013

Place : Chennai  
Date : May 10, 2012

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013**

	Note No.	2012-13 ₹	2011-12 ₹
<b>REVENUE</b>			
Other Income	14	10,358,508	13,158
<b>TOTAL REVENUE</b>		<b>10,358,508</b>	<b>13,158</b>
<b>EXPENSES</b>			
Administration and other expenses	15	862,082	915,606
Obsolescence of capital-work-in-progress	9 (a)	45,700,436	-
Finance costs	16	409,659,799	-
<b>TOTAL EXPENSES</b>		<b>456,222,317</b>	<b>915,606</b>
Profit / (loss) before tax		<b>(445,863,809)</b>	<b>(902,448)</b>
<b>TAX EXPENSE</b>			
Current tax		-	4,066
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>(445,863,809)</b>	<b>(906,514)</b>
Earnings per equity share (Basic and diluted)	21	<b>(6.193)</b>	<b>(0.013)</b>
Face value of an equity share		<b>10.00</b>	<b>10.00</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>		

See accompanying notes to the financial statements.

As per our report attached

**SHARP & TANNAN**  
Chartered Accountants  
Firm's Registration No. 003792S

For and on behalf of the Board

**L. VAIDYANATHAN**  
Partner  
Membership No.: 16368

**V. RAVICHANDRAN**  
Secretary

**B. RAMAKRISHNAN**  
Director

**M. V. SATISH**  
Director

Place : Chennai  
Date : May 20, 2013

Place : Chennai  
Date : May 10, 2012



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

	2012-13 ₹	2011-12 ₹
<b>A. Net Profit / (loss) before tax</b>	<b>(445,863,809)</b>	<b>(902,448)</b>
<b>Adjustments for:</b>		
Obsolescence of capital work-in-progress	45,700,436	-
Interest expenses	409,659,799	-
Interest income	<b>(10,314,278)</b>	<b>(13,158)</b>
<b>Profit / (loss) before working capital changes</b>	<b>(817,852)</b>	<b>(915,606)</b>
<b>Adjustments for :</b>		
(Increase) / decrease in loans and advances	50,862,379	(39,281,679)
Increase / (decrease) in trade and other payables	<b>(57,822,673)</b>	<b>(13,466,237)</b>
<b>Cash generated from / (used in) operations</b>	<b>(7,778,146)</b>	<b>(53,663,522)</b>
Direct taxes paid (net)	1,031,428	974,551
<b>Net Cash (used in) / from operating activities (A)</b>	<b>(8,809,574)</b>	<b>(54,638,073)</b>
<b>B. Cash Flow from Investing activities :</b>		
Purchase of Fixed assets (Net of depreciation, including capital work-in-progress and pre-operative expenses)	<b>(187,001,035)</b>	<b>(763,264,208)</b>
Interest received	10,314,278	13,158
<b>Net Cash (used in) / generated from investing activities (B)</b>	<b>(176,686,757)</b>	<b>(763,251,050)</b>
<b>C. Cash flow from financing activities :</b>		
Proceeds from short-term borrowings	3,030,280,820	930,393,511
Repayment of short-term borrowings	<b>(3,000,000,000)</b>	-
Inter-corporate deposits received	3,344,900,000	-
Repayment of Inter corporate deposits	<b>(2,812,201,450)</b>	<b>(150,000,000)</b>
Interest paid on term loans from banks	<b>(132,181,011)</b>	-
Interest paid on Inter Corporate deposits	<b>(243,855,331)</b>	-
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>186,943,028</b>	<b>780,393,511</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,446,697</b>	<b>(37,495,612)</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>2,458,595</b>	<b>39,954,207</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>3,905,292</b>	<b>2,458,595</b>

**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.
- Purchase of fixed assets includes movement of capital work-in-progress and pre-operative expenses during the year.
- Components of cash and cash equivalents are given in Note 11 accompanying the financial statements.
- Figures for the previous year have been regrouped or reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

**SHARP & TANNAN**

Chartered Accountants  
Firm's Registration No. 003792S  
By the hand of

**L. VAIDYANATHAN**

Partner  
Membership No.: 16368

**V. RAVICHANDRAN**

Secretary

**B. RAMAKRISHNAN**

Director

**M. V. SATISH**

Director

Place : Chennai  
Date : May 20, 2013

Place : Chennai  
Date : May 10, 2012

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a) 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 (as amended)

#### b) Use of estimates

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 the useful lives of fixed assets, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

#### c) Revenue recognition

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

Interest income is recognised at agreed rates on time proportion basis.

