

## DIRECTORS' REPORT

The Directors have pleasure in presenting their Report and Accounts for the year ended March 31, 2011.

### FINANCIAL RESULTS

Sl. No.	Particulars	2010-11 Rs. in Lakh	2009-10 Rs. in Lakh
1	<b>Profit Before Depreciation &amp; Tax (PBDT)</b>	<b>1,883.03</b>	63,897.85
2	Depreciation	<b>328.34</b>	106.26
3	<b>Profit / (Loss) before tax (PBT)</b>	<b>1,554.69</b>	63,791.59
4	Provision for taxes	<b>(22.94)</b>	12,620.42
5	<b>Profit / (Loss) after tax (PAT)</b>	<b>1,577.63</b>	51,171.17
6	Balance brought forward from previous year	<b>68,713.88</b>	17,542.71
7	<b>Balance carried to Balance Sheet</b>	<b>70,291.51</b>	68,713.88

### PERFORMANCE OF THE COMPANY

The Directors are happy to inform you that the Company has reported post-tax profits for Rs. 1,577.63 lakhs during the year. As part of the Strategic Plan exercise, it was decided to consolidate the entire equity holding in all Transportation Infrastructure Projects under your Company. The process of consolidation is underway and the same is expected to be completed in the Financial Year 2011-12.

During the year, the Concession for development and operation of Hyderabad Metro Rail system was awarded to L&T. Thereafter L&T and L&TIDPL incorporated a Special Purpose Vehicle under the name and style of L&T Metro Rail (Hyderabad) Limited to implement Hyderabad Metro Rail Project. Consequently, L&T Metro Rail (Hyderabad) Ltd. is now a subsidiary of your Company. Debt requirement of Rs. 11,478 Crores has already been tied up for this prestigious project.

During the year, toll collection commenced at Gandhidham Samakhiali Road project in Gujarat. Financial closure was also achieved for two road projects viz., L&T Devihalli Hassan Tollway Ltd. and L&T Krishnagiri Walajahpet Tollway Ltd. The low toll collection at L&T Panipat Elevated Corridor Ltd. continued during the year and the Company is exploring various alternatives for addressing the challenges being faced by the Project.

Generation of wind-power by the five wind turbine generators in Tamil Nadu has been at expected levels. However, the same could not be consumed captively by the holding company during the financial year. Revenue from this business is expected to improve during the current year once captive consumption commences.

In Urban Infrastructure sector, L&T South City Projects (Eden Park at Siruseri, Chennai) posted impressive results with a net post-tax profit of Rs. 1,289.25 lakhs for the year. L&T Infocity Ltd. reported a higher post-tax profit of Rs. 13,994.02 lakhs during the year.

Your Company is pursuing opportunities in development of urban transportation and transmission line projects. Despite the increase in competition in the roads sector, the prospect for your Company continues to be bright with larger projects expected to be bid out during the current financial year. The Company is yet to commence development of the IT SEZ project at Nagpur and hi-rise mixed development at Colombo. These would be reviewed during the current year and development will be taken up after considering market conditions. The revenue from toll collections are expected to register a robust growth in the current year since certain road projects in Gujarat and Tamil Nadu will commence tolling.

### DIVIDEND

In view of the further funding requirements for some of the Projects of the Company, the Directors do not recommend any dividend for the year 2010-11.

### CAPITAL EXPENDITURE

As at March 31, 2011, while the gross fixed assets of the Company is Rs. 7,226.78 Lakh, the net fixed asset value is Rs. 6,676.37 Lakh after charging a depreciation to the extent of Rs. 550.41 Lakh. Additions to Fixed Assets during the year amounted to Rs. 151.37 lakh.

### DEPOSITS

The Company has not accepted any deposits from the public.

### AUDITORS' REPORT

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

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. Conservation of Energy

The operations of your Company are not energy intensive as Company is not engaged in manufacturing activity and your Company is not under the list of industries which should furnish information in form A (Rule 2).

#### B. Technology Absorption

No technology has been developed and / or imported by way of foreign collaboration.

#### C. Foreign Exchange Earnings and Outgo

During the year, the Company had the following transactions in foreign currency :

## L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED

### Expenditure in Foreign Currency

Professional Fees	–	Rs. 1,96,928
Travel	–	Rs. 12,25,945
Earnings in Foreign Currency	–	Nil

### SUBSIDIARIES

During the year, M/s L&T Halol-Shamlaji Tollway Limited allotted 6,52,34,900 Equity Shares on a Preferential Basis to the Company @ Rs. 10 each. Further, M/s L&T Ahmedabad-Maliya Tollway Limited also made an allotment of 3,40,00,000 Equity Shares on a Preferential Basis to the Company @ Rs. 10 each.

Your Company also acquired stake of M/s Larsen & Toubro Limited in M/s L&T Ahmedabad-Maliya Tollway Limited and M/s L&T Halol-Shamlaji Tollway Limited leaving the holding of M/s Larsen & Toubro Limited to only 100 shares in each of these Companies. Likewise, your Company acquired complete stake of M/s Larsen & Toubro Limited in M/s L&T Transco Private Ltd. thereby making it a 100% subsidiary of your Company. The complete holding of M/s Transco Private Ltd. in M/s L&T Port Kachchigarh Ltd was acquired by your Company during the year.

The statement pursuant to Section 212 of the Companies Act, 1956 containing details of Subsidiaries of the Company, forms part of the Annual Report.

### PARTICULARS OF EMPLOYEES

There are no employees covered by the provisions of the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Mr. K. Venkatesh is the Chief Executive and Manager of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
2. 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, 2011;
3. 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;
4. that the annual accounts have been prepared on a going concern basis; and
5. that proper systems are in place to ensure compliance of all laws applicable to the Company.

### DIRECTORS:

Mr. R. Shankar Raman, Director of the Company retires at the ensuing Annual General Meeting of the Company and being eligible offers himself for appointment.

During the year, Mr. Luis Miranda, Director and representative of IDFC and Mr. Sanjai Vohra, Director and representative of JP Morgan Special Situations (Mauritius) Ltd resigned from the Board of Directors of the Company. Consequent upon the resignation of Mr. Sanjai Vohra from the Board of Directors of the Company, the position of Mr. Shishir Jain as an Alternate Director to Mr. Sanjai Vohra also stood vacated. The Directors took note of the above resignations at the Board Meeting held on 10.5.2010 and expressed their sincere appreciation for their contribution towards the progress of the Company.

As per the nomination of JP Morgan Special Situations (Mauritius) Limited, Mr. Christopher John Nicholas was appointed as a Director of the Company at the Meeting held on 10.5.2010 and Mr. Shishir Jain was appointed as an Alternate Director to Mr. Christopher John Nicholas at the same Meeting.

Consequent upon the sale of JP Morgan's stake in the Company to Larsen & Toubro Limited, Mr. Christopher John Nicholas, representative of JP Morgan Special Situations (Mauritius) Ltd submitted his resignation and it was taken on record at the Board Meeting held on 3.12.2010. The position of Mr. Shishir Jain as an Alternate Director to Mr. Christopher John Nicholas, also stood vacated. The Directors expressed their sincere appreciation for the contribution made by Mr. Christopher John Nicholas and Mr. Shishir Jain towards the progress of the Company.

At the same Board Meeting held on 3.12.2010, Mr. N. Sivaraman also expressed his intention to resign on account of other pre-occupations and his resignation was accepted by the Company. The Directors expressed their sincere appreciation for the contribution made by Mr. N. Sivaraman towards the progress of the Company.

Mr. Thomas Mathew. T, Managing Director, LIC of India and Mr. Sudhakar Rao have been appointed as Additional Directors of the Company at the Board Meeting held on 24.2.2011.

As per Section 260 of the Companies Act, 1956, an Additional Director holds office upto the date of the ensuing Annual General Meeting. Mr. Thomas Mathew T. and Mr. Sudhakar Rao shall hold office until the forthcoming Annual General Meeting of the Company.

Notices under the provisions of Section 257 of the Companies Act, 1956 have been received by the Company from two members for the appointment of Mr. Thomas Mathew T. and Mr. Sudhakar Rao as Directors of the Company.

## **AUDIT COMMITTEE**

The Audit Committee consisted of the following members during the financial year 2010-2011:

Mr. Y. M. Deosthalee  
Mr. K. V. Rangaswami and  
Mr. R. Shankar Raman

The Committee met and held discussions with the auditors on internal control systems and internal audit report.

At the Board Meeting of the Company held on 12.5.2011, the Audit Committee was re-constituted so as to contain three non-executive Directors comprising of :

1. Mr. Y. M. Deosthalee
2. Mr. Sudhakar Rao and
3. Mr. R. Shankar Raman

Mr. Sudhakar Rao, Member was elected as the Chairman of the Audit Committee unanimously by the Members of the Audit Committee.

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

The terms of reference of the Audit Committee includes the following matters :

1. Review of Financial Statements
2. Review of Compliance with Accounting Standards
3. Review of Internal Control Systems
4. Discussion with Internal and External Auditors on Financial Statements & Internal Controls.
5. Review of Company's financial and risk management policies and such other matters, which the Board may assign from time to time and for this purpose, the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

## **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 re-appointment.

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, 1956.

## **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 roles and offices of Chairman and Chief Executive are separated. Mr. Y. M. Deosthalee is elected as the Chairman of the Board Meeting and Mr. K. Venkatesh is appointed as the Chief Executive of the Company and also appointed as the Manager under the Companies Act, 1956.

### **b) Remuneration of Directors**

The Directors are not paid any remuneration except for Independent Directors who are paid sitting fees for attending the Board meetings.

### **c) Independent Directors**

Mr. Thomas Mathew T. and Mr. Sudhakar Rao are Independent Directors on the Board of the Company.

### **d) Number of cCompanies in which an individual may become a Director**

The Company has apprised its board members about the restriction on number of other directorships and the same is being complied with.

### **e) 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.

### **f) 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. However, the signing partners are rotated at regular frequency.

## L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED

**g) Internal Auditors**

The Corporate Audit Services department of Larsen & Toubro Limited provides internal audit services to the Company.

**h) 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.

**i) 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.

### **ACKNOWLEDGEMENTS**

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

For and on behalf of the Board of Directors

*Place : Mumbai  
Date : May 12, 2011*

**Y. M. DEOSTHALEE**  
*Director*

**R. SHANKAR RAMAN**  
*Director*

**AUDITORS' REPORT****TO THE MEMBERS OF L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED**

We have audited the attached Balance Sheet of L&T Infrastructure Development Projects Limited, as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year 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 the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement 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 (Auditors' Report) Order ('the Order'), 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, 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 the Annexure referred to 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 accounts as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - c) the Balance Sheet, Profit and Loss 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, Profit and Loss Account and the Cash Flow Statement dealt with by this report 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 representation received from the Directors of the Company as at March 31, 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2011 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 accounts read together with the Significant Accounting Policies in Schedule 'M' and Notes on Accounts in Schedule 'N' 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 case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011
- ii) in the case of Profit and Loss Account, of the profit for the year ended March 31, 2011; and
- iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**SHARP & TANNAN**  
Chartered Accountants  
(ICAI Registration No. 003792S)  
By the hand of

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

Place : Chennai  
Date : May 13, 2011

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to paragraph (1) of our report of even date)

With reference to the Annexure referred to in paragraph 1 of the report to the Members of L&T Infrastructure Development Projects Limited on the accounts for the year ended March 31, 2011 we report that:

- (i)
  - (a) The Company is maintaining proper records to show full particulars including quantitative details and situations of fixed assets.
  - (b) The management has physically verified its fixed assets during the year. No material discrepancies were noticed on such verification.
  - (c) The Company has not disposed off any of its fixed assets during the year and hence commenting on clause 4(i)(c) does not arise.
- (ii) The Company did not purchase any material / stores during the year and hence reporting on clauses relating to inventory under clause 4(ii)(a), (b) and (c) of the Order does not arise.

