DIRECTORS’ REPORT

Dear Shareholders,

Your Directors present their Fifth Annual Report along with the Audited Accounts for the year ended March 31, 2013.

(1) FINANCIAL RESULTS & OPERATIONS:
During the period under review, the Company did not carry on any business activities. The net balance in the Statement of Income and Expenditure during Pre-operational Period represents preliminary/pre-operative expenses incurred by the Company, charged off as per the policy of the Company.

(2) DIVIDEND:
The Company had no operations during the year under review. The Directors do not recommend any dividend during the current period.

(3) APPROPRIATIONS:
The Directors wish to inform that there were no appropriations to any kind of specific or General reserves of the Company during the year under review as your Company has not commenced its commercial operations.

(4) CAPITAL EXPENDITURE:
During the year under review, the Company did not incur any capital expenditure.

(5) AUDITORS’ REPORT:
The Auditors’ report does not contain any qualifications. The notes to accounts referred to in the Auditors’ Report are self-explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

(6) MATERIAL CHANGES, IF ANY, BETWEEN BALANCE SHEET DATE AND DATE OF DIRECTORS’ REPORT:
There are no material changes to be reported between date of the Balance Sheet and date of the Directors’ Report.

(7) PARTICULARS OF EMPLOYEES:
There are no employees covered by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) rules, 1975.

(8) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT, EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:
   a. The activities of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information in Form A (Rule 2) of Companies (Disclosure of Particulars in Reporting Board of Directors) Rules, 1988.
   b. No technology has been developed and / or imported by way of foreign collaboration.
   c. During the year, the Company has had “nil” foreign exchange earnings and outgo.

(9) DIRECTORS’ RESPONSIBILITY STATEMENT:
Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirms:
1. that in the preparation of the annual accounts, the applicable accounting standards have been followed to the extent applicable and there has been no material departure;
2. that the selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the loss of your Company for that year;
3. that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts have been prepared on a going concern basis; and
5. that proper systems are in place to ensure compliance with all laws applicable to the Company.

(10) DIRECTORS:
At present the Directors of the Company are of Mr. S. Suryanarayanan and Mr. Shailendra Roy. Mr. Shailendra Roy who was appointed as Director in Casual Vacancy caused by resignation of Mr. K. Venkataramanan is liable to retire by rotation and being eligible offer himself for re-appointment.

(11) AUDITORS:
The Auditors, M/s. Sharp & Tannan holds office until the conclusion of the ensuing Annual General Meeting. The Directors recommend that M/s. Sharp & Tannan Chartered Accountants be appointed as Statutory Auditors of the Company at the forthcoming Annual General meeting of the Company to hold office till the conclusion of the next Annual general meeting of the Company.
(12) 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 paid up capital of the Company is presently ₹ 1,00,000 only and hence there is no requirement under the Companies Act, 1956, to appoint a Manager or Managing Director for your Company.

B) REMUNERATION OF DIRECTORS
The Directors are not paid any remuneration by way of sitting fees, etc.

C) INDEPENDENT DIRECTORS
All the members of the Board of the Company are independent in the sense that none of them are involved in the day-to-day management of the Company. Directors are updated about their role, responsibilities and liabilities.

D) NUMBER OF COMPANIES IN WHICH AN INDIVIDUAL MAY BECOME A DIRECTOR
The Company has apprised its Board Members about the restriction on number of other directorships and expects in due course to comply with the same.

E) RESPONSIBILITIES OF THE BOARD
The Company is yet to commence its commercial operations. Directors are regularly updated about their role, responsibilities and liabilities. 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 of the Company.

F) INTERNAL AUDITORS
The Corporate Audit Services department of Larsen & Toubro Limited provides internal audit services to all its group companies including 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 system.

H) SECRETARIAL AUDIT
The Corporate Secretarial Department of Larsen & Toubro Limited provides secretarial services to many of its group companies including the Company.

I) RELATED PARTIES TRANSACTION
As required under the Voluntary Corporate Governance Guidelines, 2009, the Board hereby states that the details of all the related party transactions form part of the accounts as required under AS 18 and the same forms part of this Annual report.

(13) ACKNOWLEDGEMENT:
Your Company maintained cordial relationships with Regulatory Authorities during the period under review. Your Directors are grateful for the support extended by them and look forward to receiving their continued support and encouragement.