#### d) Fixed assets

Fixed assets are stated at original cost less accumulated depreciation and cumulative impairment.

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition incurred up to date of commencement of commercial operation are allocated and capitalised as a part of cost of fixed assets.

#### e) Depreciation

- i) Depreciation is provided on straight line basis at the rates provided in schedule XIV of the Companies Act, 1956. Depreciation on addition/deduction are calculated pro-rata from/to the month of additions/deductions.
- ii) The following asset categories are depreciated at higher rates in line with their estimated useful life.

Category of Asset	Rate of Depreciation (% p.a.)
Furniture and Fixtures	10.00
Plant and Machinery:	
i) Office Equipments	25.00
ii) Laptops	25.00

#### f) Impairment of assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain whether they are recorded in excess of their recoverable amount based on value in use method. Where carrying values exceed the recoverable amount, assets are written down to their recoverable amount.

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 recognised in previous periods.

Impairment loss, if any, is recognized when the carrying amount of an asset or group of assets, as the case may be, exceeds its recoverable amount.

Recoverable amount is determined:

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

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

#### g) Foreign currency transactions

Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.

Exchange differences arising on such transactions are adjusted in pre-operative expenses during the construction/implementation period and are charged off to the Statement of Profit and Loss in the operational period.

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)****h) Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires 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.

**i) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits with banks and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**j) 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 the expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

**k) Provisions, contingent liabilities and contingent assets**

- i) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if
  - a) the Company has a present obligation as a result of a past event,
  - b) a probable outflow of resources is expected to settle the obligation; and
  - c) the amount of the obligation can be reliably estimated.
- ii) Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.
- iii) Contingent liability is disclosed in case of
  - a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
  - b) a present obligation arising from past events, when no reliable estimate is possible;
  - c) a possible obligation arising from past events where the probability of outflow of resources is not remote.
- iv) Contingent assets are neither recognised, nor disclosed.
- v) Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹	Number of Shares	₹
<b>2) SHARE CAPITAL</b>				
<b>Authorized:</b>				
Equity shares of ₹ 10/- each	75,000,000	750,000,000	75,000,000	750,000,000
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of ₹ 10/- each	72,000,000	720,000,000	72,000,000	720,000,000
<b>TOTAL</b>	<b>72,000,000</b>	<b>720,000,000</b>	<b>72,000,000</b>	<b>720,000,000</b>

**(i) Reconciliation of equity shares**

There was no movement in share capital during the current year and previous year.

**(ii) Terms / rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of ₹ 10/- each. The shares issued carry equal rights and voting power. All the shares issued carry equal right of dividend declared by the company and no restrictions are attached to any specific share holder.

**(iii) Details of shares held by holding company**

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹	Number of Shares	₹
L&T Urban Infrastructure Limited (the holding company along with its nominees) (Equity shares of ₹ 10/- each fully paid)	53,280,000	532,800,000	53,280,000	532,800,000

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)****(iv) Equity shares in the company held by each shareholder holding more than 5 percent shares**

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares	Shareholding %	No. of shares	Shareholding %
L&T Urban Infrastructure Limited (the holding company along with its nominees)	53,280,000	74.00%	53,280,000	74.00%
EIH Limited	18,720,000	26.00%	18,720,000	26.00%
<b>TOTAL</b>	<b>72,000,000</b>	<b>720,000,000</b>	<b>72,000,000</b>	<b>720,000,000</b>

(v) The Company has not bought back any shares or issued shares for consideration other than cash or issued bonus shares during the five years immediately preceding the Balance Sheet date.