## L&T INFRASTRUCTURE DEVELOPMENT PROJECTS LIMITED

- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to or from 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 explanation 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.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for purchase of fixed assets and sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us there are no transactions that need to be entered into a register in pursuance of Section 301 of Companies Act, 1956. Hence reporting on clause 4(v)(b) of the Order does not arise.
- (vi) The Company has not accepted any deposit from the public under the provisions of Section 58A, Section 58AA or any other relevant provisions of the companies Act, 1956 and rules framed thereunder. Hence reporting on 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.
- (viii) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules prescribed by the Central Government under Section 209(1)(d) of the Act, for the maintenance of cost records in respect of generation of electricity from wind power and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing undisputed statutory dues including provident fund, income tax, service tax and other statutory dues as applicable with the appropriate authorities and there are no outstanding dues as at March 31, 2011 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, there are no statutory dues that have not been deposited on account of disputes.
- (x) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not availed any loan from financial institution / bank or debenture holders and hence reporting on default in repayment of dues in respect of loan from financial institution/bank or debenture holders does not arise.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / society are not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. However, the surplus funds have been invested in mutual funds. Proper records have been maintained for the transactions and contracts for the investments in mutual funds and are updated on a timely basis. The investments have been held by the Company in its own name.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institution. However, the Company has given undertakings to lenders of Subsidiaries and Jointly Controlled Entity as stated in Schedule 'N' - Notes forming part of Accounts.
- (xvi) The Company has not availed term loan and hence reporting on the purpose for which they were raised under Clause 4(xvi) of the Order does not arise.
- (xvii) According to the information and explanations given to us and on 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.
- (xviii) The Company has not made any preferential allotment of shares to the parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures during the year. Hence, reporting on creation of securities / charge does not arise.
- (xx) The Company has not raised any money by public issues during the year.
- (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*  
(ICAI Registration No. 003792S)  
By the hand of

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

Place : Chennai  
Date : May 13, 2011

**BALANCE SHEET AS AT MARCH 31, 2011**

	Schedules	As at 31.03.2011		As at 31.03.2010	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share capital	A	2,493,008,700		2,432,083,038	
Advance against share capital [See Note No.1 in Schedule N]		-		551,626,321	
Reserves and Surplus	B	<u>13,694,933,963</u>		<u>13,230,241,370</u>	
			<b>16,187,942,663</b>		<b>16,213,950,729</b>
<b>Loan Funds</b>					
Unsecured loans	C		<b>4,950,000,000</b>		<b>1,307,200,000</b>
<b>Deferred Tax Liabilities</b> [See Note No.23 in Schedule N]			<b>68,454,332</b>		<b>70,057,565</b>
<b>TOTAL</b>			<b><u>21,206,396,995</u></b>		<b><u>17,591,208,294</u></b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
<b>Tangible Assets</b>					
Gross block	D (i)	561,994,169		548,177,809	
Less: Depreciation		<u>46,828,637</u>		<u>16,484,082</u>	
Net block		515,165,532		531,693,727	
Pre-operative expenses	E	<u>16,591,362</u>		<u>14,489,102</u>	
			<b>531,756,894</b>		<b>546,182,829</b>
<b>Intangible Assets</b>					
Gross block	D (ii)	160,683,864		159,363,289	
Less: Amortisation		<u>8,212,108</u>		<u>4,146,327</u>	
Net block		152,471,756		155,216,962	
Capital work-in-progress		<u>125,000</u>		-	
			<b>152,596,756</b>		<b>155,216,962</b>
<b>Investments</b>	F		<b>15,377,000,243</b>		<b>8,303,459,381</b>
<b>Deferred Tax Assets</b> [See Note No.23 in Schedule N]			<b>1,172,320</b>		<b>481,426</b>
<b>Current Assets, Loans and Advances</b>					
Sundry debtors	G	181,130,127		3,333,899	
Cash and bank balances		519,445,364		6,987,614,552	
Loans and advances		<u>4,767,271,633</u>		<u>2,198,773,525</u>	
		5,467,847,124		9,189,721,976	
<b>Less: Current Liabilities and Provisions</b>					
Liabilities	H	320,363,088		466,185,110	
Provisions		<u>3,613,254</u>		<u>137,669,170</u>	
		<u>323,976,342</u>		<u>603,854,280</u>	
<b>Net current assets</b>			<b><u>5,143,870,782</u></b>		<b><u>8,585,867,696</u></b>
<b>TOTAL</b>			<b><u>21,206,396,995</u></b>		<b><u>17,591,208,294</u></b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>					
<b>NOTES FORMING PART OF ACCOUNTS</b>					

The schedules referred to above and the notes attached 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.003792S)  
By the hand of

**L. VAIDYANATHAN**

Partner  
Membership No.16368

Place : Chennai  
Date : May 13, 2011

**K. VENKATESH**  
Manager

Place : Mumbai  
Date : May 12, 2011

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Schedules	2010-11 Rupees	2009-10 Rupees
<b>INCOME</b>			
Income from operations	I	290,791,368	63,021,346
Interest income	J (i)	125,880,844	8,388,819
Other income	J (ii)	168,780,052	6,913,224,305
<b>TOTAL</b>		<u>585,452,264</u>	<u>6,984,634,470</u>
<b>EXPENDITURE</b>			
Operating expenses	K (i)	187,546,982	95,947,877
Administration and other expenses	K (ii)	72,765,244	199,824,741
Interest expenses	L	136,836,878	299,076,848
Depreciation of tangible assets		30,309,768	9,304,540
Amortisation of intangible assets		2,524,872	1,321,329
<b>TOTAL</b>		<u>429,983,744</u>	<u>605,475,335</u>
<b>Profit before taxes</b>		155,468,520	6,379,159,135
Provision for taxes			
Current tax		-	1,197,705,470
MAT credit entitlement		-	(5,300,000)
Fringe benefit tax		-	(114,832)
Deferred tax (See Note No. 23 in Schedule N)		<u>(2,294,127)</u>	<u>69,751,474</u>
		(2,294,127)	1,262,042,112
<b>Profit after taxes</b>		157,762,647	5,117,117,023
Add: Balance brought forward from previous year		6,871,388,244	1,754,271,221
<b>Balance carried to Balance Sheet</b>		<u>7,029,150,891</u>	<u>6,871,388,244</u>
<b>Earnings per equity share:</b>			
Basic		0.65	21.04
Diluted		0.65	20.35
(See Note 24 in Schedule N)			
Face value per equity share		10.00	10.00
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>M</b>		
<b>NOTES FORMING PART OF ACCOUNTS</b>	<b>N</b>		

The schedules referred to above and the notes attached form an integral part of the Profit and Loss Account.

As per our report attached

For and on behalf of the Board

**SHARP & TANNAN**

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

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

**K. VENKATESH**  
Manager

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director

Place : Chennai  
Date : May 13, 2011

Place : Mumbai  
Date : May 12, 2011



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

	2010-11 Rupees	2009-10 Rupees
<b>A. Cash flow from Operating Activities</b>		
<b>Profit before taxes</b>	155,468,520	6,379,159,135
<b>Adjustments for :</b>		
Depreciation and amortisation	32,834,640	10,625,869
Dividend received	(173,678,429)	(8,591,009)
Interest expense	136,836,878	299,076,848
Interest received	(125,880,844)	(8,388,819)
(Profit) / Loss on sale of investments (net)	153,528	(6,878,822,151)
<b>Operating Profit before working capital changes</b>	25,734,293	(206,940,127)
<b>Adjustments For :</b>		
(Increase) / Decrease in trade receivables	(177,796,228)	28,552,427
(Increase) / Decrease in loans and advances	(1,280,000,514)	1,031,144,211
Increase / (Decrease) in trade payables	(279,877,938)	(846,483,147)
<b>Cash generated from/(used in) operations</b>	(1,711,940,387)	6,273,364
Direct taxes paid (net of refund)	(176,603,865)	(1,056,215,695)
<b>Net Cash generated from / (used in) Operating Activities</b>	(1,888,544,252)	(1,049,942,331)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(15,788,499)	(516,195,084)
Investment in subsidiaries, associates and joint ventures	(7,462,033,605)	(1,310,958,269)
Loans to Subsidiaries	(614,176,000)	(280,155,787)
Divestment of stake in subsidiaries & associates	-	11,376,485,802
Sale of current investments (net)	388,339,215	(369,221,773)
Advance towards equity commitment	(497,717,729)	345,654,155
Dividend received from subsidiaries and associates	4,915,000	-
Dividend received from other investments	168,763,429	8,591,009
Interest received	125,880,844	8,388,819
<b>Net Cash generated from / (used in) Investing Activities</b>	(7,901,817,345)	9,262,588,872
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital including securities premium	181,229,287	-
Refund of advance against share capital	(365,000,000)	-
Loans taken from/(repayments to) group companies (net)	3,642,800,000	(965,600,000)
Interest paid	(136,836,878)	(299,076,848)
<b>Net Cash generated from / (used in) Financing Activities</b>	3,322,192,409	(1,264,676,848)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(6,468,169,188)	6,947,969,693
Cash and cash equivalents at beginning of the year	6,987,614,552	39,644,859
<b>Cash and cash equivalents at end of the year</b>	519,445,364	6,987,614,552

**NOTES**

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3: "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- Purchase of fixed assets includes movement of capital work-in-progress & pre-operative expense during the year.
- Cash and cash equivalents represent cash and bank balances.
- Previous year's figures have been regrouped/reclassified wherever necessary.

As per our report attached

For and on behalf of the Board

**SHARP & TANNAN**

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

**L. VAIDYANATHAN**

Partner  
Membership No.16368

Place : Chennai  
Date : May 13, 2011

**K. VENKATESH**

Manager

Place : Mumbai  
Date : May 12, 2011

**R. CHANDRASEKARAN**

Secretary

**Y. M. DEOSTHALEE**

Director

**R. SHANKAR RAMAN**

Director

**SCHEDULES FORMING PART OF BALANCE SHEET**

	<u>As at 31.03.2011</u>		<u>As at 31.03.2010</u>
	Rupees	Rupees	Rupees Rupees
<b>SCHEDULE - A</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised :</b>			
27,50,00,000 Equity shares of Rs. 10 each		2,750,000,000	2,750,000,000
<i>(previous year: 27,50,00,000 Equity shares of Rs. 10 each)</i>			
<b>Issued and Subscribed :</b>			
24,93,00,870 Equity shares of Rs. 10 each		2,493,008,700	2,493,008,700
<i>(previous year: 24,93,00,870 Equity shares of Rs. 10 each)</i>			
<b>Paid-up :</b>			
24,93,00,870 Equity shares of Rs. 10 each fully paid-up	2,493,008,700		2,425,313,520
<i>(previous year: 24,25,31,352 Equity shares of Rs. 10 each fully paid up and 67,69,518 Equity shares of Rs. 10 each on which Re. 1 paid up)</i>			
	—		6,769,518
		<b>2,493,008,700</b>	<b>2,432,083,038</b>
 (Of the above shares, 24,34,50,870 shares of Rs. 10 each fully paid up are held by Larsen & Toubro Limited, the holding company and its nominees) <i>(previous year: 20,42,81,352 shares of Rs. 10 each fully paid up and 67,69,518 shares of Re. 1 each paid up were held by the holding company and its nominees)</i>			
<b>TOTAL</b>		<b>2,493,008,700</b>	<b>2,432,083,038</b>
 <b>SCHEDULE - B</b>			
<b>RESERVES &amp; SURPLUS</b>			
Securities Premium			
As per last Balance Sheet	6,358,853,126		6,358,853,126
Addition during the year	306,929,946		—
		<b>6,665,783,072</b>	6,358,853,126
Profit and Loss Account		<b>7,029,150,891</b>	<b>6,871,388,244</b>
<b>TOTAL</b>		<b>13,694,933,963</b>	<b>13,230,241,370</b>
 <b>SCHEDULE - C</b>			
<b>Unsecured loans</b>			
Inter corporate deposits (repayable on demand)			
From holding company	2,400,000,000		—
From subsidiary companies [See Note No.2 in Schedule N]	2,550,000,000		1,307,200,000
		<b>4,950,000,000</b>	1,307,200,000
<b>TOTAL</b>		<b>4,950,000,000</b>	<b>1,307,200,000</b>

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)****SCHEDULE - D (i)**

(Figures in Rupees)

**FIXED ASSETS**

TANGIBLE	COST				DEPRECIATION				BOOK VALUE	
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Up to 31.03.2010	For the year (Refer note (c) below)	Deductions	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land-Freehold	10,995,000	-	-	<b>10,995,000</b>	-	-	-	-	<b>10,995,000</b>	10,995,000
Building (Refer note (a) below)	1,329,550	-	-	<b>1,329,550</b>	126,410	21,672	-	<b>148,082</b>	<b>1,181,468</b>	1,203,140
Computers	8,110,794	4,086,499	-	<b>12,197,293</b>	2,482,149	2,429,894	-	<b>4,912,043</b>	<b>7,285,250</b>	5,628,645
Office Equipment	3,287,083	1,304,201	-	<b>4,591,284</b>	408,149	984,515	-	<b>1,392,664</b>	<b>3,198,620</b>	2,878,934
Plant & Machinery	506,623,216	5,000,000	-	<b>511,623,216</b>	2,859,734	24,507,019	-	<b>27,366,753</b>	<b>484,256,463</b>	503,763,482
Electrical Installations	1,638,571	-	-	<b>1,638,571</b>	1,046,054	98,605	-	<b>1,144,659</b>	<b>493,912</b>	592,517
Vehicles	2,800	2,777,183	-	<b>2,779,983</b>	233	73,594	-	<b>73,827</b>	<b>2,706,156</b>	2,567
Furniture & Fixtures	16,190,795	648,477	-	<b>16,839,272</b>	9,561,353	2,229,256	-	<b>11,790,609</b>	<b>5,048,663</b>	6,629,442
<b>Total</b>	<b>548,177,809</b>	<b>13,816,360</b>	-	<b>561,994,169</b>	<b>16,484,082</b>	<b>30,344,555</b>	-	<b>46,828,637</b>	<b>515,165,532</b>	
Previous year	31,858,762	516,319,047	-	548,177,809	7,156,863	9,327,219	-	16,484,082		531,693,727

