

Company information

Board of Directors

(As of April 24, 2012)

Mr. Suneet K. Maheshwari	Managing Director & Chief Executive
Mr.Y.M. Deosthalee	Director
Mr.N. Sivaraman	Director
Mr.B.V. Bhargava	Independent Director
Mr.A.K. Jain	Independent Director

Company Secretary

Mr. Shekhar Prabhudesai

Statutory Auditors

M/s. Deloitte Haskins & Sells

Registered Office

Mount Poonamallee Road, Manapakkam, Chennai – 600 089

Investor Service Centre

City – 2, 177 – C.S.T Road, Kalina,
Santacruz (East), Mumbai – 400 098
Phone: +91-22-66217300
Email: Ltinfra@Ltinfra.com
Website: www.Ltinfra.com

Registrar & Share Transfer Agents

Sharepro Services (India) Private Limited

L&T Infrastructure Finance Company Limited

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Sixth Annual Report of your Company with the audited accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

The summarized financial results of your Company are given hereunder:

(₹ Lakhs)

Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
Gross Income	118,390.83	70,397.46
Profit Before Tax	37,815.50	29,397.69
Provision for Tax	11,420.38	9,315.00
Profit After Tax	26,395.12	20,082.69
Add: Balance brought forward from previous year	25,874.79	17,974.10
Balance available for appropriation	52,269.91	38,056.79
Appropriations:		
Interim Dividend	2,720.03	-
Dividend Distribution Tax	441.26	-
Special Reserve u/s 45-IC of Reserve Bank of India Act, 1934	5,281.00	4,017.00
Special Reserve u/s 36(1) (viii) of the Income Tax Act, 1961	2,533.00	1,165.00
Transfer to Debenture Redemption Reserve	1,600.00	7,000.00
Surplus carried forward to Balance Sheet	39,694.62	25,874.79

APPROPRIATIONS

Your Company proposes to transfer ₹ 5,281.00 lakhs (*Previous year: ₹ 4,017.00 lakhs*) to Special Reserve created u/s 45 – IC of Reserve Bank of India Act, 1934; ₹ 2,533.00 lakhs (*Previous year: ₹ 1,165.00 lakhs*) to Special Reserve created u/s 36 (1)(viii) of the Income Tax Act, 1961; ₹ 1,600.00 lakhs (*Previous year: ₹ 7,000.00 lakhs*) to Debenture Redemption Reserve and retain ₹ 39,694.62 lakhs (*Previous year: ₹ 25,874.79 lakhs*) in the Profit and Loss Account of the Company.

DIVIDEND

During the year, your Company has declared maiden interim dividend of ₹ 0.35 per equity share. Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No final dividend has therefore been recommended for the year ended March 31, 2012.

PERFORMANCE OF THE COMPANY

Your Company achieved commendable growth during 2011-12, highlights of which are given below, notwithstanding the challenging business environment:

- Gross Assets against grant of financial assistance grew 44.81% from ₹ 753,648.95 lakhs as at March 31, 2011 to ₹ 1,091,350.33 lakhs as at March 31, 2012.

- Total income grew by 68.17% from ₹ 70,397.46 lakhs in 2010-11 to ₹ 118,390.83 lakhs in 2011-12.
- Profit Before Tax (PBT) grew by 28.63% from ₹ 29,397.69 lakhs in 2010-11 to ₹ 37,815.50 lakhs in 2011-12.
- Profit After Tax (PAT) grew by 31.43% from ₹ 20,082.69 lakhs in 2010-11 to ₹ 26,395.12 lakhs in 2011-12.

While there was a sizeable increase in interest cost due to economic factors, the impact on the performance was minimized through appropriate strategies both on the borrowing and lending sides, better cost management and monitoring of assets.

CLASSIFICATION AS PUBLIC FINANCIAL INSTITUTION

During the year, your Company was classified as a 'Public Financial Institution' under Section 4A of the Companies Act, 1956.

RESOURCES

The growth in your Company's portfolio against financial assistance has led to increased funding requirements.

During the year under review, L&T Finance Holdings Limited, the Holding Company, had additionally subscribed to 9,37,50,000 Equity Shares of ₹10/- each, for cash at a premium of ₹ 30/- per share, aggregating to ₹ 37,500 lakhs. The paid up capital of your Company increased to ₹ 79,590 lakhs as at March 31, 2012 from ₹ 70,215 lakhs as at March 31, 2011.

L&T Infrastructure Finance Company Limited

Your Company, consequent to being classified as an "Infrastructure Finance Company" raised long-term resources of ₹100,825.12 lakhs through two tranches of public issue of long-term infrastructure bonds entitled to benefits under section 80CCF of the Income Tax Act, 1961.

Your Company has also sourced borrowed funds from different sources for varying tenors.

The foregoing raising of resources led to aggregate borrowings as at March 31, 2012 increasing to ₹ 894,230.76 lakhs from ₹ 619,352.57 lakhs as at the end of the preceding financial year.