For and on behalf of the Board

Place : Mumbai
Date : May 17, 2013

SHAILENDRA ROY       S. SURYANARAYANAN
Director                Director
INDEPENDENT AUDITORS’ REPORT

TO THE MEMBERS OF KESUN IRON AND STEEL COMPANY PRIVATE LIMITED

REPORT ON THE FINANCIAL STATEMENTS
We have audited the accompanying financial statements of KESUN IRON AND STEEL COMPANY PRIVATE LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Income and Expenditure for the year ended March 31, 2013 and the Cash Flow Statement for the year 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 controls 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 Income and Expenditure, of excess of expenditure over income 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 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 directors as on March 31, 2013, and taken on record by the board of directors, we report that 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. 109982W
by the hand of

R. D. KARE
Partner
Membership No. 8820

Place : Mumbai
Date : May 17, 2013
ANNEXURE TO THE AUDITORS’ REPORT
(Referred to paragraph (1) of our report of even date)

1. The Company has no fixed assets and accordingly paragraphs 4(i) (a), (b) and (c) of the Order are not applicable.
2. The Company has no inventories and accordingly paragraphs 4(ii) (a), (b) and (c) of the Order are not applicable.
3. We are informed by Management that there are no companies, firms or other parties that are required to be listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b) to (g) of the Order are not applicable.
4. The Company has no inventories or fixed assets and has no income from the sale of goods and services. Accordingly, reporting under paragraph 4(iv) of the Order is not applicable.
5. According to the information and explanations given to us, there are no transactions with parties that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 and accordingly paragraphs 4(v)(a) and (b) of the Order are not applicable.
6. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The Company has not commenced commercial operations. The Company is in the process of instituting an internal audit system.
8. The Company is not required to maintain cost records under Section 209(1) (d) of the Companies Act, 1956 and accordingly paragraph 4(viii) of the Order is not applicable to the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including income tax, and other material statutory dues as applicable with the appropriate authorities and there were no amounts in respect of such dues outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there were no amounts in respect of income tax, sales tax, service tax, customs duty, wealth tax and excise duty that were under dispute as at March 31, 2013.
10. The Company is in existence for a period of less than five years, hence reporting under paragraph 4(x) is not applicable.
11. The Company has not raised any loans from financial institutions or banks during the year.
12. 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.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. The Company is not dealing or trading in shares or securities.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the period.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
18. The Company has not made any preferential allotment of shares during the reporting period.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

SHARP & TANNAN
Chartered Accountants
Firm’s registration no. 109982W
by the hand of

R. D. KARE
Partner
Membership No. 8820

Place : Mumbai
Date : May 17, 2013
# KESUN IRON AND STEEL COMPANY PRIVATE LIMITED

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

<table>
<thead>
<tr>
<th>Note no.</th>
<th>As at 31.03.2013</th>
<th>As at 31.03.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>₹</td>
<td>₹</td>
</tr>
</tbody>
</table>

## EQUITY & LIABILITIES

1. Shareholders' Funds
   - Share Capital
     A 100,000 100,000
   - Reserves & Surplus
     B (2,515,145) (2,485,556)

   (2,415,145) (2,385,556)

2. Current Liabilities
   - Trade Payables
     C 2,459,320 2,429,956

   TOTAL 44,175 44,400

## ASSETS

1. Current Assets
   - Cash and Bank balances
     D 44,175 44,400

   TOTAL 44,175 44,400

## COMMITMENTS (CAPITAL AND OTHERS)

F(4), G(9)

## CONTINGENT LIABILITIES

F(3), G(4)

## SIGNIFICANT ACCOUNTING POLICIES

F

## OTHER NOTES FORMING PART OF ACCOUNTS

G

---

The accompanying notes form an integral part of the Balance Sheet.