**SCHEDULE - D (ii)**

(Figures in Rupees)

INTANGIBLE	COST				AMORTISATION				BOOK VALUE	
	As at 01.04.2010	Additions	Deductions	As at 31.03.2011	Up to 31.03.2010	For the year (Refer note (c) below)	Deductions	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land - Leasehold (Refer note (b) below)	152,550,000	-	-	<b>152,550,000</b>	2,824,998	1,540,909	-	<b>4,365,907</b>	<b>148,184,093</b>	149,725,002
Specialised Software	6,813,289	1,320,575	-	<b>8,133,864</b>	1,321,329	2,524,872	-	<b>3,846,201</b>	<b>4,287,663</b>	5,491,960
<b>Total</b>	<b>159,363,289</b>	<b>1,320,575</b>	-	<b>160,683,864</b>	<b>4,146,327</b>	<b>4,065,781</b>	-	<b>8,212,108</b>	<b>152,471,756</b>	
Previous year	152,550,000	6,813,289	-	159,363,289	1,284,090	2,862,237	-	4,146,327		155,216,962
Add: Capital work-in-progress									<b>125,000</b>	
<b>TOTAL</b>									<b>152,596,756</b>	<b>155,216,962</b>

## Notes:

- (a) Cost of Building represents ownership accommodation in a co-operative society including 5 shares of Rs. 50 each.
- (b) Lease hold land of 50.85 acres at Nagpur taken on ninety nine years lease with effect from June 01, 2008 as per agreement dated June 20, 2008 with Maharashtra Airport Development Company Ltd for development of IT infrastructure facilities.
- (c) Depreciation & amortisation: Rupees

	Depreciation		Amortisation	
	2010-11	2009-10	2010-11	2009-10
Total as per above schedule for the year	<b>30,344,555</b>	9,327,219	<b>4,065,781</b>	2,862,237
Less: Transferred to Pre- operative expenses	<b>34,787</b>	22,679	<b>1,540,909</b>	1,540,908
Charged to Profit and Loss Account	<b>30,309,768</b>	9,304,540	<b>2,524,872</b>	1,321,329

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)****SCHEDULE - E****PRE-OPERATIVE EXPENSES**

(See Note No. 9 in Schedule N)

Rupees

Particulars	As at 01.04.2010	For the year	As at 31.03.2011
Design Fees	3,000,000	–	3,000,000
Survey expenses	458,050	–	458,050
Salaries & wages	640,843	465,204	1,106,047
Provident Fund	33,780	–	33,780
Cost of service	2,491,626	–	2,491,626
Welfare expenses	107,214	–	107,214
Rent	881,666	–	881,666
Professional fees	1,476,282	–	1,476,282
Repairs & maintenance - others	92,526	–	92,526
Printing & stationery	46,890	210	47,100
Power & fuel	64,188	–	64,188
Communication expenses	187,233	1,656	188,889
Travelling & conveyance	1,374,104	30,215	1,404,319
Miscellaneous expenses	669,196	29,279	698,475
Depreciation	92,232	34,787	127,019
Amortisation	2,824,998	1,540,909	4,365,907
Fringe benefit tax	48,274	–	48,274
<b>TOTAL</b>	<b>14,489,102</b>	<b>2,102,260</b>	<b>16,591,362</b>

	As at 31.03.2011 Rupees	Rupees	As at 31.03.2010 Rupees	Rupees
<b>SCHEDULE - F</b>				
<b>INVESTMENTS (At cost, unless otherwise specified) - Unquoted</b>				
<b>Long Term Investments</b>				
Subsidiary Companies				
Fully paid equity shares		11,701,819,003		5,036,785,398
<b>Trade Investments</b>				
Fully paid equity shares in Associate Companies	98,300,000		98,300,000	
Fully paid equity shares in Jointly Controlled Entity	3,239,999,600		2,464,999,600	
Fully paid equity shares in Other Companies	331,881,640		309,881,640	
		<b>3,670,181,240</b>		<b>2,873,181,240</b>
<b>Current Investments</b>				
Bonds	5,000,000		5,000,000	
Mutual Funds	–		388,492,743	
		<b>5,000,000</b>		<b>393,492,743</b>
<b>TOTAL</b>		<b>15,377,000,243</b>		<b>8,303,459,381</b>

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)****Details of investments purchased and sold during the year**

	Particulars	Face Value Rs. Per unit	Number of shares / units				As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
			As at 01-04-2010	Purchased / subscribed during the year	Sold during the year	As at 31-03-2011		
	<b>A. Long Term Investments (At cost):</b>							
	<b>Subsidiary Companies- Unquoted:</b>							
(i)	<b>Fully paid equity shares:</b>							
	L&T Transportation Infrastructure Limited	10	30,536,000	–	–	30,536,000	531,366,014	531,366,014
	L&T Interstate Road Corridor Limited	10	57,160,000	–	–	57,160,000	571,600,000	571,600,000
	L&T Krishnagiri Thopur Toll Road Limited	10	78,750,000	–	–	78,750,000	787,500,000	787,500,000
	L&T Panipat Elevated Corridor Limited	10	84,300,000	–	–	84,300,000	843,000,000	843,000,000
	L&T Vadodara Bharuch Tollway Limited	10	43,500,000	–	–	43,500,000	435,000,000	435,000,000
	L&T Western Andhra Tollways Limited	10	56,500,000	–	–	56,500,000	565,000,000	565,000,000
	L&T Urban Infrastructure Limited	10	75,000,000	–	–	75,000,000	750,000,000	750,000,000
	L&T Infrastructure Development Projects Lanka (Private) Limited	LKR10	129,425,115	6,916,160	–	136,341,275	581,434,944	553,319,339
	International Seaports (India) Private Limited	10	2,500,560	–	–	2,500,560	45	45
	L&T Devihalli Hassan Tollways Limited	10	–	2,109,900	–	2,109,900	21,099,000	–
	L&T Krishnagiri Walajahpet Tollways Limited	10	–	89,997,400	–	89,997,400	899,974,000	–
	L&T Metro Rail (Hyderabad) Limited	10	–	340,559,600	–	340,559,600	3,405,596,000	–
	L&T Ahmedabad-Maliya Tollway Limited	10	–	97,015,000	–	97,015,000	970,150,000	–
	L&T Halol-Shamlaji Tollway Limited	10	–	130,499,900	–	130,499,900	1,304,999,000	–
	L&T Transco Private Limited	10	–	10,000	–	10,000	100,000	–
	L&T Port Kachchigarh Limited	10	–	3,500,000	–	3,500,000	35,000,000	–
	<b>Subsidiary Companies- Total</b>						<b>11,701,819,003</b>	<b>5,036,785,398</b>
	<b>Trade Investments - Unquoted:</b>							
(i)	<b>Associate Companies:</b>							
	Fully paid equity shares :							
	International Seaports Haldia (Private) Limited	10	9,830,000	–	–	9,830,000	98,300,000	98,300,000
							<b>98,300,000</b>	<b>98,300,000</b>
(ii)	<b>Jointly Controlled entity:</b>							
	Fully paid equity shares :							
	The Dhamra Port Company Limited	10	246,499,960	77,500,000	–	323,999,960	3,239,999,600	2,464,999,600
							<b>3,239,999,600</b>	<b>2,464,999,600</b>
(iii)	<b>Other Companies:</b>							
	Fully paid equity shares :							
	Narmada Infrastructure Construction Enterprise Limited	10	6,701,500	–	–	6,701,500	120,996,640	120,996,640
	Second Vivekananda Bridge Tollway Company Private Limited	10	1,000	–	–	1,000	10,000	10,000
	Ennore Tank Terminals Private Limited	10	6,787,500	–	–	6,787,500	67,875,000	67,875,000
	SICAL Iron Ore Terminals Limited	10	12,100,000	4,950,000	–	17,050,000	143,000,000	121,000,000
							<b>331,881,640</b>	<b>309,881,640</b>
	<b>Trade Investments - Total</b>						<b>3,670,181,240</b>	<b>2,873,181,240</b>
	<b>Long Term Investments - Total A</b>						<b>15,372,000,243</b>	<b>7,909,966,638</b>

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)**

	Particulars	Face Value Rs. Per unit	Number of shares / units			As at 31.03.2011 Rupees	As at 31.03.2010 Rupees	
			As at 01-04-2010	Purchased / subscribed during the year	Sold during the year			As at 31-03-2011
(i)	<b>B. Current Investments (At cost):</b>							
	<b>Bonds</b>							
	6.25% Rural Electrification Corporation Ltd NCRT Bonds-Series VIII	10,000	500	-	-	500	5,000,000	5,000,000
(ii)	<b>Mutual Funds</b>							
	Sundaram BNP Paribas Ultra ST Fund Super Institutional Dividend Reinvestment	10	38,706,062	-	38,706,062	-	-	388,492,743
	<b>Current Investments - Total B</b>						<b>5,000,000</b>	<b>393,492,743</b>
	<b>Total Investments A+B</b>						<b>15,377,000,243</b>	<b>8,303,459,381</b>

**Details of investments purchased and sold during the year**

Particulars	Face Value Rs. Per unit	Units (Nos)	Cost (Rs.)
AXIS Fixed Term Plan -Series 3 - Dividend payout	10	10,000,000	<b>100,000,000</b>
AXIS Liquid Fund - Institutional Daily Dividend Reinvestment	1,000	344,303	<b>344,303,314</b>
AXIS Treasury Advantage fund - Institutional Daily Dividend Reinvestment	1,000	391,755	<b>391,755,705</b>
Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan	10	19,989,182	<b>200,017,749</b>
Baroda Pioneer Treasury advantage Fund - Institutional Daily Dividend Plan	10	40,133,599	<b>401,701,208</b>
Birla Sunlife Cash Plus Institutional premium - Daily Dividend-Reinvestment	10	110,345,963	<b>1,105,611,375</b>
Birla Sunlife Floating Rate Fund - Long Term - Institutional -Weekly Dividend	10	30,438,729	<b>304,672,258</b>
Birla Sunlife Savings Fund-Institutional- Daily Dividend-Reinvestment	10	285,020,185	<b>2,852,139,984</b>
Birla Sunlife Ultra Short Term Fund - Institutional Daily Dividend	10	53,863,625	<b>538,932,498</b>
Canara Robeco Interval Series 2- Quarterly plan 2-Institutional Dividend Fund	10	5,079,848	<b>50,798,482</b>
Canara Robeco liquid super Institutional Daily Dividend Reinvestment Fund	10	4,973,154	<b>50,005,063</b>
Canara Robeco Treasury Advantage Super Institutional daily Dividend Reinvestment Fund	10	12,111,180	<b>150,264,620</b>
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment	10	266,755,752	<b>2,837,320,879</b>
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale Daily Dividend	10	236,100,545	<b>2,368,442,612</b>
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option Dividend Reinvestment	10	21,987,877	<b>221,657,592</b>
ICICI Prudential Flexible Income plan Premium - Daily Dividend	100	10,213,282	<b>1,079,901,338</b>
ICICI Prudential interval Fund V-Monthly Interval Plan Institutional Dividend	10	26,773,668	<b>267,736,726</b>
ICICI Prudential Liquid Super Institutional Plan - Daily Dividend	100	9,206,987	<b>920,905,432</b>
IDFC Cash Fund - Super Institutional Plan C- Daily Dividend	10	102,445,666	<b>1,024,712,770</b>
IDFC Money Manager Fund - TP - Super Institutional Plan C- Daily Dividend	10	135,223,205	<b>1,352,434,883</b>
JM High Liquid Fund-Super Institutional plan - Daily Dividend	10	29,953,444	<b>300,028,672</b>
JM Money manager Fund Regular plan -Daily Dividend	10	10,030,708	<b>100,419,427</b>
JM Money manager Fund Super plan -Daily Dividend	10	20,100,024	<b>201,237,424</b>
JM Money manager Fund super plus Plan -Daily Dividend	10	20,026,053	<b>200,366,665</b>
Kotak Floater Long Term - Daily Dividend	10	183,173,113	<b>1,846,348,348</b>
Kotak Liquid (Institutional Premium)- Daily Dividend	10	54,797,709	<b>670,071,871</b>
Kotak Quarterly Interval Plan Series 4 - Dividend	10	20,244,955	<b>202,449,842</b>
Kotak Quarterly Interval Plan Series 5 - Dividend	10	26,003,272	<b>260,032,723</b>
Kotak Quarterly Interval Plan Series 8 - Dividend	10	21,170,222	<b>211,706,457</b>
L&T FMP - I (July 5M A) - Dividend payout	10	10,000,000	<b>100,000,000</b>
L&T FMP - I (July 91D A) - Dividend payout	10	10,000,000	<b>100,000,000</b>
L&T Freedom Income STP Institutional-Daily Dividend Reinvestment Plan	10	229,046,468	<b>2,326,012,691</b>
L&T Liquid Institutional Daily Dividend reinvestment Plan	10	134,795,459	<b>1,363,631,299</b>