FIXED DEPOSITS

Your Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

DIRECTORS

During the year, the Board of Directors of your Company has appointed Mr. Ajit Kumar Jain and Mr. Suneet K. Maheshwari as Additional Directors.

The Board of Directors of your Company has also appointed Mr. Suneet K. Maheshwari as the Managing Director and he has been designated as Managing Director & Chief Executive.

Pursuant to the provisions of the Companies Act, 1956, Mr. B. V. Bhargava and Mr. Y. M. Deosthalee, Directors of your Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Board records with deep regret the passing away of Dr. R. H. Patil, a Director of the Company, on April 12, 2012. Dr. Patil was a Director of the Company since January 12, 2007 and played a stellar role in guiding the Company's growth since inception.

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES 2009

The Company has familiarized itself with the requirement of the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India. A gist of the compliance of your Company with the said guidelines is furnished in the Corporate Governance Report forms part of the Corporate Governance Report, appearing as Annexure A to this Report.

AUDITORS

The Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER

Information under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and the rules made thereunder is given in a separate Annexure to this Report and forms part of this report. The same will be furnished to the shareholders on request. None of the employees listed in the said Annexure is related to any Director of your Company.

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

In view of the nature of activities which are being carried on by your Company, Rules 2A and 2B of The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to your Company.

The information on foreign exchange outgo is furnished in the Notes to the Accounts. There were no foreign exchange earnings during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- 3) the Directors have taken proper and sufficient care 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) the annual accounts have been prepared on a going concern basis; and
- 5) proper systems are in place to ensure compliance of all laws applicable to the Company.

AUDITORS' REPORT

The Auditors' Report is unqualified. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

L&T Infrastructure Finance Company Limited

SUBSIDIARY COMPANIES

During the year, your Company has formed two wholly owned subsidiaries in the nature of Asset Management Company (AMC) and Trustee Company for operationalising the Domestic Infrastructure Private Equity (PE) Fund proposed to be sponsored by the Company.

As required under Section 212 of the Companies Act, 1956, the Audited Balance sheet and Profit and Loss Account of L&T Infra Investment Partners Advisory Pvt. Ltd. and L&T Infra Investment Partners Trustee Pvt. Ltd. for the year ended March 31, 2012, along with the Reports of the Auditors and Directors thereon are annexed and form part of the Report.

RESERVE BANK OF INDIA (RBI) GUIDELINES

Your Company has complied with all the applicable regulations of the Reserve Bank of India as on March 31, 2012.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the dedication and commitment of your Company's employees to the growth of your Company. Their unstinted support has

been and continues to be integral to your Company's ongoing success. Your Directors wish to thank your Company's clients and business associates for their support to the growth of your Company. Your Directors also wish to thank the Central and State Governments, Reserve Bank of India and other Regulatory/Government Authorities, Financial Institutions, Banks, Mutual Funds and Rating Agencies for their support.

For and on behalf of the Board of Directors

Y. M. Deosthalee
Director

Suneet Maheshwari
Managing Director &
Chief Executive

Place: Mumbai
Date: April 24, 2012

CORPORATE GOVERNANCE REPORT

Annexure A to Directors' Report

BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to your Company's management and directs, supervises and controls the activities of your Company. At present, the Board comprises of five Directors viz. Mr. Y. M. Deosthalee, Mr. N. Sivaraman, Mr. B.V. Bhargava, Mr. A. K. Jain and Mr. Suneet K. Maheshwari. Except Mr. Suneet K. Maheshwari, all the directors are Non-Executive directors. Mr. Deosthalee is also the Chairman & Managing Director of L&T Finance Holdings Limited, the Holding Company, while Mr. Sivaraman is the President & Whole-time Director of the same.

Mr. Suneet Maheshwari is the Managing Director & Chief Executive of your Company and functions under the superintendence and control of the Board of Directors.

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Committees have oversight of operational issues assigned to them by the Board. The seven core Committees constituted by the Board in this connection are:

- Audit Committee
- Committee of Directors
- Asset-Liability Management Committee
- Investment and Credit Committee
- Nomination and Compensation Committee
- Risk Management Committee
- Securities Transfer Committee

The details of various committees of your Company are as under:

1) Audit Committee

The Audit Committee has been set up pursuant to Section 292A of the Act, as well as the RBI Directions for NBFCs. The Committee currently comprises of 3 Directors as per details given below:

Composition of Audit Committee

Mr. B. V. Bhargava

Mr. N. Sivaraman

Mr. Suneet K. Maheshwari

Role of the Committee

The role, terms of reference, authority and powers of the Audit Committee are in conformity with Section 292A of the Companies Act, 1956. The Audit Committee met 4 times during the year.

2) Committee of Directors

The Committee currently comprises of 2 Directors as per details given below.