(vi) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / investment. No securities have been issued with the right/option to convert the same into equity shares at a later date.

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
<b>3 RESERVES AND SURPLUS</b>				
<b>Surplus / (deficit)</b>				
As per last Balance Sheet	(3,984,861)		(3,078,347)	
Add: Profit / (loss) for the year	(445,863,809)		(906,514)	
		(449,848,670)		(3,984,861)
<b>TOTAL</b>		<b>(449,848,670)</b>		<b>(3,984,861)</b>
<b>4 LONG-TERM PROVISIONS</b>				
Provision for employee benefits:				
Gratuity [refer note (a) below]		-		33,453
<b>TOTAL</b>		-		<b>33,453</b>

(a) The Company does not have any employees on its roll as at March 31, 2013 and hence no provision for employee benefits has been made.

	As at March 31, 2013	As at March 31, 2012	Rate of Interest	Terms of repayment
	₹	₹		
<b>5 SHORT-TERM BORROWINGS</b>				
Secured				
Short term borrowings from bank				
- Syndicate Bank	-	3,000,000,000	Bank Prime Lending Rate + 1.75%	Repayable within 12 months from the date of first disbursement (Due on April 1, 2012)
- IndusInd Bank Limited [Refer Note (a) below]	3,050,000,000	-	Base rate + 1%	Repayable within 12 months from the date of first disbursement "(Due on December 13, 2013)
<b>TOTAL</b>	<b>3,050,000,000</b>	<b>3,000,000,000</b>		
Unsecured				
Inter corporate deposits from related parties				
- L&T Urban Infrastructure Limited (holding company)	532,698,550	-	11% p.a.	Repayable on demand
	<b>532,698,550</b>	-		
<b>TOTAL</b>	<b>3,582,698,550</b>	<b>3,000,000,000</b>		

(a) Term loan from IndusInd bank Limited is secured by a first exclusive charge by way of hypothecation in favour of the lenders on all movable assets comprising plant & machinery and equipments etc., both existing and future at the hotel site.

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**

	As at March 31, 2013	As at March 31, 2012
	₹	₹
<b>6 OTHER CURRENT LIABILITIES</b>		
Due to micro and small enterprises [refer note (a) below]	-	-
Interest accrued and due on short term loans	-	45,229,860
Interest accrued and due on inter-corporate deposits	13,904,277	-
Retention money payable	28,360,820	20,748,174
Statutory liabilities	65,901	291,162
Other liabilities		
– ultimate holding company	834,728	692,928
– holding company	7,000	7,801,841
– fellow subsidiary company	-	31,159
– others	20,761,123	32,996,708
<b>TOTAL</b>	<b>63,933,849</b>	<b>107,791,832</b>

(a) The Company has not entered into any transaction with micro and small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 during the year. Hence reporting details of outstanding and interest thereon does not arise.

**7 SHORT-TERM PROVISIONS**

Provision for employee benefits [refer Note (a) below]

Compensated absences	-	22,894
Income Tax [Refer Note (b) below]	-	4,066
<b>TOTAL</b>	<b>-</b>	<b>26,960</b>

(a) The Company does not have any employees on its roll as at March 31, 2013 and hence no provision for employee benefits has been made.

(b) The Company does not have any taxable income for the current year as per the provisions of Income Tax Act, 1961 and hence no provision has been made for income tax.