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)**

Particulars	Face Value Rs. Per unit	Units (Nos)	Cost (Rs.)
Principle Cash Management fund Liquid Option-Institutional Plan -Dividend Reinvestment	10	4,999,353	50,004,524
Principle Near - Term fund Conservative Plan - Daily Dividend Reinvestment	10	5,028,653	50,348,383
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	10	68,595,708	686,306,916
Reliance Medium Term Fund-Daily Dividend plan	10	28,437,487	486,164,435
Reliance Money Manager Fund-Inst Option -Daily Dividend plan	1,000	2,709,886	2,713,602,483
Reliance Monthly Interval Fund series I - Institutional Dividend plan	10	20,162,680	201,677,422
Reliance Monthly Interval Fund- series II Institutional Dividend Plan	10	40,472,373	404,885,158
Reliance Quarterly Interval Fund- series III Institutional Dividend Plan	10	30,357,171	303,679,027
Religare Active Income Fund Institutional - Monthly Dividend	10	30,480,685	305,776,571
Religare Liquid Fund -Super Institutional - Daily Dividend	10	81,991,578	820,555,316
Religare Ultra Short term Fund - Institutional - Daily Dividend	10	130,579,050	1,308,023,404
SBI-Magnum Insta Cash Fund - Daily Dividend Option	10	155,899,648	2,611,365,882
SBI-SHF-Ultra Short Term Fund -Institutional Plan - Daily Dividend	10	303,246,709	3,034,286,575
Sundaram Ultra ST Fund Super Institutional Dividend Reinvestment plan	10	172,754	1,733,930
TATA Fixed Income Portfolio Fund - B2 Institutional	10	20,668,660	206,689,160
TATA Fixed income Portfolio Fund Scheme A3 Institutional	10	30,407,407	304,074,074
TATA Floater Fund - Daily Dividend	10	176,274,456	1,769,019,933
TATA Liquid Super High Investment Fund - Daily Dividend	1,000	271,370	302,447,779
<b>Total</b>			<b>40,006,260,876</b>

	As at 31.03.2011		As at 31.03.2010	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE - G</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>Sundry Debtors</b>				
Unsecured, considered good:				
Debts outstanding for more than six months		-		-
Others	181,130,127		3,333,899	
		181,130,127		3,333,899
<b>Cash and bank balances</b>				
Balances with scheduled banks				
on current account	39,495,081		413,937,271	
on fixed deposits including interest accrued thereon	479,950,283		6,573,677,281	
		519,445,364		6,987,614,552
<b>Loans and Advances</b>				
Unsecured, considered good:				
Subsidiary companies:				
Loans [See Note No.3 in Schedule N]	2,673,946,000		2,059,770,000	
Advance towards share capital	499,071,405		1,353,676	
Inter-corporate deposits	1,000,000,000		-	
Others	370,250,277		37,768,355	
Fellow subsidiary companies:				
Others	12,367,390		-	
Advances recoverable in cash or in kind or for value to be received	211,636,561		99,881,494	
		4,767,271,633		2,198,773,525
<b>TOTAL</b>		<b>5,467,847,124</b>		<b>9,189,721,976</b>

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd.)**

	As at 31.03.2011		As at 31.03.2010	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE - H</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>Liabilities</b>				
Sundry Creditors				
Due to micro and small enterprises [See Note No 5 in Schedule N]		-		-
Due to other than micro and small enterprises	246,309,536		316,503,088	
Due to holding Company	30,881,980		18,109,412	
Due to fellow subsidiaries	22,788,421		411,678	
Interest accrued but not due	20,383,151		131,160,932	
		<b>320,363,088</b>		<b>466,185,110</b>
<b>Provisions for</b>				
Income-tax (See Note No 22(a) in Schedule N)		-	136,239,775	
Gratuity	1,372,267		-	
Leave encashment	2,240,987		1,429,395	
		<b>3,613,254</b>		<b>137,669,170</b>
<b>TOTAL</b>		<b>323,976,342</b>		<b>603,854,280</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

	2010-11		2009-10	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE - I</b>				
<b>INCOME FROM OPERATIONS</b>				
Project facilitation and advisory service fees		224,385,046		62,732,076
Income from wind power generation		61,491,322		289,270
Dividend income from long term investments:				
Associate company		4,915,000		-
<b>TOTAL</b>		<b>290,791,368</b>		<b>63,021,346</b>
<b>SCHEDULE - J (I)</b>				
<b>INTEREST INCOME</b>				
Interest income from:				
Bank deposits	104,625,831		4,530,318	
[Tax deducted at source: Rs. 1,04,62,653; previous year Rs. 4,53,037]				
Holding company	3,287,671		-	
Subsidiaries	17,665,973		73,630	
Others	301,369		3,784,871	
		<b>125,880,844</b>		<b>8,388,819</b>
<b>TOTAL</b>		<b>125,880,844</b>		<b>8,388,819</b>
<b>SCHEDULE - J (II)</b>				
<b>OTHER INCOME</b>				
Dividend income from mutual funds		168,763,429		8,591,009
Exchange gain (net)		-		25,694,865
Profit on sale of long term investments (net)		-		6,878,822,151
Miscellaneous income		16,623		116,280
<b>TOTAL</b>		<b>168,780,052</b>		<b>6,913,224,305</b>



**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)**

	2010-11 Rupees	Rupees	2009-10 Rupees	Rupees
<b>SCHEDULE - K (i)</b>				
<b>OPERATING EXPENSES</b>				
Salaries wages & bonus		42,523,987		18,712,775
Contribution to and provision for:				
Provident fund	2,610,874		1,586,136	
Gratuity	1,646,966		222,643	
Leave encashment	811,592		600,385	
		5,069,432		2,409,164
Staff welfare expenses		5,340,826		3,524,364
Cost of services		50,161,236		24,809,547
Consultancy charges		73,668,123		34,162,206
Tender document expenses		4,482,503		6,615,895
Insurance		6,300,875		5,713,926
<b>TOTAL</b>		<b>187,546,982</b>		<b>95,947,877</b>
<b>SCHEDULE - K (ii)</b>				
<b>ADMINISTRATION AND OTHER EXPENSES</b>				
Rent		14,522,000		10,331,821
Rates & taxes		1,012,763		112,861
Other professional fees		14,396,269		164,010,136
Repairs & maintenance				
Building	9,683		41,560	
Others	2,792,477		1,865,316	
		2,802,160		1,906,876
Establishment expenses		5,321,470		2,850,000
Insurance		535,599		171,283
Printing & stationery		1,094,494		636,274
Power & electricity charges		1,005,422		920,210
Communication & postage		3,228,862		1,890,764
Bank charges		646,895		3,369,505
Travelling & conveyance		18,961,643		7,049,545
Exchange loss		207,971		-
Loss on sale of current investments (net)		153,528		-
Miscellaneous expenses		8,876,168		6,575,466
<b>TOTAL</b>		<b>72,765,244</b>		<b>199,824,741</b>
<b>SCHEDULE - L</b>				
<b>INTEREST EXPENSES</b>				
Interest on inter corporate deposits		136,471,685		299,029,046
Interest - others		365,193		47,802
<b>TOTAL</b>		<b>136,836,878</b>		<b>299,076,848</b>

## **SCHEDULES FORMING PART OF ACCOUNTS**

### **SCHEDULE - M**

#### **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. However, certain claims, which are not ascertainable / acknowledged by customers, are not taken into account.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, 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 tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

##### **B. Revenue Recognition**

- i) Project facilitation and advisory fees are accounted using proportionate completion method based on the agreement / arrangement with customers.
- ii) Dividend income is accounted when the right to receive the same is established.
- iii) Interest income is accrued at applicable interest rate.
- iv) Revenue from windmill operations is recognized based on contractual agreements with the holding company and the State Electricity board.
- v) Other items of income are accounted for as and when the right to receive arises.

##### **C. Employee Benefits**

The following are the accounting policies of the Company with regard to Employee Benefits:

###### **(i) Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc and the expected cost of bonus, exgratia are recognized in the period in which the employee renders the related service.

###### **(ii) Post Employment Benefits**

###### **(a) Defined Contribution Plans:**

State Governed Provident Fund linked with Employee Pension Scheme is Defined Contribution Plans. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

###### **(b) Defined benefit plan:**

The Company's obligation towards gratuity is a defined benefit plan. The present value of the obligation under such Defined Benefit Plans is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

###### **(iii) Long Term Employee Benefits**

The obligation for long term employee benefits such as long term compensated absences is recognized in the same manner as in the case of defined benefit plans as mentioned in (ii)(b) above.

##### **D. Fixed Assets**

Fixed Assets are stated at original cost less accumulated depreciation.

Pre-operative expenses on projects are capitalized upon commencement of commercial operation.

##### **E. Depreciation**

Depreciation on asset have been provided on straight-line basis at the rates specified in the Schedule XIV of the Companies Act, 1956. Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions.

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

The following asset categories are depreciated at higher rates in line with their estimated useful life with effect from January 1, 2011.

Category of Asset	Depreciation Rate (% per annum)
Computers	16.67% to 25.00%
Furniture and Fixtures	10.00%
Motor cars	14.28%
Office Equipments	16.67% to 25.00%

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

**F. Intangible Assets and Amortisation**

Intangible Asset is recognized when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Leasehold land is amortized over the primary period of the lease on straight line basis from the month in which the addition is made.

Specialized software is amortized over a period of three years on straight line basis from the month in which the addition is made.

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as part of cost of the Intangible assets.

Amortisation on impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

**G. Investments**

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary in nature.

Current investments are stated at lower of cost or market value. The determination of carrying amount of such investments is done on a weighted average basis.

**H. Impairment**

As at each Balance Sheet date, the carrying amount of asset is tested for impairment so as to determine :

- b) the provision for impairment loss, if any; and
- c) the reversal of impairment loss recognised in previous methods, if any,

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

**I. Foreign Currency Transactions**

(i) The reporting currency of the Company is the Indian Rupee.

(ii) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognized as income or expense in the period in which they arise.

**J. Taxes on Income**

Tax on income for the current year 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 the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation / business losses / losses under the head "capital gains" are recognized and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**K. Accounting for Interests in Joint Ventures**

Interests in Joint Ventures are accounted as follows:

Incorporated Jointly Controlled Entities:

- a) Income on investments in incorporated Jointly Controlled Entities is recognized when the right to receive the same is established.
- b) Investments in such Joint Ventures are carried at cost after providing for any permanent diminution in value.

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)****L. Segment Accounting**

Segment accounting policies are in line with the accounting policies of the Company. In addition the following specific accounting policies have been followed for segment reporting.

- i) Segment revenue includes sales directly identifiable with / allocable to the segment.
- ii) Expenses that are directly identifiable with / allocable to the segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "unallocable corporate expenditure".
- iii) Income which relate to the Company as a whole and not allocable to segments is included in "unallocable corporate income".
- iv) Segments assets and liabilities include those directly identifiable with respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment. Unallocable assets mainly comprise trade investments in subsidiaries and associate companies that constitute or relate to the portfolio of the Company's core / thrust areas of business. Unallocable liabilities include mainly loan funds and provisions for employee retirement benefits.

**M. Leases**

- i) Assets acquired on leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Profit and Loss Account on accrual basis.
- ii) Assets leased out under operating leases are capitalized. Rental income is recognized over the lease term.

