

DIRECTORS' REPORT

On behalf of the Board of Directors, it gives me pleasure in presenting the Eighth Annual Report and Audited Accounts of Larsen & Toubro Qatar LLC for the period ending 31st December, 2012.

MAJOR ACTIVITIES

During the year 2012 there is no major activity in your company. The Company continued its operation without any new project being quoted.

During the year efforts had been put-in by the project management team of L&T Qatar LLC & HBK Contracting WLL JV (50:50) on Doha 2006 Asian Games village / Hamad Medical City project by submitting extra claim to mitigate the total loss. JV prepared total claims as follows.

1. Prolongation Cost	₹ 11.23 Crs
2. Escalation Cost	₹ 1.00 Crs
3. Disputed Variation & other cost	₹ 15.34 Crs
TOTAL CLAIM	₹ 27.57 Crs

Claim Consultant, M/s Systech, has been appointed to review, improvise and pursue our claim with the client under the guidance of Shk Ali Bin Hamad K. Al Thani, CMD of HBK Group of Companies (our JV partner).

FINANCIAL RESULTS

We have reported a turnover of ₹ Nil and Profit of ₹ Nil for the year 2012 and the accumulated loss is ₹ 29.32 Crs as at 31st Dec 2012. Income earned on facilities charges & Profit on sale of Fixed Assets (₹ 0.03 Crs) & Income earned out of PMS Services to LTQ - HBK JV (₹ 0.27 Crs) has been utilized for statutory & consultation expenses of the company.

CAPITAL EXPENDITURE

Based on the approval given to sell the P&M assets and vehicles, all the available assets were sold during the year. The Net Fixed Assets as at 31.12.2012 is ₹ Nil.

PERSONNEL

We continue to keep just 2 staff in the roll as authorised signatories in the company to ensure compliance.

AUDITORS REPORT

The Auditor's Report to the shareholders does not contain any qualifications. The notes to the accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further comments of Directors.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the company confirm:

- 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 judgements 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 31st December, 2012.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the commercial law for safeguarding the assets of the company and proper internal control system has been established for preventing and detecting fraud and other irregularities.
- that the annual accounts have been prepared on a going concern basis; and
- that proper systems are in place to ensure compliance of all laws applicable to the Company.

PROSPECTS FOR THE COMPANY

The country Qatar, the highest per-capita income country in the world, in which your company is registered and operating has adopted sound and balanced economic policy aiming at achievement of sustainable economic development by increasing private sector contribution in economic development and encouraging inflows of direct foreign investment.

Despite the global financial crisis, Qatar has maintained its economic growth of the last several years. Qatar's GDP of \$ 172 Billion has expanded by 19% on real terms during the year 2012.

Qatar has won the rights to host the 2022 world cup football and expected to spend around \$ 150 Bn for the same on construction of various infra-structures such as stadiums, railways, hotels, roads, bridges, etc.

The Government has also announced that Qatar is aiming to have business rules comparable to international norms wherein there will be no need for sponsors, in selected sectors, for International companies to operate in the country.

For and on behalf of the Board

Place : Chennai
Date : May 17, 2013

S. N. SUBRAHMANYAN
Director

B. RAMAKRISHNAN
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of LARSEN & TOUBRO Qatar LLC

Report on the Financial Statements

The financial statements of **LARSEN & TOUBRO QATAR L.L.C.** for the year ended December 31, 2012, being a Company registered in the Qatar, have been audited by Abid Al Chaa & Co., Chartered Accountants, Doha, Qatar ("the Component Auditors") and we have been furnished with their audit report dated March 5, 2013 on which we have placed reliance for the purpose of giving our opinion.

We are presented with the financial statements in Indian Rupees prepared on the basis of aforesaid financial statements in Qatari Riyals to comply with the requirements of section 212 of the Companies Act, 1956. We give our report hereunder:

We have audited the accompanying financial statements of Larsen & Toubro Qatar L.L.C. ("the Company"), which comprise the Balance Sheet as at December 31, 2012 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"), to the extent applicable to the Company. 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 December 31, 2012;
- b) in the case of the Statement of Profit and Loss, of the result (with no profit or 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. 11 accompanying the financial statements which states that the financial statements have been prepared on going concern basis, even though the Company has accumulated losses. 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, to the extent applicable to the Company.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow statement comply with the accounting standards referred to in subsection (3C) of Section 211 of the Act, to the extent applicable to the Company;
 - e) as regards reporting on the disqualification of Directors u/s 274 (1) (g) of the Indian Companies Act, 1956, since the Company is registered in Qatar, no reporting is required to be made under the said section.