Composition of Committee of Directors (COD)

Mr. Y. M. Deosthalee

Mr. N. Sivaraman

Role of the Committee

The COD has been entrusted with the powers of general management of the affairs of your Company. The Committee met 35 times during the year.

3) Asset – Liability Management Committee

The Committee is chaired by Mr. Sivaraman and consists of 10 other members holding senior executive positions in various functions in Larsen & Toubro Limited, L&T Finance Limited, and other subsidiaries in Larsen & Toubro's financial services business.

Role of the Committee

- Monitoring market risk management systems, compliance with the asset-liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring

adherence to the RBI Guidelines issued in this behalf from time to time;

- Deciding the business strategy of your Company (on the assets and liabilities sides) in line with your Company's budget and decided risk management objectives;
- Reviewing the effects of various possible changes in the market conditions related to the balance sheet and recommending the action needed to adhere to your Company's internal limits;
- Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- Product pricing for advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/products, etc.;
- Articulating the current interest rate view of your Company and deciding the future business strategy on this view; and
- Deciding on the source and mix of liabilities or portfolio sale of loan assets.

The ALCO met 8 times during the year under review.

4) Investment and Credit Committee

The Investment & Credit Committee of your Company chaired by Mr. B.V. Bhargava, also comprises of Mr. Y.M. Deosthalee, Mr. Sivaraman and Mr. Suneet K. Maheshawri and 3 senior executives.

Role of the Committee

The ICC reviews all credit/investment proposals seeking financial assistance from your Company. The Committee takes decisions in accordance with the Investment and Credit Policy approved by the Board.

The Committee met 27 times during the year under review.

5) Nomination and Compensation Committee

The Committee currently comprises of 4 members as per details given below.

Composition of Nomination and Compensation Committee

Mr. Y. M. Deosthalee

Mr. N. Sivaraman

Mr. Suneet Maheshwari

Head-HR, L&T Financial Services

Role of the Committee

- To ensure 'fit and proper' status of existing/proposed Directors by obtaining necessary information and declaration from them and undertake a process of due diligence to determine the suitability of the person(s) for appointment / continuing to hold appointment as a Director on the Board, based upon qualification, expertise, track record, integrity and other relevant factors.
- To obtain annual declaration confirming that the information already provided had not undergone change and if there is any change, requisite details would be furnished by the Directors forthwith.
- To focus on evaluating senior level employees, their remuneration, promotions etc.

The Committee met once during the year under review.

6) Risk Management Committee

The Committee currently comprises of 4 members as per details given below.

Composition of Risk Management Committee

Mr. N. Sivaraman

Mr. P. S. Banerjee

Mr. R. Govindan

Mr. Ramesh M. Bhujang - Secretary

Role of the Committee

The Risk Management Committee reviews inter alia the integrated risk which includes liquidity risk, interest rate risk and currency risk, and suggests remedial actions as required. The Committee is chaired by an Independent Director and consists of 4 other members.

The Committee met thrice during the year under review.

7) Securities Transfer Committee

The Securities Transfer Committee of your Company consists of 3 senior executives.

Role of the Committee

The Securities Transfer Committee approves requests pertaining to Issuance of Physical Certificates on account of Rematerialization and Duplicate Bond Certificates.

The Committee met 9 times during the year under review.

Disclosures

During the financial year ended March 31, 2012:

- There was no materially significant related party transaction with the Directors that had a potential conflict with the interests of your Company.
- The related party transactions have been disclosed in the Notes to Accounts forming part of the Annual Financial Statements.
- Though not applicable, your Company has adhered to a few mandatory and non-mandatory requirements of Corporate Governance norms as prescribed by Clause 49 of the Listing Agreement.
- Your Company has implemented some of the recommendations given in the "Corporate Governance – Voluntary Guidelines 2009" by the Ministry of Corporate Affairs and is examining the possibility of implementing the remaining recommendations.

Means of Communication

- Half Yearly Results are communicated through newspaper advertisements in prominent national and regional dailies.

- The investors (debentureholders) are also sent a half year communication as per the Debt Listing Agreement.
- Annual Reports, official news releases and presentations are displayed on the website of the Company <http://www.ltinfra.com>

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES 2009

Your Company has familiarized itself with the requirement of the Corporate Governance Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs, Government of India. A gist of the compliance of your Company with the said guidelines is given below, to the extent not covered in the earlier part of this Report:

Separation of Offices of Chairman and Managing Director & Chief Executive

The roles and offices of the Chairman and Managing Director & Chief Executive are separated. Mr. Y. M. Deosthalee chairs the meetings of the Board whereas Mr. Suneet K. Maheshwari is the Managing Director & Chief Executive of your Company.

Remuneration of Directors

Except Mr. Suneet K. Maheshwari, all the Directors of your Company are non-executive. The Directors on the Board who are in the services of L&T Finance Holdings Limited draw remuneration from L&T Finance Holdings Limited. The other Directors on the Board are paid sitting fees for attending the meetings of the Board and/or any committee thereof and do not draw any other remuneration.

