

DIRECTORS' REPORT

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

1. FINANCIAL RESULTS

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

2. DIVIDEND

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

3. CAPITAL EXPENDITURE

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

4. AUDITORS

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

5. AUDITORS' REPORT

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

6. DIRECTORS

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

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

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

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

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- I. that in the preparation of the annual accounts, the Accounting Standards have been followed to the extent applicable and there has been no material departure;
- II. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010;
- III. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV. that the annual accounts have been prepared on a going concern basis.

8. DISCLOSURE OF PARTICULARS

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

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

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

10. ACKNOWLEDEMENT

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

For and on behalf of the Board

Place : Mumbai
Date : May 17, 2010

V. K. MAGAPU
Director

N. HARIHARAN
Director

ABHAY KELKAR
Director

AUDITORS' REPORT

TO THE SHAREHOLDERS OF L&T TECHNOLOGIES LIMITED

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

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

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

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

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

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

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

R. D. KARE
Partner
Membership No. 8820

Place : Mumbai
Date : May 17, 2010