**8 FIXED ASSETS**

Particulars	Gross Block			Depreciation			Net Block			
	As at 01.04.2012	Additions	Deletions	As at 31.03.2013	Up to 31.03.2012	For the year	On Deduction	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets (owned)</b>										
Plant and equipment										
Computers	954,454	-	-	954,454	863,562	87,450	-	951,012	3,442	90,892
Office Equipments	165,619	-	-	165,619	112,369	40,806	-	153,175	12,444	53,250
Electrical Installation	73,171	-	-	73,171	73,171	-	-	73,171	-	-
Furniture and Fixtures	404,874	-	-	404,874	120,876	45,440	-	166,316	238,558	283,998
<b>TOTAL</b>	<b>1,598,118</b>	<b>-</b>	<b>-</b>	<b>1,598,118</b>	<b>1,169,978</b>	<b>173,696</b>	<b>-</b>	<b>1,343,674</b>	<b>254,444</b>	
Previous Year	1,598,118	-	-	1,598,118	629,152	540,826	-	1,169,978		428,140

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**

	As at April 1, 2012	For the year	As at March 31, 2013
	₹	₹	₹
<b>9 CAPITAL WORK-IN-PROGRESS</b>			
(i) Buildings	1,970,649,898	174,456,685	<b>2,145,106,583</b>
(ii) Plant and equipment	23,229,919	–	<b>23,229,919</b>
(iii) Pre-operative expenses [refer Note (c) below]	874,645,888	12,718,046	<b>887,363,934</b>
	<u>2,868,525,705</u>	<u>187,174,731</u>	<u><b>3,055,700,436</b></u>
Less: Obsolescence of Capital work-in-progress [Refer Note (a) below]			<u><b>45,700,436</b></u>
			<u><u><b>3,010,000,000</b></u></u>

- (a) The Company has taken land admeasuring 4 acres and 19 guntas on a 30 years sub-lease from M/s. Bangalore International Airport Limited (BIAL) vide Framework Agreement (FA) dated November 16, 2006. According to the said agreement, the Company was to construct a hotel consisting of 321 rooms with a proposed height of 45 meters. However, the Airports Authority of India has approved a height of only 30.36 meters for the hotel building as against the envisaged height of 45 Meters and hence, the Company had to restrict the number of rooms to 154 within the allotted land. BIAL, vide their letter ref: BIAL/CEO/BAHL dated November 17, 2009 had allotted an additional land of 2.10 acres (8,520 square meters) contiguous to the existing land to enable the Company to construct the balance number of 167 rooms in order to complete the development as envisaged in the Framework Agreement. Before the Company could proceed with the construction of additional rooms, BIAL vide its letter under Ref: BIAL/84/041/141 dated July 28, 2010 had conveyed their decision not to allot the aforesaid additional land. In response, the Company communicated to BIAL vide their letters dated June 2, 2010, July 13, 2010 and August 9, 2010 requesting them to withdraw BIAL's letter dated July 28, 2010 with immediate effect. The Company also lodged their appeal with the Chief Secretary, Govt. of Karnataka vide its letter dated September 7, 2010, requesting for their personal intervention in the aforesaid matter to advise the concerned in BIAL not to renege on a decision duly approved by its Board of directors and to proceed with the registration of the sub-leased land.

The Company, after repeated correspondences with BIAL, has initiated arbitration proceedings on April 21, 2012 against BIAL with the Honourable Arbitral Tribunal, Bangalore vide Article 24 of the Framework Agreement and did not proceed further with the development of the project. The Company has received in its favour, the Arbitration Award dated April 20, 2013 from the Honourable Arbitral Tribunal, Bangalore, awarding a lump-sum amount of ₹ 301.00 Crores payable by BIAL to the Company towards the entire value of works executed by the Company for the construction of hotel till date and to hand over vacant possession of the said property on receipt of the above sum.

Accordingly, the Company has retained capital work-in-progress as at March 31, 2013 to the extent of amount awarded in the Arbitral Award and has written off the balance capital work-in-progress of ₹ 45,700,436/- as obsolescence.

- (b) In addition to the above award of ₹ 301.00 Crores, the Honourable Arbitral Tribunal has also directed BIAL to refund the interest free security deposit of ₹ 76.50 Crores paid by the Company to BIAL as per clause 9.2.1 of Framework Agreement (FA) together with interest at 18% p.a from the date of the award.

