

DIRECTORS' REPORT

Your Directors have pleasure in presenting the First Annual Report and Accounts for the period ended March 31, 2010.

1. FINANCIAL RESULTS

During the year under review, the Company did not carry on any business activities. The net balance in the Statements of Income and Expenditure during pre-operational period represents preliminary / pre-operative expenses incurred by the Company, charged off during the period under review.

2. DIVIDEND

The Company is a newly incorporated Company and is in the process of setting up its operations and therefore the Directors do not recommend any dividend for the current period.

3. CAPITAL EXPENDITURE

During the period under review, the Company did not incur any capital expenditure.

4. AUDITORS

The Auditors, M/s Sharp & Tannan, hold office until the conclusion of the ensuing Annual General Meeting. The Directors recommend that M/s Sharp & Tannan, Chartered Accountants be appointed as the 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.

5. AUDITORS' REPORT

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.

6. DIRECTORS

The first Directors of the Company are Mr. V. K. Magapu, Mr. R. Shankar Raman and Mr. N. Hariharan.

Mr. R. Shankar Raman resigned from the Board of Directors with effect from January 6, 2010.

Mr. Abhay Kelkar was appointed as an Additional Director with effect from January 6, 2010. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956 in respect of the above person, proposing his appointment as a Director of the Company. Resolutions seeking approval of the Shareholders for his appointment has been incorporated in the Notice of the forthcoming Annual General Meeting.

Mr. V. K. Magapu is liable to retire by rotation and eligible for re-appointment.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- I. that in the preparation of the annual accounts, the Accounting Standards have been followed to the extent applicable and there has been no material departure;
- II. 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 March 31, 2010;
- III. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV. that the annual accounts have been prepared on a going concern basis.

8. DISCLOSURE OF PARTICULARS

The Company did not carry on business activities and hence there are no particulars to be disclosed as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

9. PARTICULARS OF EMPLOYEES U/S 217(2A)

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.

10. ACKNOWLEDEMENT

The Directors acknowledge the invaluable support extended to the Company by the bankers, staff and management of the parent Company.

For and on behalf of the Board

Place : Mumbai
Date : May 17, 2010

V. K. MAGAPU
Director

N. HARIHARAN
Director

ABHAY KELKAR
Director

AUDITORS' REPORT

TO THE SHAREHOLDERS OF L&T TECHNOLOGIES LIMITED

We have audited the attached Balance Sheet of L&T TECHNOLOGIES LIMITED as at March 31, 2010 and also the Statement of Income and Expenditure during the pre-operational period from April 2, 2009 (date of incorporation) to March 31, 2010 and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of Section 227 of the Companies Act, 1956, we report that:

- 1 As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2 Further to our comments in paragraph 1 above, 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, Income and Expenditure Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Income and Expenditure Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable; and
 - (e) on the basis of the written representations received from directors as on March 31, 2010 and taken on record by the board of directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Cash Flow Statement read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of the Company's affairs as at March 31, 2010;
- (ii) in the case of the Statement of Income and Expenditure during the pre-operational period, of the excess of expenditure over income for the period ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

SHARP & TANNAN
Chartered Accountants
(ICAI Registration No. 109982W)
By the hand of

R. D. KARE
Partner
Membership No. 8820

Place : Mumbai
Date : May 17, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in 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) are not applicable.
- 3 (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the Order are not applicable.
(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(f) and (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) 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 hence, 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 is not a listed Company and does not have paid up capital and reserves exceeding Rs. 50 Lakhs at the commencement of the year and also the Company has no turnover during the period. Accordingly, paragraph 4(vii) of the Order is not applicable.
- 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 as applicable with the appropriate authorities and there were no amounts in respect of such dues outstanding as at March 31, 2010 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, 2010.
- 10 The Company is in existence for a period of less than 5 years and hence, reporting under paragraph 4(x) is not applicable.
- 11 The Company has not raised any loans from banks or financial institutions 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 or 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 any guarantees for loans taken by others from banks or financial institutions.
- 16 The Company has not taken any term loans during the year.
- 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 year.
- 19 The Company has not issued debentures during the period.
- 20 The Company has not raised any money by public issues during the period.
- 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
(ICAI Registration No. 109982W)
By the hand of