As per our report attached

**FOR AND ON BEHALF OF THE BOARD**

**SHARP & TANNAN**
Chartered Accountants
Firm registration no. 109982W

By the hand of

**R. D. KARE**
Partner
Membership No. 8820

Place: Mumbai
Date: May 17, 2013

**SHAILENDRA ROY**
Director

**S. SURYANARAYANAN**
Director

Place: Mumbai
Date: May 17, 2013

S-1932
STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2013

INCOME

TOTAL REVENUE

EXPENDITURE

Sales, administration and other expenses

TOTAL EXPENDITURE

Excess of expenditure over income before tax

Tax Expense

Current Tax

Excess of expenditure over income after tax

Basic and Diluted Earnings per share

Face value per share

SIGNIFICANT ACCOUNTING POLICIES

OTHER NOTES FORMING PART OF ACCOUNTS

Note no. 2012-2013  2011-2012

INCOME  र  े  र

TOTAL REVENUE  -  -

EXPENDITURE  र  े  र

Sales, administration and other expenses  E  29,589  193,249

TOTAL EXPENDITURE  29,589  193,249

Excess of expenditure over income before tax  (29,589)  (193,249)

Tax Expense

Current Tax  -  -

Excess of expenditure over income after tax  (29,589)  (193,249)

Basic and Diluted Earnings per share  G6  (2.96)  (19.32)

Face value per share  र  10  10

The accompanying notes form an integral part of the Statement of Income and Expenditure.

For and on behalf of the Board

R. D. KARE  SHAILENDRA ROY  S. SURYANARAYANAN
Partner  Director  Director

Membership No. 8820  Firm registration no. 109982W
Date : May 17, 2013  By the hand of

Place : Mumbai  Place : Mumbai
### KESUN IRON AND STEEL COMPANY PRIVATE LIMITED

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

<table>
<thead>
<tr>
<th></th>
<th>2012-2013</th>
<th>2011-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. CASH FLOW FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Loss before tax</td>
<td>(29,589)</td>
<td>(193,249)</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating Loss before working capital changes</strong></td>
<td>(29,589)</td>
<td>(193,249)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/ (Decrease) in trade payables</td>
<td>29,364</td>
<td>178,538</td>
</tr>
<tr>
<td>Cash (used in)/generated from operations</td>
<td>(225)</td>
<td>(14,711)</td>
</tr>
<tr>
<td>Direct taxes refund/(paid)- net</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash (used in)/from Operating Activities</strong></td>
<td>(225)</td>
<td>(14,711)</td>
</tr>
<tr>
<td><strong>B. CASH FLOW FROM INVESTING ACTIVITIES:</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>C. CASH FLOW FROM FINANCING ACTIVITIES:</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net (decrease) / increase in cash and cash equivalents (A + B + C)</strong></td>
<td>(225)</td>
<td>(14,711)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>44,400</td>
<td>59,111</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the year</td>
<td>44,175</td>
<td>44,400</td>
</tr>
</tbody>
</table>

**Notes**
1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3- “Cash Flow Statements” issued under the Companies (Accounting Standard) Rules, 2006.
2. Cash and cash equivalents represent bank balance.

---

As per our report attached

**SHARP & TANNA**
Chartered Accountants
Firm registration no. 109982W
By the hand of

**R. D. KARE**
Partner
Membership No. 8820
Place : Mumbai
Date : May 17, 2013

For and on behalf of the Board

**SHAILENDRA ROY**
Director
Place : Mumbai
Date : May 17, 2013

**S. SURYANARAYAN**
Director
NOTES FORMING PART OF ACCOUNTS

A SHARE CAPITAL

(i) Share capital Authorised, Issued and Subscribed:

Authorised:
- Equity shares of ₹ 10 each
  Nos. 10,000  ₹ 100,000

Issued:
- Equity shares of ₹ 10 each fully paid up
  Nos. 10,000  ₹ 100,000

Subscribed and paid up:
- Equity shares of ₹ 10 each fully paid up
  Nos. 10,000  ₹ 100,000
  (out of the above, 9500 equity shares are held by Larsen & Toubro Limited, the holding company)
  TOTAL 100,000

(ii) Shareholders holding more than 5% of equity shares as at the end of the year:

As at 31.03.2013

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Nos.</th>
<th>Shareholding %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larsen and Toubro Limited</td>
<td>9,500</td>
<td>95</td>
</tr>
<tr>
<td>(holding company)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As at 31.03.2012

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Nos.</th>
<th>Shareholding %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larsen and Toubro Limited</td>
<td>9,500</td>
<td>95</td>
</tr>
<tr>
<td>(holding company)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(iii) Terms/ rights attached to equity shares:

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

(iv) All the equity shares have been issued for cash consideration.