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**

	As at April 1, 2012 ₹	For the year ₹	As at March 31, 2013 ₹
<b>(c) Pre-operative expenses pending allocation to fixed assets</b>			
Salaries	30,038,206	113,656	30,151,862
Contribution to and provision for			
– Provident Fund	674,642	14,830	689,472
– Gratuity	33,453	(33,453)	–
– Leave encashment	22,894	(22,894)	–
Travelling and conveyance expenses	10,514,549	192,086	10,706,635
Professional charges	20,956,831	852,636	21,809,467
Rent	779,813	–	779,813
Rates and taxes	2,184,780	24,972	2,209,752
Communication expenses	872,015	19,443	891,458
Depreciation	1,169,978	173,696	1,343,674
Interest on term loan	739,964,617		739,964,617
Interest on inter corporate deposits	1,614,384		1,614,384
Finance charges	30,149,788	508,813	30,658,601
Miscellaneous expenses	46,269,562	10,874,261	57,143,823
	<u>885,245,512</u>	<u>12,718,046</u>	<u>897,963,558</u>
Less: Interest on deposits from banks	11,269,643	–	11,269,643
Add: Provision for income tax	670,019	–	670,019
<b>TOTAL</b>	<u><u>874,645,888</u></u>	<u><u>12,718,046</u></u>	<u><u>887,363,934</u></u>
		<b>As at March 31, 2013 ₹</b>	<b>As at March 31, 2012 ₹</b>
<b>10 LONG-TERM LOANS AND ADVANCES</b>			
Unsecured, considered good			
Deposits		–	766,217,500
Others		–	84,222
<b>TOTAL</b>		<u><u>–</u></u>	<u><u>766,301,722</u></u>
<b>10 CASH AND BANK BALANCES</b>			
<b>(i) Cash and cash equivalents</b>			
– balance with banks on current accounts		3,897,549	2,458,595
– cash in hand		7,743	–
Sub-total - Cash and cash equivalents		<u>3,905,292</u>	<u>2,458,595</u>
<b>(ii) Other bank balances</b>			
– bank deposits held as security against borrowings“ [Refer Note (a) below]”		109,324,256	109,324,256
Sub-total - Other bank balances		<u>109,324,256</u>	<u>109,324,256</u>
<b>TOTAL</b>		<u><u>113,229,548</u></u>	<u><u>111,782,851</u></u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**

- (a) Bank deposits held as security against borrowings represents fixed deposits with M/s. Oriental Bank of Commerce, Bangalore under lien for the bank guarantees issued on behalf of the Company favouring the Director General of Foreign Trade / The Deputy Commissioner of Customs, Bangalore for availing license under Export Promotion Capital Goods Scheme (EPCG) against domestic procurement and import of capital goods for the hotel project.

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>12 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
Considered good		
Deposits [Refer Note 9 (b) supra]	766,217,500	–
Advances to suppliers and contractors	24,381,880	49,831,310
Advance income taxes (net of provisions)	2,249,588	1,223,176
Others	450,769	25,774,480
<b>TOTAL</b>	<b>793,299,737</b>	<b>76,828,966</b>
<b>13 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
(a) Contingent liabilities	Nil	Nil
(b) Estimated amount of contracts remaining to be executed on capital account	Nil	642,624,965
	2012-13 ₹	2011-12 ₹
<b>14 OTHER INCOME</b>		
Interest income		
– on bank deposits	10,314,278	–
– others	–	13,158
Provision no longer required written back	39,230	–
Miscellaneous income	5,000	–
<b>TOTAL</b>	<b>10,358,508</b>	<b>13,158</b>
<b>15 ADMINISTRATION AND OTHER EXPENSES</b>		
Arbitration expenses	624,257	–
Bank charges	9,669	364,592
Printing and stationery	3,189	28,224
Professional charges (refer below)	223,032	246,574
Business support services	–	202,394
General repairs and maintenance	–	49,852
Miscellaneous expenses	1,935	23,970
	<b>862,082</b>	<b>915,606</b>
(a) Statutory audit fees	202,248	202,248
(b) Certification fees	20,784	25,921
<b>TOTAL</b>	<b>223,032</b>	<b>228,169</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**