**N. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized 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 recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) a present obligation 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 recognized, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

**SCHEDULE - N****NOTES FORMING PART OF ACCOUNTS**

1. Advance against share capital represents movement during the year as given below:

*Amount (Rs)*

Sl. No	Shareholder	As at 31.03.2010	Received / (refunded) during the year	Transferred during the year	Utilised towards final call for partly paid up shares	As at 31.03.2011
1	Infrastructure Development Finance Company Limited	6,00,00,000	-	(6,00,00,000)	-	-
2	JP Morgan Special Situations (Mauritius) Limited	30,00,00,000	(30,00,00,000)	-	-	-
3	Old Lane Mauritius III Limited	6,50,00,000	(6,50,00,000)	-	-	-
4	Larsen & Toubro Limited	12,66,26,321	18,12,29,287	6,00,00,000	(36,78,55,608)	-
	<b>Total</b>	<b>55,16,26,321</b>	<b>(18,37,70,713)</b>	<b>-</b>	<b>(36,78,55,608)</b>	<b>-</b>
	Transferred to Share Capital				<b>6,09,25,662</b>	
	Transferred to Securities Premium				<b>30,69,29,946</b>	

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

2. Unsecured loans include inter corporate deposits received from subsidiaries as detailed below: Amount (Rs.)

S I. No.	Particulars	As at 31.03.2011	As at 31.03.2010
1	L&T Transportation Infrastructure Limited	150,00,00,000	130,72,00,000
2	L&T Krishnagiri Walajahpet Tollway Limited	105,00,00,000	-
	<b>TOTAL</b>	<b>255,00,00,000</b>	<b>130,72,00,000</b>

3. Loans and advances represent:

- Unsecured subordinated debt of Rs. 174,00,00,000 (*previous year Rs. 174,00,00,000*) to its wholly owned subsidiary viz., M/s L&T Vadodara Bharuch Tollway Limited (L&T VBTL) pursuant to the loan agreement dated December 13, 2006, with the term lenders to the project. The repayment / redemption of this debt will be made only after secured obligations are discharged by L&T VBTL to its lenders. Interest not exceeding 9% p.a is recoverable from the subsidiary on this subordinated debt after expiry of twelve months from the Commercial Operation Date (COD) of the project, provided the subsidiary is able to maintain Senior Debt Service Coverage Ratio (SDSCR) of 1.22. The project achieved COD on June 3, 2009, however L&T VBTL was unable to maintain the stipulated SDSCR as at March 31, 2011 and hence no interest has been accrued in this regard.
  - Zero coupon convertible warrants of Rs. 31,97,70,000 (*Previous year Rs. 31,97,70,000*) of L&T Urban Infrastructure Ltd, a subsidiary Company. The warrants are convertible into equity shares at Rs. 10 each, on or before August 14, 2011 as per Clause 2.10 of the Consortium Agreement dated August 14, 2006.
  - Interest free, Mezzanine debt of Rs. 35,65,25,000 (*previous year Rs. Nil*) given to its wholly owned subsidiary, L&T Krishnagiri Walajahpet Tollway Limited. The repayment / redemption of this debt will be made only after secured obligations are discharged by the subsidiary to its lenders as per clause 2 of Schedule 2 of the Common Loan Agreement dated November 03, 2010.
  - Interest free Mezzanine debt of Rs. 25,76,51,000 (*previous year Rs. Nil*) given to its subsidiary, L&T Halol – Shamlaji Tollway Limited. The repayment / redemption of this debt will be made only after secured obligations are discharged by the subsidiary to its lenders, as per clause 2 of Schedule 3 of the Common Loan Agreement dated August 28, 2010.
4. The Company has reviewed the useful life of certain categories of fixed assets during the year. Consequently, depreciation rates have been revised resulting in additional depreciation charge of Rs. 14,39,699. As a result, profit before tax for the year is lower by Rs. 14,27,411 and Pre-operative expenses is higher by Rs. 12,288.
5. There has been no transaction during the year with micro and small enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence reporting details of principal and interest does not arise.
6. The Company is engaged in the business of generation of wind power. Accordingly, information as applicable to wind power operations is given below.

Annual capacity and generation of wind power	Unit of measurement	2010-11	2009-10
Installed capacity	MW	8.70	8.70
Production (a)	KWH	1,92,03,229	60,903
Power consumed for starting WEG from grid (b)	KWH	1,09,510	-
Banking charges of 5% as per wheeling agreement with TNEB (c)	KWH	9,54,686	3,049
Invoicing on TNEB (a-b-c)	KWH	1,81,39,033	-
Invoicing on L&T (a-b-c)	KWH	-	57,854

7. The Company has five wind turbine generators (WTG) in Tamil Nadu with an aggregate capacity of 8.7MW. The Company had entered into a power supply agreement dated March 18, 2010 with Larsen & Toubro Limited (L&T), the holding company and Tamilnadu Electricity Board (TNEB), under which the Company will sell atleast 51% of the power generated to L&T at its establishments located in Tamil Nadu and registered with TNEB, as a captive consumer and shall invoice L&T at agreed rates for the units consumed at the end of each month. However, during the year, power supplied as captive consumption to L&T at its establishments registered with TNEB was lower than 51% of the total units generated. Hence, as stipulated by the agreement referred above, the Company has invoiced TNEB at agreed rates for all the units generated during the year.
8. "Due to other than micro and small enterprises" under Current Liabilities includes:
- advance of Rs.6,78,75,000 received from M/s. JRE Tank Terminals Private Limited under an agreement dated August 24, 2007 towards sale of 67,87,500 equity share of Rs. 10 each in M/s. Ennore Tank Terminals Private Limited to be transferred on completion of three calendar years from the date of commencement of commercial operation. The said project has commenced commercial operations on January 15, 2009. Accordingly, the above equity shares will be transferred on or after January 15, 2012.
  - advance of Rs. 14,30,00,000 received from M/s. Sical Logistics Limited against sale of 1,43,00,000 equity shares of Rs. 10 each in Sical Iron Ore Terminals Limited at cost to Sical Logistics Limited vide Agreement for Share Sale and Purchase dated December 17, 2008,

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

subject to the condition that the transfer will be completed only after three years from the date of commencement of commercial operation by Sical Iron Ore Terminals Limited as per clause 18.2.2 (i) (d) of the License agreement dated September 23, 2006 with Ennore Port Limited. As of March 31, 2011, Sical Iron Ore Terminals Limited is yet to commence commercial operation.

9. The Company has been granted SEZ status vide gazette notification no.F2/31/2005 – EPZ dated December 29, 2008 by the Ministry of Commerce & Industry, for setting up the Special Economic Zone for developing IT infrastructure facilities at Nagpur.

Pre-operative expenses in the books represent expenses incurred in this regard.

10. Leases:

The Company has taken residential premises and office premises under cancelable operating leases. These lease agreements are normally renewed on expiry. Lease rental expenses in respect of operating leases is Rs. 1,45,22,000 (*previous year Rs. 1,03,31,821*)

11. The Company had pledged its investment in the equity shares of the following companies, to the lenders of term loan of the respective companies:  
(Amount in Rs.)

Sl. No.	Name of the Subsidiary / Jointly Controlled Entity	As at 31.03.2011	As at 31.03.2010
<b>(a)</b>	<b>Subsidiary</b>		
1	L&T Panipat Elevated Corridor Limited	<b>42,99,29,970</b>	42,99,29,970
2	L&T Krishnagiri Thopur Toll Road Limited	<b>40,16,24,970</b>	40,16,24,970
3	L&T Western Andhra Tollway Limited	<b>28,81,49,970</b>	28,81,49,970
4	L&T Vadodara Bharuch Tollway Limited	<b>22,18,49,960</b>	22,18,49,960
5	L&T Interstate Road Corridor Limited	<b>27,59,97,510</b>	27,59,97,510
	<b>TOTAL</b>	<b>161,75,52,380</b>	161,75,52,380

Sl. No	Name of the Subsidiary / Jointly Controlled Entity	As at 31.03.2011	As at 31.03.2010
<b>(b)</b>	<b>Jointly Controlled Entity</b>		
	The Dhamra Port Company Limited (DPCL)	<b>165,24,00,000</b>	125,71,50,000

12. The Company has given the following undertakings jointly with Larsen & Toubro Limited (holding Company), to the term lenders of L&T Transportation Infrastructure Limited (LTTIL):

- not to reduce their joint shareholding in LTTIL below 51% until the financial assistance received from the term lenders is repaid in full by LTTIL and
- to jointly meet the shortfall in the working capital requirements of LTTIL until the financial assistance received from the term lenders is repaid in full by LTTIL.

13. The Company has given the following undertakings jointly with Tata Steel Limited and DPCL to the term lenders of DPCL:

- to meet the cost overrun to the extent of 10% of the Original project cost and
- not to reduce the joint shareholding below 51% upto the Commercial Operations date and below 26% during the remaining concession period.

14. The Company has given the following undertaking, to the term lenders of five subsidiary companies referred to in Note No. 11 (a) above:

- not to reduce its shareholding in the said subsidiary companies below 51% upto a period of 3 years after Commercial Operation Date (COD) and below 26% till final settlement date.
- to meet the cost overrun to the extent of 5% of the project cost except for L&T Panipat Elevated Corridor Limited, for which the project completion certificate has been obtained during the year.
- in case of L&T VBTL, to provide financial support to the Borrower to meet shortfall, if any, in meeting the debt repayment after receipt of Termination payment from NHAI, in the event of a termination of the Concessionaire Agreement pursuant to occurrence of the Concessionaire Event of Default or any Force Majeure Event as stated in the said Concessionaire Agreement, in addition to (i) and (ii) above.

15. The Company has given the following undertakings jointly with Larsen & Toubro Limited (holding company) to the term lenders of L&T Metro Rail (Hyderabad) Limited (L&T MRHL):

- to bring in the entire Sponsors' Contribution for implementation of Project in the following manner:
  - 10% of the Sponsors' Contribution towards Project Equity Capital before the date of Initial Disbursement, which has been executed during the year,
  - balance of the Sponsors' Contribution towards Project Equity Capital (except Government of Andhra Pradesh Grant), maintaining the stipulated Debt to Equity Ratio from time to time.
- to meet the cost overrun to the extent of 5% of the project cost.

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

- c. to provide funds to L&T MRHL in case the Government of Andhra Pradesh' Grant is not received in time.
- d. to meet the shortfall if any, in maintaining the Debt Service Coverage Reserve.
- e. to pledge 51% of the paid-up and voting equity sharecapital of L&T MRHL.
16. The Company is of the view that there is no diminution of a permanent nature in the value of its long term investments as of March 31, 2011, based on
- (a) estimated future cash flows of the investee project companies and
- (b) definitive agreements for sale that have already been entered into for certain of its investments,
17. Employee Benefits:
- a. Provision for gratuity is made on actuarial basis as summarized below.

(In Rupees)

<b>TABLE 1: AMOUNT TO BE RECOGNIZED IN BALANCE SHEET</b>		
<b>Particulars</b>	<b>Year ended 31.03.2011</b>	<i>Year ended 31.03.2010</i>
Present Value of Funded Obligations	<b>27,36,908</b>	9,54,479
Fair Value of Plan Assets	<b>13,64,641</b>	11,56,598
Present Value of Unfunded Obligations	-	-
Unrecognised Past Service Cost	-	-
Net Liability	-	-
Amounts recognized in Balance Sheet	-	-
Liabilities	<b>13,72,267</b>	-
Assets	-	2,02,119
Net Liability / (asset)	<b>13,72,267</b>	(2,02,119)

<b>TABLE 2 : EXPENSE TO BE RECOGNIZED IN STATEMENT OF PROFIT AND LOSS ACCOUNT</b>		
<b>Particulars</b>	<b>Year ended 31.03.2011</b>	<i>Year ended 31.03.2010</i>
Current Service Cost	<b>2,88,842</b>	4,05,588
Interest on Defined Benefit Obligation	<b>76,358</b>	52,740
Expected Return on Plan Assets	<b>(1,08,084)</b>	<b>(72,793)</b>
Net Actuarial Losses / (Gains) Recognised during the Year	<b>13,89,850</b>	<b>(1,63,096)</b>
Past Service Cost	—	—
Losses / (Gains) on "Curtailments & Settlements"	—	—
Adjustment for earlier years	—	—
Total recognized in Profit and Loss Account	<b>16,46,966</b>	2,22,643
Actual Return on Plan Assets	<b>1,08,084</b>	72,793

<b>TABLE 3 : SUMMARY OF ACTUARIAL ASSUMPTIONS</b>			
<b>A</b>	<b>Principle rules to compute Benefit Obligations</b>	<b>Year ended 31.03.2011</b>	<i>Year ended 31.03.2010</i>
1	Salary reckoned for calculating Benefit Obligations	<b>As per rule of the Company</b>	<i>As per rule of the Company</i>
2	Vesting Period	<b>5 Years for Gratuity</b>	<i>5 Years for Gratuity</i>
3	Benefit formula for Gratuity for all exits except death	<b>A1 x Completed year of service x 15 / 26 subject to benefit having vested</b>	<i>A1 x Completed year of service x 15 / 26 subject to benefit having vested</i>
4	Benefit formula for Gratuity on death	<b>Same as A3 but no vesting condition</b>	<i>Same as A3 but no vesting condition</i>

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

<b>TABLE 3 : SUMMARY OF ACTUARIAL ASSUMPTIONS</b>			
<b>B</b>	<b>Mean Financial Assumptions</b>		
1	Interest Rate for discount per unit per annum	<b>8%</b>	8%
2	Salary escalation rate per unit per annum	<b>6%</b>	6%
3	Expected rate of return on Plan Assets per unit per annum	<b>9%</b>	8%
<b>C</b>	<b>Mean Demographic Assumptions</b>		
1	Mortality Rate	<b>LIC 94-96 Rates</b>	<i>LIC 94-96 Rates</i>
2	Attrition rate	<b>1-3% depending on age</b>	<i>1-3% depending on age</i>
3	Disability / ill health retirement	<b>No explicit assumption</b>	<i>No explicit assumption</i>

b. Provision for leave encashment is made on actuarial basis as summarized below

<b>Sl. No</b>	<b>Particulars</b>	<b>Year ended 31.03.2011</b>	<b>Year ended 31.03.2010</b>
<b>A</b>	<b>Summary of employee data</b>		
	1. No of employees	<b>96</b>	72
	2. Notional benefit obligations on current salary in rupees	<b>30,32,111</b>	17,47,950
	3. Projected actuarial value of benefit obligation in rupees	<b>22,40,987</b>	14,29,395
<b>B</b>	<b>Principle rules to compute benefit obligations</b>		
	1. Salary reckoned for calculating benefit obligations	<b>Basic pay</b>	<i>Basic pay</i>
	2. Benefit formula for all exits	<b>B1x Leave Balance / 30</b>	<i>B1 x Leave Balance / 30</i>
<b>C</b>	<b>Mean financial assumptions</b>		
	1. Discount rate per unit per annum	<b>8%</b>	7.50%
	2. Salary escalation rate per unit per annum	<b>6%</b>	6.00%
<b>D</b>	<b>Mean demographic assumptions</b>		
	1. Mortality	<b>LIC 94-96 rates</b>	<i>LIC 94-96 rates</i>
	2. Withdrawal	<b>5% for all age</b>	<i>5% for all age</i>
	3. Disability	<b>No explicit assumption</b>	<i>No explicit assumption</i>

c. Contribution to provident fund is made on actual basis.