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

L. VAIDYANATHAN
Partner
Membership No. 16368

Place : Chennai
Date : May 17, 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 Larsen & Toubro Qatar L.L.C on the financial statements for the year ended December 31, 2012 and based on our communication with the Component Auditors by way of Group Audit Deliverables, we report that:

- (i) The Company does not carry any fixed assets in its books and accordingly, reporting under clauses 4 (i) (a), (b) and (c) of the Order relating to fixed assets does not arise.
- (ii) The Company does not carry any inventory in its books and accordingly, reporting under clauses 4 (ii) (a), (b) and (c) of the Order relating to inventory does not arise.
- (iv) (a) In our opinion, and according to the information and explanations given to us by the Component Auditors, there exists 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 by the Component Auditors, there is no continuing failure to correct major weaknesses in the aforesaid internal control system.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (ix) The Company being registered in Qatar, has no statutory liabilities in India and accordingly reporting for clauses 4 (ix) (a) and (b) of the Order does not arise. However, according to the information and explanations given to us by the Component Auditors, the Company has complied with all local laws applicable to it.
- (x) The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) As per the information and explanations given by the Component Auditors, we are of the opinion that 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 by the Component Auditors, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion, the Company is not a dealer or a trader of shares, securities, debentures and other investments. Accordingly, reporting under clause 4(xiv) of the Order does not arise.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not availed any term loans during the year covered by our audit and hence reporting on the application of the term loans for the purpose for which they were availed does not arise.
- (xvii) According to the information and explanations given to us by the Component Auditors, and on an overall examination of the Balance Sheet of the Company, we report that no funds have been raised on short-term basis. Hence reporting on the usage of the same does not arise.
- (xix) The Company has not issued any debentures during the year and accordingly, no security or charge need to be created.
- (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 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 by the Component Auditors, 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 cases by management.

The clauses (iii), (v), (vi), (viii), (xiii) and (xviii) of the Order are not applicable to the company since it is registered outside India and hence no reporting has been made.

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

L. VAIDYANATHAN
Partner
Membership No. 16368

Place : Chennai
Date : May 17, 2013

BALANCE SHEET AS AT DECEMBER 31, 2012

	Note No.	As at 31.12.2012 ₹	As at 31.12.2011 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	2,388,000	2,388,000
(b) Reserves and surplus	3	(356,981,403)	(344,728,206)
		(354,593,403)	(342,340,206)
Current liabilities			
(a) Other current liabilities	4	401,647,634	388,942,817
TOTAL		47,054,231	46,602,611
ASSETS			
Non-current assets			
(a) Non-current investments	5	1,278,250	1,278,250
Current assets			
(a) Cash and cash equivalents	6	8,956,644	9,772,750
(b) Short-term loans and advances	7	36,819,337	35,551,611
		45,775,981	45,324,361
TOTAL		47,054,231	46,602,611
CONTINGENT LIABILITIES AND COMMITMENTS	8		
SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date

For SHARP & TANNAN

Chartered Accountants
Firm's Registration No: 003792S

For and on behalf of the Board

L. VAIDYANATHAN

Partner
Membership No. 16368

Place : Chennai
Date : May 17, 2013

S. N. SUBRAHMANYAN

Director

Place : Chennai
Date : May 17, 2013

B. RAMAKRISHNAN

Director

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

		2012	2011
	Note No.	₹	₹
REVENUE			
Other Income	9	596,476	5,158,589
Total Revenue		596,476	5,158,589
EXPENSES			
Sales, administration and other expenses	10	596,476	3,783,859
Depreciation expense		—	1,374,730
Total expenses		596,476	5,158,589
Profit before and after tax		—	—
Earnings per share (Basic and diluted)	14	—	—
Face value per ordinary share (in Qatari Riyal)		1,000	1,000
SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date