	2012-13	2011-12
	₹	₹
<b>16 FINANCE COSTS</b>		
Loan Processing charges [refer note (a)]	19,719,180	–
Interest on term loan from bank [refer note (b) and (c)]	132,181,011	–
Interest on Inter-Corporate Deposits [refer note (b)]	257,759,608	–
<b>TOTAL</b>	<b>409,659,799</b>	<b>–</b>

- (a) Represents processing fee on loan availed from M/s. IndusInd Bank Limited.
- (b) During the year, the company has initiated arbitration proceedings against Bangalore International Airport Limited for non-allotment of additional land. Since substantial construction activities have been suspended during the course of arbitration, capitalisation of borrowing cost has been suspended as per Accounting Standard (AS) 16 "Borrowing Cost". Hence, the interest paid on term loans from banks and the interest on Inter-Corporate Deposits have been charged off to the Statement of Profit and Loss.
- (c) Interest on term loans from banks include ₹ 24,743,925 penal interest on short term borrowing charged by Syndicate Bank due to delay in complying with the formalities for creation of mortgage on sub-leasehold rights of the land due to non-receipt of 'No Objection Certificate' from M/s. Bangalore International Airport Ltd., (BIAL). The Company had sought a waiver of the said penal interest vide its letter dated March 22, 2012. The bank has replied vide its letter April 13, 2012 informing the Company that the request for waiver is being considered. Pending confirmation from the bank, the said amount was accounted as receivable as at March 31, 2012. However, the bank has not communicated the waiver of the penal interest paid till March 31, 2013. Hence, the same has been charged off to the Statement of Profit and Loss during the year.

17) The financial statements have been prepared on going concern basis based on the financial support letter received from the holding company, L&T Urban Infrastructure Limited. The holding company has undertaken to provide such financial and other support as necessary to enable the Company to continue to carry on its operations to meet its financial obligations as and when they fall due for atleast the next twelve months.

18) Expenditure in foreign currency (included in pre-operative expenses/capital work-in-progress):

	2012-13	2011-12
	₹	₹
Professional Consultancy	–	1,770,113
Travel	–	22,500
<b>TOTAL</b>	<b>–</b>	<b>1,792,613</b>

19) C.I.F. value of imports

	2012-13	2011-12
	₹	₹
Capital goods	–	84,490,361

**20) DISCLOSURE OF RELATED PARTY TRANSACTIONS****a) List of related parties**

- Holding Companies :
1. L&T Urban Infrastructure Limited  
(a subsidiary of L&T Infrastructure Development Projects Limited, up to October 10, 2011 and subsidiary of L&T Realty Limited w.e.f., October 11, 2011)
  2. L&T Infrastructure Development Projects Limited  
up to October 10, 2011 (a subsidiary of Larsen & Toubro Limited)
  3. L&T Realty Limited  
(a subsidiary of Larsen & Toubro Limited)
  4. Larsen & Toubro Limited  
(ultimate holding Company)
- Fellow Subsidiaries :
1. L&T Infocity Limited
  2. L&T Southcity Projects Limited
  3. L&T Tech Park Limited
  4. Hyderabad International Trade Expositions Limited
  5. L&T Infrastructure Development Projects Limited  
(w.e.f October 11, 2011)

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)****b) Transaction with related parties:**

(Amount in ₹)