18. Expenditure in Foreign Currency (Rupees)

	<b>2010-11</b>	<b>2009-10</b>
<b>Professional Fees</b>	<b>1,96,928</b>	-
Travel	<b>12,25,945</b>	5,18,012

19. Earnings in Foreign Currency - Nil (*previous year Rs. Nil*)

20. Auditor's Remuneration (excluding service tax) (Rupees)

<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
Audit fees	<b>4,25,000</b>	3,50,000
Certification fees	<b>3,78,750</b>	36,000
Tax Audit fees	<b>75,000</b>	1,00,000
Audit of Consolidated accounts	<b>Nil</b>	4,00,000
Other services	<b>70,000</b>	75,000
Reimbursement of expenses	<b>69,608</b>	67,699



**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

## 21. Segmental reporting

Information about business segments – Under the primary segment there are two reportable segments namely, infrastructure development and wind power

(Rupees)

Particulars	Infrastructure Development		Wind Power		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Revenue	229,300,046	62,732,076	61,491,322	289,270	290,791,368	63,021,346
<b>Segment result</b>	<b>43,253,852</b>	<b>(33,215,801)</b>	<b>35,896,904</b>	<b>(1,703,092)</b>	<b>79,150,756</b>	<b>(34,918,893)</b>
Unallocable corporate income					168,780,052	6,913,224,305
<b>Operating profit</b>					<b>247,930,808</b>	<b>6,878,305,412</b>
Unallocable expenses					(72,765,244)	(199,818,741)
Unallocable depreciation					(8,741,010)	(8,639,507)
Interest income					125,880,844	8,388,819
Interest expense					(136,836,878)	(299,076,848)
<b>Profit before tax</b>					<b>155,468,520</b>	<b>6,379,159,135</b>
Provision for current tax					–	(1,197,705,470)
Provision for deferred tax					2,294,127	(69,751,474)
Provision for fringe benefit tax					–	114,832
MAT Credit entitlement					–	5,300,000
<b>Profit after tax</b>					<b>157,762,647</b>	<b>5,117,117,023</b>
<b>Other Information</b>						
Segment assets	20,311,073,956	9,891,192,568	553,173,353	513,101,928	20,864,247,309	10,404,294,496
Un allocable assets					666,126,028	7,790,684,698
<b>Total Assets</b>					<b>21,530,373,337</b>	<b>18,194,979,194</b>
Segment liabilities	4,950,000,000	1,307,200,000	4,500,000	60,367,038	4,954,500,000	1,367,567,038
Un allocable liabilities					279,329,332	613,461,427
<b>Total Liabilities</b>					<b>5,233,829,332</b>	<b>1,981,028,465</b>
Depreciation included in Segment expense			24,093,630	1,986,362	24,093,630	1,986,362

The Company caters mainly to domestic market and hence there are no reportable secondary / geographical segments.

## 22. Provision for taxes:

- Provision for income tax has not been made in books since there is no tax liability either under Section 115JB or under normal provisions of the Income tax Act, 1961.
- The Company does not have taxable wealth under the provisions of the Wealth Tax Act, 1957.

## 23. Deferred Tax:

Major components of deferred tax liabilities and deferred tax assets:

(In Rupees)

Details	As at 31.03.2011	As at 31.03.2010
Deferred tax liabilities		
Difference between carrying amounts of fixed assets in the books and WDV for income tax purposes.	6,84,54,332	7,00,57,565
Total deferred tax liabilities	6,84,54,332	7,00,57,565
Less: Deferred tax assets		

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

Details	As at 31.03.2011	As at 31.03.2010
Leave encashment	7,27,088	4,81,426
Gratuity	4,45,232	–
Total deferred tax assets	11,72,320	4,81,426
Net deferred tax liability / (asset)	6,72,82,012	6,95,76,139
Net incremental provision for deferred tax liability / (asset)	(22,94,127)	6,97,51,474

24. Basic and Diluted Earnings per Share ('EPS') computed in accordance with Accounting Standard (AS) 20 'Earnings per Share':

Particulars		2010-11	2009-10
<b>Basic</b>			
Profit after tax as per Accounts (Rupees)	<b>A</b>	15,77,62,647	511,71,17,023
Weighted average number of shares	<b>B</b>	24,35,58,835	24,32,08,304
Basic EPS (Rupees)	<b>A/B</b>	0.65	21.04
<b>Diluted</b>			
Profit after tax as per Accounts (Rupees)	<b>A</b>	15,77,62,647	511,71,17,023
Weighted average number of shares	<b>B</b>	24,35,58,835	24,32,08,304
Add: Weighted average number of Potential equity shares that could arise on allotment of share for which amount has been received in advance.	<b>C</b>	–	55,29,388
Add: Weighted average number of potential equity shares in respect of partly paid-up shares.	<b>D</b>	–	27,20,940
Weighted average number of shares ( <b>E=B+C+D</b> )	<b>E</b>	24,35,58,835	25,14,58,632
Diluted EPS (Rupees) ( <b>F = E/A</b> )	<b>F</b>	0.65	20.35

25. Disclosure of related parties / related party transactions

A. List of related parties

Holding Company	Larsen & Toubro Limited
Subsidiary companies	1. L&T Urban Infrastructure Limited
	2. Cyberpark Development and Construction Limited (up to December 29, 2010)
	3. L&T Infocity Limited
	4. CSJ Infrastructure Private Limited
	5. L&T Vision Ventures Limited
	6. L&T Bangalore Airport Hotel Limited
	7. L&T Tech Park Limited
	8. L&T South City Projects Limited
	9. L&T Siruseri Property Developers Limited
	10. L&T Arun Excello Commercial Projects Private Limited
	11. L&T Arun Excello IT SEZ Private Limited–
	12. Hyderabad International Trade Expositions Limited
	13. Andhra Pradesh Expositions Private Limited (upto February 5, 2011 )
	14. L&T Infocity Lanka Private Limited (upto April 6, 2010)
	15. L&T Hitech City Limited
	16. L&T Infrastructure Development Projects Lanka (Private) Limited
	17. L&T Transportation Infrastructure Limited
	18. L&T Krishnagiri Thopur Toll Road Limited

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

19. L&T Vadodara Bharuch Tollway Limited
20. L&T Western Andhra Tollways Limited
21. L&T Interstate Road Corridor Limited
22. L&T Panipat Elevated Corridor Limited
23. L&T Transco Private Limited \*\*
24. L&T Port Kachchigarh Limited \*\*
25. L&T Ahmedabad – Maliya Tollway Limited ##
26. L&T Halol – Shamlaji Tollway Limited ##
27. L&T Chennai – Tada Tollway Limited\*\*
28. L&T Samakhiali Gandhidham TollwayPvt Ltd\*\*
29. International Seaports India Private Limited
30. L&T Metro Rail (Hyderabad) Limited
31. L&T Krishnagiri Walajahpet Tollway Limited
32. L&T Devihalli Hassan Tollway Limited
33. Sutrapada SEZ Developers Limited \*\*
34. Sutrapada Shipyard Limited \*\*

\*\* Subsidiary with effect from March 31, 2011 from fellow subsidiary

## Subsidiary with effect from March 29, 2011 from fellow subsidiary

Incorporated jointly controlled entity	1.	The Dhamra Port Company Limited
Associates	1.	International Seaports Haldia (Private) Limited
Fellow Subsidiaries	1.	L&T Western India Tollbridge Limited
	2.	L&T Infrastructure Finance Company Limited
	3.	L&T Uttaranchal Hydropower Limited
	4.	Larsen & Toubro Infotech Limited
	5.	PNG Tollway Limited
	6.	L&T Shipbuilding Limited
	7.	Chennai Vision Developers Private Limited
	8.	L&T Realty Private Limited
	9.	L&T Power Development Limited
	10.	L&T Seawoods Private Limited
	11.	Narmada Infrastructure Construction Enterprise Limited
	12.	L&T Rajkot-Vadinar Tollway Limited

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

B Details of transactions with related parties		(amount in Rupees)	
Name / Relationship / Nature of transaction	2010-11	2009-10	
<b>i. Holding Company</b>			
<b>Larsen &amp; Toubro Limited</b>			
• Project advisory fees earned (incl. service tax)	—	67,22,184	
• Inter Corporate Deposit placed with	200,00,00,000	—	
• Inter Corporate Deposit repaid by	200,00,00,000	—	
• Inter Corporate Deposit received from	240,00,00,000	62,00,00,000	
• Inter Corporate Deposit repaid to	—	97,00,00,000	
• Interest paid on Inter Corporate Deposit	1,26,24,658	4,83,79,657	
• Interest received on Inter Corporate Deposit	32,87,671	—	
• Rent received	—	1,06,590	
• Rent Paid (incl. service tax)	39,95,618	28,61,907	
• Cost of services from	4,71,59,961	1,83,38,488	
• Payroll Processing Fee (incl. service tax)	66,180	66,180	
• Business Support Service (incl. service tax)	54,52,129	31,43,550	
• Reimbursement of Expenses from	3,43,90,962	21,39,23,771	
• Reimbursement of Expenses to	1,57,77,589	4,23,734	
• Power generation charges	—	2,89,270	
• Purchase of shares of L&T Transco Pvt Ltd	1,00,000	—	
• Purchase of shares of L&T Ahmedabad – Maliya Tollway Ltd	63,01,50,000	—	
• Purchase of shares of L&T Halol – Shamlaji Tollway Ltd	65,26,50,000	—	
• Advance paid	4,92,94,547	2,85,77,288	
• Advance recovered	4,93,16,889	2,68,15,337	
<b>ii. Subsidiaries</b>			
<b>Cyber Park Development and Construction Limited</b>			
• Reimbursement of expenses to	11,195	26,305	
<b>L&amp;T Transportation Infrastructure Limited</b>			
• Inter Corporate Deposit received from	150,00,00,000	17,08,00,000	
• Inter Corporate Deposit repaid to	130,72,00,000	—	
• Cost of Services to	14,67,347	12,41,439	
• Interest paid on Inter Corporate Deposit	11,23,68,946	15,59,34,977	
• Operation & Maintenance fee earned (incl. service tax)	23,54,846	22,20,019	
• Reimbursement of expenses from	2,484	—	
• Reimbursement of expenses to	18,02,236	17,11,762	
• Advance paid and recovered	1,07,01,482	14,52,106	
<b>L&amp;T Panipat Elevated Corridor Limited</b>			
• Cost of services to	51,566	3,28,398	
• Cost of services from	2,23,949	1,17,361	
• Operation & Maintenance fee earned (incl. service tax)	42,48,370	39,18,228	
• Reimbursement of expenses from	40,75,976	3,08,61,217	
• Reimbursement of expenses to	—	3,09,627	
• Advance paid	32,74,00,000	2,97,43,331	