Independent Directors

Except Mr. Suneet K. Maheshwari, Managing Director & Chief Executive all the members of the Board of your Company are independent in the sense that except him none of them is involved in the day-to-day management of your Company.

Number of Companies in which an Individual may become a Director

Your Company has apprised its board members about the restriction on number of other directorships and they have confirmed Compliance with the same.

L&T Infrastructure Finance Company Limited

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.

Your 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.

Statutory Auditors

Your Company has obtained a certificate from the auditors certifying its independence and arm's length relationship with your Company. Your 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.

Internal Auditors

Internal Audit Department of L&T Finance Limited provides Internal Audit services to your Company.

Internal Control

The Board ensures the effectiveness of your Company's system of internal controls including financial, operational and compliance controls and risk management systems.

Secretarial Audit

The Secretarial Audit is conducted annually by the Corporate Secretarial department of Larsen & Toubro Limited, which has competent professionals to carry out the said audit.

For and on behalf of the Board of Directors

Y. M. Deosthalee
Director

Suneet Maheshwari
Managing Director &
Chief Executive

Place: Mumbai
Date: April 24, 2012

Auditors' Report

To the Members of L&T Infrastructure Finance Company Limited

1. We have audited the attached Balance Sheet of L&T INFRASTRUCTURE FINANCE COMPANY LIMITED ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both 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.
2. We conducted our audit in accordance with the 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 the 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.
3. As required by the Companies (Auditor's Report) Order, 2003 ("CARO"/"the Order") issued by the Central Government 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (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 it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the continuing Directors as on March 31, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 24, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities during the year, Clauses (viii), (xiii) and (xiv) of paragraph of 4 of CARO are not applicable.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In our opinion and according to the information and explanations given to us the Company does not have inventory.
- (iv) The Company has neither granted nor taken loans, secured or unsecured, to or from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) 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 the nature of its business for the purchase of fixed assets and for sale of services. The nature of the Company's business is such that it does not involve any sale of goods or purchase of inventory. Further, during the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no contracts or arrangements during the period that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposits from the public under the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there were no sum payables during the period on account of Employees State Insurance, Investor Education and Protection Fund, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and corresponding Cess.
- (b) There were no undisputed amounts payable in respect of Income Tax, Service Tax and Cess and other material dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Wealth Tax, Customs Duty and Cess which have not been deposited as on March 31, 2012 on account of dispute is given below as applicable:

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (net off amount deposited with Court) (Amount in ₹)
The Income Tax Act, 1961	Income Tax	Additional Commissioner of Income Tax	A.Y. 2009 – 10	23,563,552

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- (x) The Company does not have any accumulated losses as at the year end. The Company has not incurred cash losses during the financial year covered by our audit and in immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xv) According to the information and explanations given to us and on the basis of the maturity profile of assets and liabilities with a maturity period of one year, as given in the Asset Liability Management Report, we report that funds raised on short-term basis have not been used during the year for long-term investment
- (xvi) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act.
- (xvii) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 7,000 debentures of ₹ 1,000,000 each and 10,082,512 debentures of ₹ 1,000 each. The Company has created security in respect of the debentures issued.
- (xviii) According to the information and explanation given to us and on the basis of records produced before us and verified by us, the Company has raised ₹ 100,825.12 lakhs by public issue of long-term infrastructure bonds (Face value ₹1000/- each) during the period covered by our audit. On the basis of examination of the records produced before us and the information and explanations given to us the money raised through public issue has been used for the purpose of infrastructure loans and working capital requirements.
- (xix) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 24, 2012

Balance Sheet as at March 31, 2012

	Note No.	As at March 31, 2012 ₹ Lakhs	As at March 31, 2011 ₹ Lakhs
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	2	79,590.00	70,215.00
Reserves and surplus	3	103,808.35	58,624.49
		183,398.35	128,839.49
2. Non-current liabilities			
Long-term borrowings	4	747,941.67	465,873.55
Deferred tax liabilities (net)	4 (i)	-	460.00
Other long-term liabilities	5	9,772.75	3,463.60
Long-term provisions	6	3,316.11	1,887.19
		761,030.53	471,684.34
3. Current liabilities			
Short-term borrowings	7	71,172.56	56,561.10
Trade payables	8	2,003.59	1,488.29
Other current liabilities	9	88,301.70	110,374.92
Short-term provisions	10	1,086.36	754.51
		162,564.21	169,178.82
Total		1,106,993.09	769,702.65
B. ASSETS			
1. Non-current assets			
Fixed assets			
Tangible assets	11	143.48	81.37
Intangible assets (software)		378.73	18.41
Intangible assets under development		-	112.58
		522.21	212.36
Non-current investments			
Deferred tax assets (net)	4 (i)	42,284.73	34,999.99
Long-term loans towards financing activities	13	2,247.00	-
Long-term loans and advances	14	897,581.78	521,916.94
Other non-current assets	15	7,094.63	4,306.79
		897.85	4,288.36
		950,105.99	565,512.08
2. Current assets			
Trade receivables	16	52.16	349.99
Cash and cash equivalents	17	640.70	3,419.89
Current maturities of long-term loans towards financing activities	18	148,090.59	195,400.54
Short-term loans and advances	19	783.63	457.14
Other current assets	20	6,797.81	4,350.65
		156,364.89	203,978.21
Total		1,106,993.09	769,702.65