Place : Mumbai
Date : May 17, 2010

R. D. KARE
Partner
Membership No. 8820

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at 31.03.2010	
		Rupees	Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A		500,000
TOTAL			500,000
APPLICATION OF FUNDS			
Current Assets, Loans and Advances			
Cash and Bank Balances	B	500,000	
Loans and Advances		-	
		500,000	
Less: Current Liabilities & Provisions			
Liabilities	C	34,458	
Provisions		-	
		34,458	
Net Current Assets			465,542
Profit and Loss Account			34,458
TOTAL			500,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS			
	E		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI Registration No. 109982W)
By the hand of

R. D. KARE

Partner
Membership No. 8820

Place : Mumbai
Date : May 17, 2010

V. K. MAGAPU

Director

Place : Mumbai
Date : May 17, 2010

ABHAY KELKAR

Director

N.HARIHARAN

Director

STATEMENT OF INCOME AND EXPENDITURE FOR THE PRE-OPERATIONAL PERIOD FROM APRIL 2, 2009 TO MARCH 31, 2010

	Schedule	For the period 02.04.2009 to 31.03.2010 Rupees
INCOME		
Other Income		-
TOTAL		-
EXPENDITURE		
Sales, administration and other expenses	D	34,458
TOTAL		34,458
Excess of Expenditure over Income for the year before Tax		(34,458)
Provision for Tax		-
Excess of Expenditure over Income for the year after Tax		(34,458)
Balance carried to Balance sheet		(34,458)
Basic and Diluted Earnings per share		(0.69)
Face value per share		10
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	E	

The Schedules referred to above form an integral part of Statement of Income and Expenditure.

As per our report attached

For and on behalf of the Board

SHARP & TANNAN

*Chartered Accountants
(ICAI Registration No. 109982W)
By the hand of*

R. D. KARE

*Partner
Membership No. 8820*

*Place : Mumbai
Date : May 17, 2010*

V. K. MAGAPU

Director

*Place : Mumbai
Date : May 17, 2010*

ABHAY KELKAR

Director

N.HARIHARAN

Director

CASH FLOW STATEMENT FOR THE PERIOD APRIL 2, 2009 TO MARCH 31, 2010

	For the period 02.04.2009 to 31.03.2010 Rupees
A. Cash Flow from Operating Activities	
Net Loss before tax	(34,458)
Adjustments for	
Dividend received	-
Depreciation (including obsolescence), amortisation and impairment	-
Prior period items	-
Unrealised foreign exchange difference - net (gain) / loss	-
Interest (net)	-
(Profit) / Loss on sale of fixed assets (net)	-
(Profit) / Loss on sale of investments (net)	-
Provision / (Reversal) for diminution in value of investments	-
Operating profit before Working Capital changes	(34,458)
Adjustments for	
(Increase) / Decrease in trade and other receivables	-
(Increase) / Decrease in inventories	-
(Increase) / Decrease in miscellaneous expenditure	-
Increase / (Decrease) in trade payables	34,458
Cash generated from Operations	-
Direct taxes refund / (paid) - net	-
Net Cash from Operating Activities (A)	-
B. Cash flow from Investing Activities	
Purchase of fixed assets	-
Sale of fixed assets (Including monies received as advance)	-
Purchase of investments	-
Sale of investments	-
Loans / Deposits made with subsidiaries / associates and third parties (net)	-
Advance towards equity commitment	-
Interest received	-
Dividend received from subsidiaries	-
Dividend received from other investments	-
Cash received on Sale of Business	-
Net Cash (used in) / from Investing Activities (B)	-
C. Cash flow from Financing Activities	
Issue of Equity Shares	500,000
Net Proceeds to / from HO	-
Proceeds from long term borrowings	-
Repayment of long term borrowings	-
(Repayments) / Proceeds from other borrowings (net)	-
Loans (to) / from subsidiaries / associates (net)	-
Interest paid	-
Net Cash (used in)/ from Financing Activities (C)	500,000
Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)	500,000
Cash and Cash Equivalents at beginning of the period	-
Cash and Cash Equivalents at end of the period	500,000