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

Name / Relationship / Nature of transaction	2010-11	2009-10
<b>L&amp;T Tech Park Limited</b>		
• Reimbursement of expenses to	7,378	5,96,409
• Reimbursement of expenses from	23,769	—
<b>L&amp;T Krishnagiri Thopur Toll Road Limited</b>		
• Operation & Maintenance fee earned (incl. service tax)	88,40,473	73,72,527
• Reimbursement of expenses to	9,70,239	8,39,596
• Reimbursement of expenses from	39,043	—
• Advance received	50,00,000	50,00,000
<b>L&amp;T Vadodara Bharuch Tollway Limited</b>		
• Subordinate debt	—	28,01,55,787
• Operation & Maintenance fee earned (incl. service tax)	2,09,18,818	1,49,05,659
• Cost of service to	5,55,332	20,76,834
• Reimbursement of expenses from	27,71,914	22,35,957
• Reimbursement of expenses to	5,950	—
<b>L&amp;T Western Andhra Tollways Limited</b>		
• Operation & Maintenance fee earned (incl. service tax)	41,41,263	34,61,794
• Cost of service to	70,646	5,20,109
• Reimbursement of expenses to	4,69,606	5,83,782
<b>L&amp;T Interstate Road Corridor Limited</b>		
• Equity infused (including advance)	—	3,04,28,360
• Operation & Maintenance fee earned (incl. service tax)	95,32,128	95,32,127
• Reimbursement of expenses to	27,90,828	14,68,301
• Cost of services to	—	25,783
<b>L&amp;T Urban Infrastructure Limited</b>		
• Inter Corporate Deposit placed with	100,00,00,000	3,50,00,000
• Inter Corporate Deposit repaid by	—	3,50,00,000
• Interest received on Inter Corporate Deposit	1,69,86,301	73,630
• Cost of services to	36,91,330	22,74,206
• Cost of service from	—	2,61,105
• Reimbursement of expenses from	2,98,178	76,955
• Reimbursement of expenses to	23,35,433	9,68,086
<b>L&amp;T Infocity Limited</b>		
• Cost of Services from	—	69,364
• Cost of Services to	2,65,371	1,32,198
• Reimbursement of expenses from	5,08,267	4,05,138
• Reimbursement of expenses to	2,06,014	44,543
<b>L&amp;T Infrastructure Development Projects Lanka (Pvt) Limited</b>		
• Equity infused(including advance)	3,17,21,305	2,48,16,781
• Reimbursement of expenses to	1,82,167	4,91,975
• Cost of services to	36,21,895	26,79,861
<b>CSJ Infrastructure Private Limited</b>		
• Reimbursement of expenses to	6,78,145	1,60,837
• Reimbursement of expenses from	—	10,000
• Cost of Services to	5,13,029	4,02,277

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

Name / Relationship / Nature of transaction	2010-11	2009-10
<b>L&amp;T South City Projects Limited</b>		
• Reimbursement of expenses to	42,393	64,644
<b>L&amp;T Bangalore Airport Hotels Limited</b>		
• Reimbursement of expenses from	1,56,263	29,042
• Reimbursement of expenses to	1,01,900	43,433
• Cost of services to	3,20,898	—
<b>L&amp;T Arun Excello IT SEZ Private Limited</b>		
• Reimbursement of expenses to	3,500	70,41,866
• Cost of Services to	—	2,27,493
<b>L&amp;T Arun Excello Commercial Projects Private Limited</b>		
• Reimbursement of expenses to	4,000	1,500
• Reimbursement of expenses from	8,000	—
• Cost of Services to	—	1,98,841
<b>International Seaports India Private Limited</b>		
• Reimbursement of expenses to	61,011	7,314
<b>Hyderabad International Trade Expositions Limited</b>		
• Reimbursement of expenses to	54,042	1,12,926
<b>L&amp;T Vision Ventures Limited</b>		
• Reimbursement of expenses from	15,316	9,084
<b>L&amp;T Transco Private Limited</b>		
• Reimbursement of expenses to	—	71,19,005
• Reimbursement of expenses from	68,545	4,52,871
• Cost of Services to	—	70,12,731
• Cost of Services from	15,11,658	—
• Purchase of shares of L&T Port Kachchigarh Ltd	3,50,00,000	—
• Advance towards share capital	17,67,20,000	—
<b>L&amp;T Chennai – Tada Tollway Limited</b>		
• Reimbursement of expense from	4,35,817	4,73,565
• Operation & Maintenance fee earned (incl. service tax)	35,88,740	30,20,496
• Cost of Services from	23,028	—
• Cost of Services to	9,29,815	—
<b>L&amp;T Samakhiali Gandhidham Tollway Private Limited</b>		
• Reimbursement of expense to	74,23,995	6,83,320
• Service rendered to (incl. service tax)	2,87,387	—
• Cost of services to	4,55,741	—
<b>L&amp;T Port Kachchigarh Limited</b>		
• Reimbursement of expense to	65,488	47,423
• Cost of Services to	—	3,65,850
• Advance towards share capital	66,00,000	—
<b>L&amp;T Ahmedabad – Maliya Tollway Limited</b>		
• Reimbursement of expense from	10,94,989	1,66,707
• Reimbursement of expense to	58,216	—
• Cost of Service to	17,90,368	4,35,814
• Facility management service (incl. service tax)	49,50,102	47,75,547
• Equity subscription	34,00,00,000	—

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

Name / Relationship / Nature of transaction	2010-11	2009-10
<b>L&amp;T Halol – Shamlaji Tollway Limited</b>		
• Reimbursement of expense to	13,80,843	1,69,218
• Reimbursement of expense from	49,141	11,448
• Cost of Services to	17,00,191	4,35,814
• Facility management service (incl. service tax)	46,62,628	44,98,143
• Unsecured Loan to	25,76,51,000	—
• Equity subscription	65,23,49,000	—
<b>Sutrapada SEZ Developers Limited</b>		
• Reimbursement of expenses to	600	—
<b>L&amp;T Siruseri Property Developers Limited</b>		
• Reimbursement of expenses to	600	—
<b>L&amp;T Metro Rail (Hyderabad) Limited</b>		
• Equity subscription	340,55,01,050	—
• Project advisory fees earned (incl. service tax)	12,66,02,340	—
• Reimbursement of expenses to	4972	—
• Reimbursement of expenses from	3,14,53,658	—
• Cost of Services to	6,41,305	—
• Inter Corporate Deposit placed with	7,60,00,000	—
• Inter Corporate Deposit repaid by	7,60,00,000	—
• Interest received on Inter Corporate Deposit	6,79,672	—
<b>L&amp;T Devihalli – Hassan Tollway Limited</b>		
• Equity Subscription (including advance)	33,20,99,000	—
• Project advisory fees earned (incl. service tax)	4,90,00,000	—
• Reimbursement of expenses to	1,49,53,152	—
• Cost of Services to	1,36,243	—
<b>L&amp;T Krishnagiri – Walajahpet Tollway Limited</b>		
• Reimbursement of expenses from	53,18,502	—
• Cost of Services to	1,36,243	—
• Inter Corporate Deposit received from	105,00,00,000	—
• Interest paid on Inter Corporate Deposit	1,14,78,081	—
• Unsecured Loan to	35,65,25,000	—
<b>iii. Fellow Subsidiaries</b>		
<b>L&amp;T Western India Tollbridge Limited</b>		
• Inter Corporate Deposit received from	—	6,93,00,000
• Inter Corporate Deposit repaid to	—	23,27,00,000
• Interest paid on Inter Corporate Deposit	—	2,11,22,700
• Sale of Investments to	—	28,00,00,000
• Operation & Maintenance fee earned (incl. service tax)	—	8,09,772
• Reimbursement of expenses to	24,619	31,101
• Reimbursement of expenses from	—	6,482
• Advance paid	1,05,734	17,22,000

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

Name / Relationship / Nature of transaction	2010-11	2009-10
<b>L&amp;T Rajkot – Vadinar Tollway Limited</b>		
• Reimbursement of expense to	13,85,148	2,12,712
• Reimbursement of expense from	3,99,753	13,23,949
• Cost of Service to	16,82,262	4,35,815
• Facility management service (incl. service tax)	35,45,602	34,20,511
<b>L&amp;T Uttaranchal Hydropower Limited</b>		
• Reimbursement of expenses from	11,240	23,79,131
• Cost of Services to	—	4,86,492
<b>L&amp;T Infrastructure Finance Limited</b>		
• Project advisory service expenses	2,53,20,468	—
• Cost of Services from	58,41,602	52,65,027
• Reimbursement of expense from	—	34,060
• Reimbursement of expense to	62,000	—
<b>Larsen &amp; Toubro Infotech Limited</b>		
• Support Service (incl. service tax)	—	4,40,114
• Cost of Services from	25,88,418	8,36,641
<b>PNG Tollway Limited</b>		
• Reimbursement of expenses from	39,53,405	2,52,988
• Advance paid	1,08,00,000	—
<b>Chennai Vision Developers Private Limited</b>		
• Reimbursement of expenses to	400	3,000
<b>L&amp;T Realty Private Limited</b>		
• Reimbursement of expenses to	23,77,211	8,878
• Sale of Investments to	—	291,63,55,000
<b>L&amp;T Power Development Limited</b>		
• Reimbursement of expenses from	59,087	16,09,430
<b>L&amp;T Seawoods Private Limited</b>		
• Reimbursement of expenses from	36,946	15,375
• Reimbursement of expenses to	8,09,521	58,365
<b>Narmada Infrastructure Construction Enterprise Limited</b>		
• Interest paid on ICD	—	7,35,91,712
• Services rendered to (incl. service tax)	48,24,027	45,36,480
• Inter Corporate Deposit received from	—	26,89,00,000
• Inter Corporate Deposit repaid by	—	89,19,00,000
• Cost of Services to	44,968	—
• Reimbursement of expenses to	4,16,482	4,98,167
<b>L&amp;T Shipbuilding Limited</b>		
• Reimbursement of expenses to	2,83,135	—
• Cost of Services to	1,35,803	—
<b>iv. Jointly Controlled Entity</b>		
<b>The Dhamra Port Company Limited</b>		
• Equity subscription	77,50,00,000	87,94,08,940
<b>Associates</b>		
<b>International Seaports Haldia (Private) Limited</b>		
• Dividend received	49,15,000	—



**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

C. Amount due to and due from related parties (Net) :

(Rupees)

Name / Relationship	2010-11		2009-10	
	Due to	Due from	Due to	Due from
i. Larsen & Toubro Limited (Holding company)	242,24,86,151	-	94,24,312	-
ii. <b>Subsidiaries</b>				
Narmada Infrastructure Construction Enterprise Limited	-	-	-	6,75,766
L&T Transportation Infrastructure Limited	151,33,15,069	-	143,83,60,932	-
L&T Panipat Elevated Corridor Limited	-	35,74,32,299	-	3,30,69,417
L&T Vadodara Bharuch Tollway Limited	-	174,16,79,515	-	174,00,00,000
L&T Urban Infrastructure Limited	-	131,97,70,000	-	31,97,70,000
L&T Infrastructure Development Projects Lanka (Private) Limited	-	1,42,96,004	-	57,40,537
L&T Ahmedabad – Maliya Tollway Limited	-	18,40,639	-	-
L&T Halol – Shamlaji Tollway Limited	-	26,02,09,404	-	-
L&T Metro Rail (Hyderabad) Limited	-	11,39,42,106	-	-
L&T Western Andhra Tollways Limited	-	-	-	4,47,921
L&T Interstate Road Corridor Limited	-	18,09,095	-	-
L&T Port Kachchigarh Limited	-	6,665,488	-	-
L&T Transco Private Limited	-	17,67,20,000	-	1,96,023
L&T Samakhiali Gandhidham Tollway Private Limited	-	-	-	6,83,320
International Seaports (India) Private Limited	-	61,011	-	-
L&T Krishnagiri Walajahpet Tollway Limited	70,05,43,082	-	-	-
L&T Devihalli Hassan Tollway Limited	-	31,10,00,000	-	-
iii. <b>Fellow Subsidiaries</b>				
PNG Tollway Limited	-	1,08,00,000	-	-
L&T Rajkot – Vadinar Tollway Limited	-	21,55,013	-	-
L&T Shipbuilding Limited	-	4,18,938	-	-
L&T Uttaranchal Hydropower Limited	-	-	1,88,520	-
Larsen & Toubro Infotech Limited	-	-	7,49,448	-
L&T Infrastructure Finance Company Limited	2,27,88,421	-	-	-
L&T Power Development Limited	-	-	-	3,37,770

D. No amount due to or due from has been written off or written back during the year (Previous year : Nil)

26. The Company has reviewed the estimated value-in-use of assets and being higher than the carrying amount of the assets, no adjustment for impairment is required.
27. Estimated amount of contract remaining to be executed on capital account (net of advances) as at 31.03.2011 is Rs. Nil (previous year Rs. Nil).
28. Disclosure in respect of Joint Ventures:
- (i) Details of Joint Ventures (based on Audited Accounts of the JV Company):

Name of the Joint Venture	Description of Interest Description of jobs	Proportion of Ownership interest	Country of	
			Incorporation	Residence
The Dhamra Port Company Limited (DPCL)	Incorporated Jointly Controlled Entity. (Develop the existing minor port at Dhamra into a modern, deepwater, all weather port).	50%	India	India

**SCHEDULES FORMING PART OF ACCOUNTS (Contd.)**

(ii) Financial Interest in Jointly Controlled Entity (based on Audited accounts)

Name of the Joint Venture	Company's share of				
	Assets	Liabilities	Income	Expenses	Tax
	<b>As at 31.03.2011</b>		<b>2010-11</b>		
DPCL	<b>1761,15,54,751</b> <i>(1436,16,28,923)</i>	<b>1438,74,95,414</b> <i>(1190,75,18,536)</i>	<b>1,31,683</b> <i>(1,70,616)</i>	<b>51,82,733</b> <i>(45,09,937)</i>	– <i>(46,037)</i>
Share of Net Assets	<b>322,40,59,337</b> <i>(245,41,10,387)</i>				
Profit / Loss (-) after tax			<b>(-) 50,51,051</b> <i>((-)43,85,358)</i>		

**Note:** Figures in italics and brackets relate to previous year.

- (iii) Share in Contingent Liabilities of the said Joint Venture itself for which the Company is contingently liable as at March 31, 2011: Rs. 9,23,25,000 (*previous year: Rs. Nil*);
- (iv) Contingent liability incurred in relation to interest in the said Joint Venture—Refer note no. 29(b)(i).
- (v) Capital commitments incurred in relation to interest in Joint Ventures as at March 31, 2011 Rs. 7617.34 lakhs (*Previous year Rs. 2155.83 lakhs*).
29. Contingent liabilities:
- (a) Contingent liability in respect of guarantees given on behalf of subsidiaries Rs. 140,22,00,000 (*previous year: Rs. 40,50,80,000*)
- (b) The Company is contingently liable to the extent of its investments for loans taken by:
- i. Jointly Controlled entity - Refer Note No. 11(b) above  
Current year: Rs. 165,24,00,000 (*previous year: Rs. 125,71,50,000*)
- ii. Subsidiaries – Refer Note No. 11(a) above  
Current year: Rs. 161,75,52,380 (*previous year: Rs. 161,75,52,380*)
30. Managerial remuneration Rs. Nil (*Previous year Rs. Nil*).
31. Figures for the previous year have been regrouped / reclassified wherever necessary.