See accompanying notes forming part of the financial statement

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

For and on behalf of the Board

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Y. M. Deosthalee
Director

N. Sivaraman
Director

Suneet Maheshwari
Managing Director and Chief Executive

Shekhar Prabhudesai
Company Secretary

Place : Mumbai
Date : April 24, 2012

Place : Mumbai
Date : April 24, 2012

Statement of Profit and Loss for the year ended March 31, 2012

	Note no.	Year ended March 31, 2012 ₹ Lakhs	Year ended March 31, 2011 ₹ Lakhs
A. INCOME:			
1. Revenue from operations	21	118,030.19	70,219.07
2. Other income	22	360.64	178.39
3. Total income (1 + 2)		118,390.83	70,397.46
B. EXPENSES:			
Finance costs	23	71,744.15	38,016.70
Employee benefits expense	24	1,988.09	1,327.73
Depreciation and amortisation expense		62.94	26.12
Other expenses	25	3,456.51	1,050.74
Provisions and contingencies	26	3,323.64	578.48
4. Total expenses		80,575.33	40,999.77
5. Profit before tax (3 - 4)		37,815.50	29,397.69
6. Tax expenses:			
Current tax		12,391.29	7,660.00
Deferred tax		(970.91)	1,655.00
Total provision for tax		11,420.38	9,315.00
7. Profit after tax/balance carried to Balance Sheet (5 - 6)		26,395.12	20,082.69
Earnings per equity share	31		
Basic earnings per equity share (₹)		3.58	2.94
Diluted earnings per equity share (₹)		3.56	2.94
Face value per equity share (₹)		10.00	10.00
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
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Company Secretary

Place : Mumbai
Date : April 24, 2012

Place : Mumbai
Date : April 24, 2012

Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31, 2012 ₹ Lakhs	Year ended March 31, 2011 ₹ Lakhs
A. Cash flow from operating activities:		
Profit Before Taxation	37,815.50	29,397.69
Adjustment for:		
Depreciation/Amortisation	62.94	26.12
Provision for Compensated Absences	45.82	32.11
Provision for gratuity	13.82	9.39
Obsolescences of Tangible Assets	-	1.64
Debenture issue expenses written off	-	149.94
Provision on Standard Assets	1,778.88	327.00
Provision on Interest	1,254.53	-
Provision on Non-Performing Assets	1,544.76	251.48
Operating profit before working capital changes:	42,516.25	30,195.37
Adjustment for:		
Increase/(decrease) in liabilities and provisions	5,484.77	8,374.93
Decrease/(Increase) in loans and advances	(3,496.42)	(1,451.80)
Decrease/(Increase) in other assets	(5,661.24)	(2,095.43)
Decrease/(Increase) in trade receivables	297.83	(308.45)
Decrease/(Increase) in loans towards financing activities	(330,418.64)	(289,799.08)
Investment in Preference Shares	(1,800.00)	(22,500.00)
Cash generated from/(used in) operations	(293,077.45)	(277,584.46)
Direct taxes paid	(10,812.22)	(8,904.29)
Net cash flow from/(used in) operating activities (A)	(303,889.67)	(286,488.75)
B. Cash flows from investing activities:		
Purchase of fixed assets including intangible assets (Net of corresponding liabilities)	(277.28)	(172.54)
Purchase of current investments	(370,109.62)	(320,497.48)
Redemption of current investments	370,109.62	320,497.48
Investment in Equity Shares	(200.00)	(5,002.84)
Investment in Equity Shares of subsidiaries	(2.00)	-
Investment in Cumulative Convertible Debentures	(5,282.74)	(4,997.15)
Net cash from/(used in) investing activities (B)	(5,762.02)	(10,172.53)