For SHARP & TANNAN

Chartered Accountants

Firm's Registration No: 003792S

For and on behalf of the Board

L. VAIDYANATHAN

Partner

Membership No. 16368

Place : Chennai

Date : May 17, 2013

S. N. SUBRAHMANYAN

Director

B. RAMAKRISHNAN

Director

Place : Chennai

Date : May 17, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 ₹	2011 ₹
A. Cash flow from operating activities		
Net profit before tax	–	–
Adjustments for		
Depreciation	–	1,374,730
(Profit) / loss on sale of fixed assets	–	(284,112)
Translation difference	(12,253,197)	(53,902,047)
Operating profit / (loss) before working capital changes	(12,253,197)	(52,811,429)
(Increase) / decrease in trade and other receivables	–	148,155
(Increase) / decrease in loans and advances	(1,267,726)	(3,771,859)
Increase / (decrease) in trade and other payables	12,704,817	56,229,760
Cash (used in) / generated from operations	(816,106)	(205,373)
Direct taxes paid / (refund)	–	–
Net cash (used in) / from operating activities (A)	(816,106)	(205,373)
B. Cash Flow from investing activities		
(Increase) / decrease in the opening value of fixed assets and depreciation due to exchange difference	–	(243,394)
Sale of fixed assets	–	1,768,558
Net Cash (used in) / from investing activities (B)	–	1,525,164
C. Cash Flow from financing activities		
Net cash (used in) / from financing activities (C)	–	–
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(816,106)	1,319,791
Cash and cash equivalents at beginning of the year	9,772,750	8,452,959
Cash and cash equivalents at end of the year	8,956,644	9,772,750

Notes:

1. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS) 3 "Cash Flow Statements" as specified by the Companies (Accounting Standards) Rules, 2006, as amended.
2. Cash and cash equivalents comprise cash on hand and balances with banks on current accounts.
3. Figures for the previous year have been regrouped / reclassified wherever applicable.

As per our attached report of even date

For SHARP & TANNAN

Chartered Accountants
Firm's Registration No: 003792S

For and on behalf of the Board

L. VAIDYANATHAN

Partner
Membership No. 16368

Place : Chennai
Date : May 17, 2013

S. N. SUBRAHMANYAN

Director

Place : Chennai
Date : May 17, 2013

B. RAMAKRISHNAN

Director

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS

Note 1 : SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

The Company maintains its accounts on accrual basis following the historical cost convention, in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") and in compliance with the provisions of the Companies Act, 1956 and Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 (as amended). However, certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities.

ii) Use of estimates

The preparation of financial statements in conformity with Indian 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 life of tangible and intangible fixed assets, allowance for doubtful debts / advances, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

iii) Fixed Assets

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

iv) 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 periods.

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

v) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of assets as follows:

- a. Machinery and other equipment at 15%.
- b. Vehicles, Furniture and Fixtures at 20%.

The above rates are higher than the rates specified under Schedule XIV of the Companies Act 1956 for the respective categories.

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

vi) Cash and bank balances

Cash and bank balances includes fixed deposit, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

vii) Retirement/Termination Benefits

Accruals for employees end of service benefits comprising of leave salary and end of service gratuity for expatriates is in accordance with company's rules and is based on the liability which would arise if the employment of all staff were terminated at the year end.

For Qatari nationals, provision for end of service gratuity payable is in accordance with local labour laws.

viii) Taxation

Tax on income for the current period is determined on the basis of taxable income and tax credit is computed in accordance with law of income tax on companies in Qatar.

ix) Revenue Recognition

- a. Revenue is recognized based on nature of activity when consideration can be reliably measured and there exists reasonable certainty of its recovery.
- b. Contract revenue comprising the total value of construction work performed during the year is recognized on a percentage of completion basis. The percentage of completion is determined on the basis of progress of each contract measured by reference to proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. No profit is recognized until a contract has progressed to the point where the ultimate realizable profit can be reasonably determined. Provision is made for all losses incurred to the accounting date together recorded on the basis of progress bills prepared by the company and are considered as revenue to the extent that they are probable of being certified and recovered
- c. Other items of income are accounted as and when the right to receive arises.

x) Foreign currency translations

The reporting currency of the Company is Qatari Riyals. Accounts are translated in Indian Rupees as follows:

- a. Share capital is retained at the initial contribution amount.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (Contd.)