As per our report attached

For and on behalf of the Board

**SHARP & TANNAN**

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

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

**K. VENKATESH**  
Manager

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director

Place : Chennai  
Date : May 13, 2011

Place : Mumbai  
Date : May 12, 2011

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**Balance Sheet Abstract and Company's General Business Profile**

**I. Registration Details**

Registration No.

State Code

Balance Sheet Date   
Date Month Year

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue

Bonus Issue

Rights Issue

Private Placement

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities

Total Assets

**Sources of Fund**

Paid-Up Capital (Including Advance)

Reserves & Surplus

Unsecured Loans

Deferred Tax Liability

**Application of Funds**

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Deferred Tax Asset

Accumulated Losses

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover

Total Expenditure

+ - Profit / Loss Before Tax

+ - Profit / Loss After Tax

(Please Tick Appropriate box + for Profit, - for Loss)

+ - Earnings Per Share in Rs.

Dividend Rate %

**V. Generic Names of Principal Products/Services of the Company (as per monetary items)**

Item Code No.

(ITC Code)

Product Descriptions

For and on behalf of the Board

Place : Mumbai  
Date : May 12, 2011

**K. VENKATESH**  
Manager

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director

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

Name of the subsidiary	L&T Transportation Infrastructure Limited	L&T Interstate Road Corridor Limited	L&T Krishnagiri Thopur Toll Road Limited	L&T Panipat Elevated Corridor Limited	L&T Vadodara Bharuch Tollway Limited	L&T Western Andhra Tollways Limited
Financial year of the subsidiary company ended on	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011
Number of Shares in the subsidiary company held by L&T Infrastructure Development Projects Limited at the above date						
- Equity shares	30,536,000	57,160,000	78,750,000	84,300,000	43,500,000	56,500,000
- Preference shares	-	-	-	-	-	-
The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of L&T Infrastructure Development Projects Limited						
<b>(Rupees in thousands)</b>						
(i) Dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to						
(a) for the subsidiary's financial year ended March 31, 2011	-	-	-	-	-	-
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	36,642	-	-	-	-	-
(ii) Not dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to:						
(a) for the subsidiary's financial year ended March 31, 2011	83,071	52,186	(245,165)	(461,295)	(785,792)	(201,957)
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	188,787	76,565	(355,638)	(757,874)	(727,805)	(225,998)
Changes in the interest of L&T Infrastructure Development Projects Limited between						
the end of the subsidiary's financial year and March 31, 2011						
Number of shares acquired	NA	NA	NA	NA	NA	NA
Material changes between the end of the subsidiary's financial year and March 31, 2011						
(i) Fixed assets (net additions)	NA	NA	NA	NA	NA	NA
(ii) Investments (Fixed deposit with scheduled bank)	NA	NA	NA	NA	NA	NA
(iii) Moneys lent by the subsidiary	NA	NA	NA	NA	NA	NA
(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	NA	NA	NA	NA	NA	NA

Note : \*\* Subsidiaries which are yet to commence commercial operations.

For and on behalf of the Board

Place : Mumbai  
Date : May 12, 2011

**K. VENKATESH**  
Manager

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director

**STATEMENT PURSUANT TO SECTION 212 (Contd.)**

Name of the subsidiary	L&T Krishnagiri Walajahpet Tollway Limited**	L&T Devihalli Hassan Tollway Limited**	L&T Ahmedabad-Maliya Tollway Limited**	L&T Halol -Shamlaji Tollway Limited**	L&T Transco Private Limited	L&T Chennai -Tada Tollway Limited**
Financial year of the subsidiary company ended on	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011
Number of Shares in the subsidiary company held by L&T Infrastructure Development Projects Limited at the above date						
- Equity shares	89,997,400	2,109,900	97,015,000	130,499,900	10,000	-
- Preference shares	-	-	-	-	-	-
The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of L&T Infrastructure Development Projects Limited						
<b>(Rupees in thousands)</b>						
(i) Dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to						
(a) for the subsidiary's financial year ended March 31, 2011	-	-	-	-	-	-
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	-	-	-	-	-	-
(ii) Not dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to:						
(a) for the subsidiary's financial year ended March 31, 2011	2,550	(4,663)	(765)	2,141	(28,587)	(280)
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	-	-	(6,669)	(4,320)	(136,462)	(1,584)
Changes in the interest of L&T Infrastructure Development Projects Limited between						
the end of the subsidiary's financial year and March 31, 2011						
Number of shares acquired	NA	NA	NA	NA	NA	NA
Material changes between the end of the subsidiary's financial year and March 31, 2011						
(i) Fixed assets (net additions)	NA	NA	NA	NA	NA	NA
(ii) Investments (Fixed deposit with scheduled bank)	NA	NA	NA	NA	NA	NA
(iii) Moneys lent by the subsidiary	NA	NA	NA	NA	NA	NA
(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	NA	NA	NA	NA	NA	NA

Note : \*\* Subsidiaries which are yet to commence commercial operations.

For and on behalf of the Board

Place : Mumbai  
Date : May 12, 2011

**K. VENKATESH**  
Manager

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director

**STATEMENT PURSUANT TO SECTION 212 (Contd.)**

Name of the subsidiary	L&T Samakhiali Gandhidham Tollway Private Limited	L&T Port Kachchigarh Limited**	L&T Metro Rail (Hyderabad) Limited**	Sutrapada SEZ Developers Limited**	Sutrapada Shipyard Limited**	L&T Urban Infrastructure Limited
Financial year of the subsidiary company ended on	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011
Number of Shares in the subsidiary company held by L&T Infrastructure Development Projects Limited at the above date						
- Equity shares	-	3,500,000	340,559,600	-	-	75,000,000
- Preference shares	-	-	-	-	-	-
The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of L&T Infrastructure Development Projects Limited						
<b>(Rupees in thousands)</b>						
(i) Dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to						
(a) for the subsidiary's financial year ended March 31, 2011	-	-	-	-	-	-
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	-	-	-	-	-	-
(ii) Not dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to:						
(a) for the subsidiary's financial year ended March 31, 2011	(41,839)	(32,720)	(13,875)	(158)	(156)	259,829
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	-	(9,090)	-	(79)	(80)	98,932
Changes in the interest of L&T Infrastructure Development Projects Limited between						
the end of the subsidiary's financial year and March 31, 2011						
Number of shares acquired	NA	NA	NA	NA	NA	NA
Material changes between the end of the subsidiary's financial year and March 31, 2011						
(i) Fixed assets (net additions)	NA	NA	NA	NA	NA	NA
(ii) Investments (Fixed deposit with scheduled bank)	NA	NA	NA	NA	NA	NA
(iii) Moneys lent by the subsidiary	NA	NA	NA	NA	NA	NA
(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	NA	NA	NA	NA	NA	NA

Note : \*\* Subsidiaries which are yet to commence commercial operations.

For and on behalf of the Board

Place : Mumbai  
Date : May 12, 2011

**K. VENKATESH**  
Manager

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director

**STATEMENT PURSUANT TO SECTION 212 (Contd.)**

Name of the subsidiary	L&T Infrastructure Development Projects (Lanka) Private Limited**	International Seaports (India) Private Limited**	CSJ Infrastructure Private Limited**	L&T Infocity Limited	L&T Vision Ventures Limited**	L&T Tech Park Limited	L&T Hitech City Limited
Financial year of the subsidiary company ended on	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011
Number of Shares in the subsidiary company held by L&T Infrastructure Development Projects Limited at the above date							
- Equity shares	136,341,275	2,500,560	-	-	-	-	-
- Preference shares	-	-	-	-	-	-	-
The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of L&T Infrastructure Development Projects Limited							
<b>(Rupees in thousands)</b>							
(i) Dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to							
(a) for the subsidiary's financial year ended March 31, 2011	-	-	-	-	-	-	-
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	-	-	-	-	-	-	-
(ii) Not dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to:							
(a) for the subsidiary's financial year ended March 31, 2011	-	(158)	(6,454)	723,943	(9,687)	19,630	(38,512)
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	33,776	(39,056)	(6,001)	1,644,038	(1,847)	(19,088)	(9,356)
Changes in the interest of L&T Infrastructure Development Projects Limited between							
the end of the subsidiary's financial year and March 31, 2011							
Number of shares acquired	NA	NA	NA	NA	NA	NA	NA
Material changes between the end of the subsidiary's financial year and March 31, 2011							
(i) Fixed assets (net additions)	NA	NA	NA	NA	NA	NA	NA
(ii) Investments (Fixed deposit with scheduled bank)	NA	NA	NA	NA	NA	NA	NA
(iii) Moneys lent by the subsidiary	NA	NA	NA	NA	NA	NA	NA
(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	NA	NA	NA	NA	NA	NA	NA

Note : \*\* Subsidiaries which are yet to commence commercial operations.

For and on behalf of the Board

Place : Mumbai  
Date : May 12, 2011

**K. VENKATESH**  
Manager

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director

**STATEMENT PURSUANT TO SECTION 212 (Contd.)**

Name of the subsidiary	L&T Bangalore Airport Hotel Limited**	L&T South City Projects Limited	Hyderabad International Trade Expositions Limited	L&T Siruseri Property Developers Limited**	L&T Arun Excello Commercial Projects Private Limited**	L&T Arun Excello IT SEZ Private Limited
Financial year of the subsidiary company ended on	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011	31-03-2011
Number of Shares in the subsidiary company held by L&T Infrastructure Development Projects Limited at the above date						
- Equity shares	-	-	-	-	-	-
- Preference shares	-	-	-	-	-	-
The net aggregate of profits, less losses, of the subsidiary company so far as it concerns the members of L&T Infrastructure Development Projects Limited						
<b>(Rupees in thousands)</b>						
(i) Dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to						
(a) for the subsidiary's financial year ended March 31, 2011	-	-	-	-	-	-
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	-	-	-	-	-	-
(ii) Not dealt with in the accounts of L&T Infrastructure Development Projects Limited amounted to:						
(a) for the subsidiary's financial year ended March 31, 2011	(1,032)	49,314	10,974	(16)	(5,883)	(82,527)
(b) for previous financial years of the subsidiary since it became subsidiary of L&T Infrastructure Development Projects Limited	(677)	(2,581)	(18,206)	(25)	(6,189)	(12,732)
Changes in the interest of L&T Infrastructure Development Projects Limited between						
the end of the subsidiary's financial year and March 31, 2011						
Number of shares acquired	NA	NA	NA	NA	NA	NA
Material changes between the end of the subsidiary's financial year and March 31, 2011						
(i) Fixed assets (net additions)	NA	NA	NA	NA	NA	NA
(ii) Investments (Fixed deposit with scheduled bank)	NA	NA	NA	NA	NA	NA
(iii) Moneys lent by the subsidiary	NA	NA	NA	NA	NA	NA
(iv) Moneys borrowed by the subsidiary company other than for meeting current liabilities	NA	NA	NA	NA	NA	NA

Note : \*\* Subsidiaries which are yet to commence commercial operations.

For and on behalf of the Board

Place : Mumbai  
Date : May 12, 2011

**K. VENKATESH**  
Manager

**R. CHANDRASEKARAN**  
Secretary

**Y. M. DEOSTHALEE**  
Director

**R. SHANKAR RAMAN**  
Director