(v) No bonus shares have been issued during the immediately preceding 5 years ended March 31, 2013.

B. RESERVES & SURPLUS

Excess of expenditure over income:

as per last Balance Sheet  (₹2,485,556)  (₹2,292,307)
excess of expenditure over Income for the year  (₹29,589)  (₹193,249)
  TOTAL  (₹2,515,145)  (₹2,485,556)

C. TRADE PAYABLES

Due to related party (Larsen and Toubro Limited)  ₹2,436,569  ₹2,417,823
Due to others  ₹22,751  ₹12,133
  TOTAL  ₹2,459,320  ₹2,429,956
NOTES FORMING PART OF ACCOUNTS (Contd.)

As at 31.03.2013

D. CASH AND BANK BALANCES
Cash and cash equivalents
Balances with banks
44,175
TOTAL
44,175

2012-2013
2011-2012

E. SALES, ADMINISTRATION AND OTHER EXPENSES
Rates & Taxes
2,619
17,352
Subscription fees
–
6,618
Overheads charged by parent company
–
157,463
Filing fees
816
–
Audit Fees
5,000
5,000
Bank Charges
200
–
Professional Fees
1,150
–
Certification Fees
5,000
6,000
Miscellaneous expenses
14,804
816
TOTAL
29,589
193,249

F SIGNIFICANT ACCOUNTING POLICIES

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

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to the contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

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

3. Provisions, contingent liabilities and contingent asset
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.

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.

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; and

c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

4. Commitments
Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follow:
Commitments:
NOTES FORMING PART OF ACCOUNTS (Contd.)

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for
(b) Uncalled liability on shares and other investments partly paid
(c) Funding related commitment to Subsidiary, Associate and Joint Venture Companies
(d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales / procurements made in the normal course of business are not disclosed to avoid excessive details.

5. Operating cycle for Current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project / contract / service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the business.

G NOTES FORMING PART OF ACCOUNTS

1. The Company has not yet commenced commercial operations.
2. Preliminary and Pre-operative expenditure incurred prior to commencement of commercial business operations has been charged to “Statement of Income and Expenditure”.
3. There are no amounts due to Micro and Small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.
4. There are no contingent liabilities as on March 31, 2013.
5. Auditor’s remuneration (excluding service tax) charged to the accounts:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2012-13 (₹)</th>
<th>2011-12 (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Certification work</td>
<td>5,000</td>
<td>6,000</td>
</tr>
</tbody>
</table>

6. Basic and Diluted earnings per share (EPS):

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of expenditure over Income after tax as per accounts (₹)</td>
<td>(29,589)</td>
<td>(1,93,249)</td>
</tr>
<tr>
<td>Weighted average no of shares outstanding</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>EPS (₹)</td>
<td>(2.96)</td>
<td>(19.32)</td>
</tr>
<tr>
<td>Face value per share (₹)</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

7. Related party disclosures:

7.1. List of related party who exercises control.
Larsen & Toubro Limited - Holding Company

7.2. Name of related party with whom transactions were carried out during the year and description of relationship:
Larsen & Toubro Limited - Holding Company

7.3 Disclosure of related party transactions:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement of pre-operative expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>by Larsen &amp; Toubro Limited</td>
<td>₹ 18,746</td>
<td>₹ 18,631</td>
</tr>
<tr>
<td>Due to Holding Company:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Larsen &amp; Toubro Limited</td>
<td>₹ 24,36,569</td>
<td>₹ 24,17,823</td>
</tr>
</tbody>
</table>

7.4. Amount due to related party

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to Holding Company:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Larsen &amp; Toubro Limited</td>
<td>₹ 24,36,569</td>
<td>₹ 24,17,823</td>
</tr>
</tbody>
</table>

8. Expenditure in foreign currency: NIL

9. Estimated amount of contracts remaining to be executed on capital account (net of advances) : NIL

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

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm registration no. 109982W
By the hand of

R. D. KARE
Partner
Membership No. 8820

Place : Mumbai
Date : May 17, 2013

For and on behalf of the Board

SHAILENDRA ROY
Director

S. SURYANARAYANAN
Director

Place : Mumbai
Date : May 17, 2013