- b. Fixed and Current assets and Current liabilities are translated at year-end rates.
- c. Revenue transactions are translated at the average rates.
- d. The resultant difference is accounted as translation reserve in the Balance Sheet.

xi) Operating cycle for current/non-current classification

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

xii) Provisions, contingent liabilities and contingent assets

- a. Provisions are recognised 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.
- b. Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if, obligation is settled.
- c. Contingent liability is disclosed in the case of:
 - i. a present obligation arising from 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;
 - iii. a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- d. Contingent assets are neither recognised nor disclosed.
- e. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Note 2 : SHARE CAPITAL

Particulars	As at 31.12.2012		As at 31.12.2011	
	Numbers	₹	Numbers	₹
Authorised:				
Ordinary shares of Qatari Riyal 1,000 each	200	2,388,000	200	2,388,000
Issued, subscribed and fully paid up:				
Ordinary shares of Qatari Riyal 1,000 each	200	2,388,000	200	2,388,000
TOTAL	200	2,388,000	200	2,388,000

a) Reconciliation of shares outstanding at the beginning and at the end of the year

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

b) Terms / rights attached to equity shares

- (i) The Company has only one class of equity shares having a par value of Qatari Riyal 1,000/- each. Each holder of equity share is entitled to one vote per share.
- (ii) All shares issued carry equal rights for dividend declared by the Company. There are no restrictions attached for any specific shareholder.
- (iii) The Company has not issued any securities with the right/option to convert the same into equity shares at a later date.
- (iv) The Company has not declared any dividend during the year (*Previous year ₹ Nil*)

c) Shares held by the holding company

Name of shareholder	As at 31.12.2012		As at 31.12.2011	
	Numbers	₹	Numbers	₹
Al-Jazeera International Trading Co. L.L.C.	102	1,217,880	102	1,217,880
Larsen & Toubro International FZE, Sharjah, United Arab Emirates	98	1,170,120	98	1,170,120
(Ordinary shares of Qatari Riyal 1,000 each fully paid)				
TOTAL	200	2,388,000	200	2,388,000

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (Contd.)**d) Equity shares in the company held by each shareholder holding more than 5 percent shares**

Name of shareholder	As at 31.12.2012		As at 31.12.2011	
	Numbers	% holding	Numbers	% holding
Al-Jazeera International Trading Co. L.L.C.	102	51%	102	51%
Larsen & Toubro International FZE, Sharjah, United Arab Emirates	98	49%	98	49%
TOTAL	200	100%	200	100%

e) 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.

f) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Note 3 : RESERVES AND SURPLUS

	As at 31.12.2012		As at 31.12.2011	
	₹	₹	₹	₹
Legal reserve [Refer Note (a) below]				
As per last Balance Sheet		760,651		760,651
Foreign currency translation reserve		(64,458,573)		(52,205,376)
Surplus / (deficit)				
As per last Balance Sheet	(293,283,481)		(293,283,481)	
Profit / (loss) for the year	—		—	
		(293,283,481)		(293,283,481)
TOTAL		(356,981,403)		(344,728,206)

a) Legal reserve represents amount transferred as per the provisions of Qatari Companies Act and the same is not available for distribution / appropriation.

NOTE 4 : OTHER CURRENT LIABILITIES

	As at 31.12.2012		As at 31.12.2011	
	₹	₹	₹	₹
Due to related parties:				
Holding company	339,100,661		327,424,947	
Joint venture	35,876,819		34,641,531	
		374,977,480		362,066,478
Other liabilities		26,670,154		26,876,339
TOTAL		401,647,634		388,942,817

a) The Company does not have any taxable income for the year and hence no provision for tax has been made as per the law of income tax on Companies in Qatar.

Additional tax liability that may arise in future on finalization of pending tax assessments for the tax years 2007 to 2011 is not expected to be material to the company's financial position, and would be paid for and accounted in the financial statements of the year in which the tax assessments are finalized.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (Contd.)