Sl. No.	Nature of Transaction	Amount of Transaction	Amount Due to	Amount Due from
<b>1</b>	<b>L&amp;T Urban Infrastructure Limited - Holding Company</b>			
	i) Business support services	Nil	Nil	Nil
		(108,411)	(97,570)	Nil
	ii) Cost of services paid	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)
	iii) Inter corporate deposit received	3,344,900,000	532,698,550	Nil
		(50,000,000)	(Nil)	(Nil)
	iv) Inter corporate deposit repaid	281,220,1450	Nil	Nil
		Nil	Nil	Nil
	v) Interest expense on inter corporate deposit	257,759,608	13,904,277	Nil
		(234,247)	(Nil)	(Nil)
	vi) Corporate advisory and management service fee	Nil	Nil	Nil
		(8,713,700)	(7,842,329)	(Nil)
	vii) Reimbursement of expenses paid	7,000	7,000	Nil
		(Nil)	(Nil)	(Nil)
	viii) Reimbursement of expenses received	Nil	Nil	Nil
		(138,058)	(Nil)	(138,058)
<b>2</b>	<b>L&amp;T Infrastructure Development Projects Limited</b>			
	i) Business support services	Nil	Nil	Nil
		(93,983)	(24,481)	(Nil)
	ii) Cost of services paid	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)
	i) Reimbursement of expenses paid	4,902	Nil	Nil
		(19,355)	(Nil)	(Nil)
	iv) Reimbursement of expenses received	Nil	Nil	Nil
		(128,233)	(Nil)	(Nil)
<b>3</b>	<b>Larsen &amp; Toubro Limited - Ultimate Holding Company</b>			
	i) Construction services received	Nil	Nil	Nil
		(29,353,854)	(Nil)	(Nil)
	ii) Engineering & Design	Nil	Nil	Nil
		(378,593)	(Nil)	(Nil)
	iii) Cost of Services paid	Nil	Nil	Nil
		(795,142)	(795,142)	(Nil)
	iv) Cost of Services received	Nil	Nil	Nil
		(1,061,668)	(Nil)	(224,499)
	v) Reimbursement of expenses paid	201,645	834,728	Nil
		(4,696,062)	(122,285)	(Nil)
	vi) Reimbursement of expenses received	200,000	Nil	Nil
		(283,673)	(Nil)	(Nil)
<b>4.</b>	<b>L&amp;T Infocity Limited</b>			
	i) ICD Received	Nil	Nil	Nil
		(100,000,000)	(Nil)	(Nil)
	ii) Interest on ICD Paid	Nil	Nil	Nil
		(30,206)	(Nil)	(Nil)
	iii) Reimbursement of expenses paid	Nil	Nil	Nil
		(7,420)	(6,678)	(Nil)

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**

Sl. No.	Nature of Transaction	Amount of Transaction	Amount Due to	Amount Due from
	iv) Reimbursement of expenses received	Nil	Nil	Nil
		5,948	Nil	Nil
<b>5.</b>	<b>L&amp;T Southcity Projects Limited</b>			
	i) Reimbursement of expenses received	Nil	Nil	Nil
		(2,288)	Nil	Nil
<b>6.</b>	<b>L&amp;T Tech Park Limited</b>			
	i) Reimbursement of expenses received	Nil	Nil	Nil
		(7,240)	Nil	Nil
<b>7.</b>	<b>Hyderabad International Trade Expositions Limited</b>			
	i) Reimbursement of expenses received	Nil	Nil	Nil
		(2,642)	Nil	Nil

Notes: a) Figures in brackets relate to previous year.

b) No amounts pertaining to the related parties have been written off or written back during the year. (Previous year ₹ Nil).

21) Basic and Diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS) 20 'Earnings per share':

(Amount in ₹)

Particulars	2012-13	2011-12
Profit / (loss) after tax	(445,863,809)	(906,514)
Number of equity shares outstanding	72,000,000	72,000,000
Weighted average number of equity shares	72,000,000	72,000,000
Earnings per share (Basic and diluted)	(6.193)	(0.013)
Face value of an equity share	10.00	10.00

22) Statement of Profit and loss has been drawn to comply with the provisions of the Companies Act, 1956. However, the Company has not commenced commercial operations.

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

As per our report of even date

For and on behalf of the Board

**SHARP & TANNAN**

Chartered Accountants  
Firm's Registration No. 003792S  
By the hand of

**L. VAIDYANATHAN**

Partner  
Membership No.: 16368

**V. RAVICHANDRAN**

Secretary

**B. RAMAKRISHNAN**

Director

**M. V. SATISH**

Director

Place : Chennai  
Date : May 20, 2013

Place : Chennai  
Date : May 10, 2012