Cash Flow Statement for the year ended March 31, 2012

	Year ended March 31, 2012 ₹ Lakhs	Year ended March 31, 2011 ₹ Lakhs
C. Cash flows from financing activities:		
Proceeds from issue of share capital (including share premium)	37,500.00	7,500.00
Proceeds from long-term borrowings	685,269.60	361,634.38
Repayment of long-term borrowings	(424,016.95)	(65,928.82)
(Repayments)/Proceeds from other borrowings	14,611.46	(28.56)
Debenture issue expenses	(3,771.58)	(3,605.26)
Dividend paid on equity shares	(2,720.03)	-
Net cash generated from/(used in) financing activities (C)	306,872.50	299,571.74
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(2,779.19)	2,910.46
Cash and cash equivalents as at beginning of the year	3,414.89	504.43
Cash and cash equivalents as at end of the year (Refer note below)	635.70	3,414.89
Net (Decrease)/Increase in cash and cash equivalents	(2,779.19)	2,910.46
See accompanying notes forming part of the financial statements		
Note: 1		
Cash and Bank Balance as at end of the period	640.70	3,419.89
Less: Term Deposits for a period of greater than 3 months	5.00	5.00
Cash and cash equivalents as at end of the year	635.70	3,414.89
Note: 2		
Cash generated from Operations includes:		
Interest Received	110,064.33	65,495.83
Interest Paid	65,947.35	32,481.92
Dividend Received	923.44	401.56

In terms of our report attached.
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117366W)

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For and on behalf of the Board

Y. M. Deosthalee
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Managing Director and Chief Executive

N. Sivaraman
Director

Shekhar Prabhudesai
Company Secretary

Place : Mumbai
Date : April 24, 2012

Place : Mumbai
Date : April 24, 2012

Notes forming part of the Financial Statements March 31, 2012

NOTE – 1: SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof along with the applicable guidelines issued by Reserve Bank of India ("RBI").

B. Use of Estimate

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Tangible and Intangible Fixed Assets

Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

Intangible fixed assets comprising of software licenses are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition, less accumulated amortisation. Any expenses on such software licenses for support and maintenance payable annually are charged to the statement of Profit and Loss.

D. Investments

The Company being regulated as a Non-Banking Financial Company (NBFC) by the RBI, investments are classified under two categories i.e. Current and Long Term and are valued in accordance with the RBI guidelines and the Accounting Standard (AS) 13 on 'Accounting for Investments' issued by the Institute of Chartered Accountants of India.

'Long Term Investments' are carried at acquisition / amortised cost. A provision is made for diminution other than temporary on an individual investment basis.

'Current Investments' are carried at the lower of cost or fair value on an individual investment basis.

E. Advances

Advances are classified under four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets in accordance with the RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of an advance, where interest is not serviced, provision for diminution is made as per the parameter applicable to Non-Performing Advances.

Provision on restructured advances is made at in accordance with the guidelines issued by the RBI.

Provision on Standard Assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the management, based on such identification.

F. Foreign Currency Transactions, Forward Contracts and Derivatives

Foreign currency transactions are accounted at the exchange rates prevailing on the date of each transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of Profit and Loss.

The Company has exercised the option granted under notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.378(E) (F.No. 17/133/2008-CL.V) dated May 11, 2011 and is accordingly, amortising the foreign currency translation differences on long term foreign currency monetary items over the shorter of their maturity period and the balance period upto March 31, 2012. The unamortised balance as at the period end is presented as "Foreign Currency Monetary Item Translation Difference Account" on the assets side of the Balance Sheet.

Premium in respect of forward contracts is charged to statement of Profit and Loss over the period of the contract. Forward contracts outstanding as at the Balance Sheet date are revalued at the closing rate.

G. Revenue Recognition

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Notes forming part of the Financial Statements March 31, 2012

- (b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any.
- (c) Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.
- (d) Dividend is accounted when the right to its receipt is established.

H. Employee Benefits

Defined-Contribution Plans

The Company offers its employees defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary.

Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. The gratuity scheme is not funded. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits", actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in the 12 months immediately following the period / year end are reported as expense during the year in which the employees perform services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit after deducting amounts already paid.

Where there are restrictions on availment / encashment of such benefits or where the availment is otherwise not expected to wholly occur in the next 12 months, the liability on account of the benefits is actuarially determined using the Projected Unit Credit method.

I. Depreciation and Amortisation

- Tangible Assets

Depreciation on fixed assets is provided using the straight line method, at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year is provided on a pro-rata basis. Assets costing less than ₹ 5,000 each are written off in the year of capitalisation.

- Intangible Assets

Computer software are amortised over the estimated useful life not exceeding 3 years.

J. Impairment of assets

Tangible fixed assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of the asset's net selling price or its value in use.

K. Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of Profit and Loss, on a straight line basis, over the lease term.

L. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the provision of Income Tax Act, 1961.

Notes forming part of the Financial Statements March 31, 2012

Deferred tax is recognised on timing differences, between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognised with regard to all deductible timing differences to the extent it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the deferred tax asset to be utilised.

M. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised.

N. Cash Flow Statement

The Cash Flow Statement is prepared in accordance with indirect method as explained in the Accounting Standard on Cash Flow Statements (AS) 3 issued by the Institute of Chartered Accountants of India.

O. Cash and Cash Equivalents

Cash and Bank Balances that have insignificant risk of change in value including term deposits, which have original durations up to three months, are included in cash and cash equivalents in the Cash Flow Statement.