	As at 31.12.2012 ₹	As at 31.12.2011 ₹
NOTE 5 : NON-CURRENT INVESTMENTS (At cost unless otherwise specified)		
Trade investments		
Investments in unquoted equity instruments - fully paid		
Joint Ventures		
Larsen & Toubro Qatar & HBK Contracting Co. WLL (100 shares of Qatari Riyal 1,000 each fully paid)	1,278,250	1,278,250
TOTAL	1,278,250	1,278,250
(a) Aggregate amount of unquoted investments	1,278,250	1,278,250
NOTE 6 : CASH AND CASH EQUIVALENTS		
Balances with banks on current accounts	8,767,183	9,735,827
Cash on hand	189,461	36,923
TOTAL	8,956,644	9,772,750
NOTE 7 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances to Joint venture	36,688,700	35,425,472
Advances to suppliers	130,637	126,139
TOTAL	36,819,337	35,551,611
NOTE 8 : CONTINGENT LIABILITIES AND COMMITMENTS		
(a) Contingent liabilities	Nil	Nil
(b) Commitments	Nil	Nil
	2012	2011
	₹	₹
NOTE 9 : OTHER INCOME		
Profit on sale of fixed assets (net)	–	284,112
Provision no longer required written back	596,476	–
Income from lease of fixed assets	–	2,186,667
Cost of services received	–	2,687,810
TOTAL	596,476	5,158,589
NOTE 10 : SALES, ADMINISTRATION AND OTHER EXPENSES		
Rates and taxes	293,436	131,028
Professional fees	–	940,484
Auditors' remuneration [Refer Note (a) below]	296,850	268,775
Repairs and Maintenance - Others	–	2,433,425
Bank charges	2,969	8,534
Miscellaneous expenses	3,221	1,613
TOTAL	596,476	3,783,859
(a) Auditor's remuneration (paid to overseas auditor only) charged to the Statement of Profit and Loss is as follows:-		
Statutory audit fees	296,850	268,775

NOTE 11 :

The accumulated losses of the Company of ₹ 293,283,481 have exceeded the paid-up share capital and free reserves as at December 31, 2012. However the financial statements are prepared on a going concern basis and the holding company through management control, Larsen & Toubro International FZE, United Arab Emirates, has agreed to provide unconditional financial support to the Company, to continue its operations and enable it discharge its obligations as and when they fall due.

NOTES ACCOMPANYING THE FINANCIAL STATEMENTS (Contd.)**NOTE 12 : DISCLOSURE OF RELATED PARTY AND TRANSACTIONS WITH RELATED PARTIES****i. List of related parties who exercise control over the Company:**

S.No	Name of related party	Relationship
1	Larsen & Toubro Limited	Ultimate Holding Company
2	Al Jazeera International Trading Company L.L.C.	Holding Company
3	Larsen & Toubro International FZE	Holding Company (Management control)

ii. List of related parties with whom transactions were carried out during the year and description of relationship

S.No	Name of related party	Relationship
1	Larsen & Toubro International FZE	Holding Company (Management control)
2	Larsen & Toubro Qatar & HBK Contracting Co. W.L.L	Joint Venture

iii. Disclosure of related party transactions

Related Party	Nature of relationship	Nature of transaction	Transaction during the year (₹)	Amount Outstanding (₹)	
				Due from Related Party	Due to Related Party
Larsen & Toubro Limited	Ultimate holding Company	Service and overhead charges (income)	– (2,186,727)		– (–)
Larsen & Toubro International FZE	Holding Company	NA	– (–)		339,100,661 (327,424,947)
Larsen & Toubro Qatar & HBK Contracting Co. W.L.L	Joint Venture	Cost of services received	– (2,687,810)		35,876,819 (34,641,531)
		Advances paid	– (–)	36,688,700 (35,425,472)	

Note: Figures in bracket represents amounts for the previous year.

iv. No amounts pertaining to related parties have been written off or written back during the year.**NOTE 13 :**

The Company is engaged only in the business of construction related activity and hence no reporting has been made as per the requirements under Accounting Standard 17 on Segment Reporting. Further the entire operation of the Company is in Qatar only and hence no secondary segment reporting has been made.

NOTE 14 :**Basic and diluted Earnings per Share ("EPS") computed in accordance with Accounting Standard (AS) 20 "Earnings per Share"**

Particulars			2012	2011
Profit / (loss) after tax as per accounts	A	(₹)	–	–
Number of ordinary shares outstanding	B	(Nos.)	200	200
Earnings per share (basic and diluted)	C = A / B	(₹)	–	–
Face value of an equity share		(Qatari Riyal)	1,000	1,000

NOTE 15 :

The financial statements have been prepared and presented under the revised Schedule VI to comply with the notification made under the Companies Act, 1956. Accordingly, the Company has regrouped and reclassified the figures for the previous year to conform to the classification of the current year.

As per our attached report of even date

For SHARP & TANNAN

Chartered Accountants

Firm's Registration No: 003792S

For and on behalf of the Board

L. VAIDYANATHAN

Partner

Membership No. 16368

Place : Chennai

Date : May 17, 2013

S. N. SUBRAHMANYAN

Director

B. RAMAKRISHNAN

Director

Place : Chennai

Date : May 17, 2013