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

For and on behalf of the Board

SHARP & TANNAN

Chartered Accountants
(ICAI Registration No. 109982W)
By the hand of

R. D. KARE

Partner
Membership No. 8820

Place : Mumbai
Date : May 17, 2010

V. K. MAGAPU

Director

Place : Mumbai
Date : May 17, 2010

ABHAY KELKAR

Director

N.HARIHARAN

Director

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**SCHEDULE - E****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

1. The Company was incorporated on April 2, 2009. Accordingly, the accounts are drawn up for the period from April 2, 2009 to March 31, 2010. The Income and Expenditure Statement has been prepared to comply with the provision of the Companies Act, 1956.
2. 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 contingent liabilities as of the date of the financial statements. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.
3. The Company has not yet commenced commercial operations.
4. There are no amounts due to Micro and Small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006.
5. Related party disclosures
 - 5.1. List of Related party who exercise control

Larsen & Toubro Limited	- Holding Company
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 - 5.2. List of Related party with whom transactions were carried out during the year and description of relationship

Larsen & Toubro Limited	- Holding Company
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 - 5.3. Disclosure of Related party transactions

	2009-2010
Reimbursement of expenses by Larsen & Toubro Limited	Rs. 29,458
 - 5.4. Amount due to Related party

	2009-2010
Due to Holding Company, Larsen & Toubro Limited	Rs. 29,458
6. Auditors' remuneration (excluding Service Tax) and expenses charged to the accounts

	2009-2010
Audit fee	Rs. 5,000
7. Basic and diluted Earnings per Share (EPS) computed in accordance with Accounting Standard (AS) 20 - "Earnings per Share"
Basic and Diluted

		2009-2010
(Loss) as per accounts (Rupees)	A	(34,458)
Weighted average number of Shares	B	50,000
Basic and Diluted EPS (Rupees)	A/B	(0.69)
8. There are no figures for previous period as the Company came in to existence during the year.
9. The Company does not have any contingent liabilities as at March 31, 2010.

SCHEDULES FORMING PART OF ACCOUNTS (Contd.)

10. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration DetailsRegistration No. State Code Balance Sheet Date
Date Month Year**II. Capital raised during the year** (Amount in Rs. Thousands)Public Issue Rights Issue Bonus Issue Private Placement **III. Position of Mobilisation and Deployment of funds** (Amount in Rs. Thousands)Total Liabilities Total Assets **Sources of Funds**Paid-up Capital Reserves & Surplus Secured Loans Unsecured Loans **Application of Funds**Net Fixed Assets Investments Net Current Assets Misc. Expenditure Accumulated Losses **IV. Performance of Company** (Amount in Rs. Thousands)Turnover Total Expenditure + - Profit / Loss Before Tax + - Profit / Loss After Tax + - Earning Per Share in Rs. Dividend rate % **V. Generic Names of Three Principal Products / Services of the Company** (as per monetary terms)Item Code No.
(ITC Code)Product Description

As per our report attached

For and on behalf of the Board

SHARP & TANNANChartered Accountants
(ICAI Registration No. 109982W)
By the hand of**R. D. KARE**Partner
Membership No. 8820Place : Mumbai
Date : May 17, 2010**V. K. MAGAPU**

Director

Place : Mumbai
Date : May 17, 2010**ABHAY KELKAR**

Director

N.HARIHARAN

Director