P. Employee Stock Option Plan

The Employees Stock Options Scheme ("the Scheme") has established by the holding company (i.e. L&T Finance Holdings Limited). The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest in a graded manner. The options may be exercised within specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The company follows the intrinsic value method to account for its stock based employee compensation plans. Stock options were granted to the employees of the Company during the financial year 2010-11 and 2011-12. The cost incurred by the holding company, in respect of options granted to employees of the Company are being charged to the statement of profit and loss during the period and recovered by the holding Company.

Q. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

R. Earnings per share

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share.

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

S. Share Issue Expenses

Share issue expense is charged to the statement of Profit & Loss in the year in which it is incurred.

T. Debenture Issue Expenses

Expenses incurred on issue of debentures are amortised over the tenure of the debentures from the month in which the debentures are allotted upto 31st March, 2011. During the year, from 1st April, 2011, the Company has decided to debit the unamortised portion of debenture issue expenses of ₹ 6,174.97 lakhs (net of tax) against the Share Premium Account in accordance with the provisions of section 78 of the Companies Act, 1956.

Notes forming part of the Financial Statements March 31, 2012

Note 2: Share capital

	As at March 31, 2012		As at March 31, 2011	
	Number	₹ Lakhs	Number	₹ Lakhs
Authorised				
Equity shares of ₹ 10 each	2,000,000,000	200,000.00	2,000,000,000	200,000.00
Issued, Subscribed and Paid-up shares				
Equity shares of ₹ 10 each	795,900,000	79,590.00	702,150,000	70,215.00
Total Issued, Subscribed and Paid-up shares capital	795,900,000	79,590.00	702,150,000	70,215.00

(I) Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period

	As at March 31, 2012		As at March 31, 2011	
	Number	₹ Lakhs	Number	₹ Lakhs
Shares outstanding at the beginning of the year	702,150,000	70,215.00	683,400,000	68,340.00
Shares issued during the year	93,750,000	9,375.00	18,750,000	1,875.00
Shares outstanding at the end of the year	795,900,000	79,590.00	702,150,000	70,215.00

(II) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the Company has declared maiden interim dividend of ₹ 0.35 per equity share (March 31, 2011 : Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(III) Equity shares in the Company held by the holding company

	As at March 31, 2012		As at March 31, 2011	
	Number	₹ Lakhs	Number	₹ Lakhs
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	795,900,000	79,590.00	702,150,000	70,215.00

(IV) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2012		As at March 31, 2011	
	Number	% holding	Number	% holding
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	795,900,000	100%	702,150,000	100%

Notes forming part of the Financial Statements March 31, 2012

Note 3: Reserves and surplus

	As at March 31, 2012 ₹ Lakhs	As at March 31, 2011 ₹ Lakhs
(I) Securities Premium Reserve		
As per last Balance sheet	14,795.00	9,170.00
Add: Addition during the year	28,125.00	5,625.00
Less: Debenture issue expenses adjusted during the year (Net of tax ₹ 2,966.08, Previous year Nil) (refer Note 40)	(6,174.97)	-
Closing balance	36,745.03	14,795.00
(II) Debenture Redemption Reserve		
As per last Balance sheet	7,000.00	-
Add: Transferred from surplus in the Statement of Profit and Loss	1,600.00	7,000.00
Closing balance	8,600.00	7,000.00
(III) Reserve u/s 45-IC of Reserve Bank of India Act, 1934		
As per last Balance sheet	8,801.70	4,784.70
Add: Transferred from surplus in the Statement of Profit and Loss	5,281.00	4,017.00
Closing balance	14,082.70	8,801.70
(IV) Reserve u/s 36(1)(viii) of Income tax Act, 1961		
As per last Balance sheet	2,153.00	988.00
Add: Transferred from surplus in the Statement of Profit and Loss	2,533.00	1,165.00
Closing balance	4,686.00	2,153.00
(V) Surplus in the Statement of Profit and Loss		
As per last Balance sheet	25,874.79	17,974.10
Add: Profit for the year	26,395.12	20,082.69
Less: Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	5,281.00	4,017.00
Less: Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	2,533.00	1,165.00
Less: Interim Dividend	2,720.03	-
Less: Interim Dividend Distribution Tax	441.26	-
Less: Transfer to debenture redemption reserve	1,600.00	7,000.00
Closing balance	39,694.62	25,874.79
Total reserves and surplus	103,808.35	58,624.49

Notes forming part of the Financial Statements March 31, 2012

Note 4: Long-term borrowings

	Non-Current portion		Current maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
(I) Secured				
Redeemable non-convertible debentures (refer Note 4a)	271,446.67	136,121.55	35,500.00	77,500.00
Term Loans (refer Note 4b)				
From banks	476,495.00	314,752.00	13,165.00	18,415.00
Total (I)	747,941.67	450,873.55	48,665.00	95,915.00
(II) Unsecured				
Redeemable non-convertible debentures (refer Note 4a)	-	-	25,000.00	-
Loans and advances from related parties (Inter Corporate Deposit) (refer Note 4c)	-	15,000.00	1,434.52	-
Total (II)	-	15,000.00	26,434.52	-
Total (III) = (I)+(II)	747,941.67	465,873.55	75,099.52	95,915.00
Less: Amount disclosed under the head "other current liabilities" (refer Note 9)	-	-	75,099.52	95,915.00
Total long-term borrowings	747,941.67	465,873.55	-	-

Note 4(i): Deferred tax assets/liability (net)

In compliance with the Accounting Standard (AS) 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the Company has provided for deferred tax liability (net) in the Statement of Profit and Loss on account of timing differences. The major components of deferred tax assets and liabilities arising on account of timing differences are:

Component	As at March 31, 2012		As at March 31, 2011	
	Assets	Liabilities	Assets	Liabilities
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Depreciation	-	45.66	-	12.81
Provision on loan assets/interest receivable	2,244.76	-	1,260.52	-
Debenture issue expenses	-	-	-	1,736.09
Employee benefits	47.90	-	28.38	-
	2,292.66	45.66	1,288.90	1,748.90
Net Deferred Tax Asset/Liability	2,247.00			460.00

Note:

- No deferred tax liability has been recognised on Special Reserve created under Section 36(1)(viii) of the Income Tax Act, 1961 based on the Management's evaluation that the possibility of withdrawal there from is remote.
- Deferred Tax Liability of ₹ 1,736.09 lakhs as on March 31, 2011 has been reversed on account of adjustment of unamortised debenture issue expenses against Securities Premium Account.

Notes forming part of the Financial Statements March 31, 2012

Note 4a

As at March 31, 2012

A) Secured, Redeemable, Non-Convertible Debentures (privately placed)

Series	Face Value per debenture (₹ Lakhs)	Date of allotment	Balance as at March 31, 2012 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non Current Portion (₹ Lakhs)	Interest Rate (%)	Date of redemption	Redeemable term
Series "A" of 2009-10	10.00	1-Jun-09	18,000.00	18,000.00	-	9.00% p.a.	1-Jun-12	At the end of 3 years from the date of allotment
Series "A" of 2010-11	10.00	16-Apr-10	7,500.00	7,500.00	-	8.91% p.a.	16-Apr-12	At the end of 2 years from the date of allotment
Series "B" 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-13	At the end of 3 years from the date of allotment
Series "C" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-14	At the end of 4 years from the date of allotment
Series "D" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-15	At the end of 5 years from the date of allotment
Series "E" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-16	At the end of 6 years from the date of allotment
Series "F" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	15-Apr-17	At the end of 7 years from the date of allotment
Series "G" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-18	At the end of 8 years from the date of allotment
Series "A" of 2011-12	10.00	18-Oct-11	50,000.00	-	50,000.00	9.70% p.a.	18-Oct-28	At the end of 17 years from the date of allotment, put call option at the end of 10 years
Series "B" of 2011-12	10.00	31-Oct-11	10,000.00	-	10,000.00	9.40% p.a.	31-Oct-16	At the end of 5 years from the date of allotment, put call option at the end of 18 months
Series "D" of 2011-12	10.00	28-Dec-11	10,000.00	10,000.00	-	9.40% p.a.	28-Dec-16	At the end of 5 years from the date of allotment, put call option at the end of 15 months
Total (A)			140,500.00	35,500.00	105,000.00			

B) Long Term Infrastructure Bonds - Secured, Redeemable, Non-Convertible Debentures (public issue)

Series	Face Value per debenture (₹ Lakhs)	Date of allotment	Balance as at March 31, 2012 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non-Current Portion (₹ Lakhs)	Interest Rate (%)	Redeemable term
Series 2010 A-1	0.01	2-Dec-10	1,908.20	-	1,908.20	7.75% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment.
Series 2010 A-2	0.01	2-Dec-10	4,717.17	-	4,717.17	7.75% p.a. compounded annually, payable at maturity	
Series 2010 A-3	0.01	2-Dec-10	6,289.78	-	6,289.78	7.50% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment.
Series 2010 A-4	0.01	2-Dec-10	12,706.40	-	12,706.40	7.50% p.a. compounded annually, payable at maturity	
Series 2011 A-1	0.01	23-Mar-11	9,069.27	-	9,069.27	8.20% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment.
Series 2011 A-2	0.01	23-Mar-11	30,930.73	-	30,930.73	8.30% p.a. compounded annually, payable at maturity	
Series 2011 B-1	0.01	10-Jan-12	15,184.82	-	15,184.82	9% p.a. payable annually	
Series 2011 B-2	0.01	10-Jan-12	37,755.81	-	37,755.81	9% p.a., compounded annually, payable at maturity	
Series 2012 A-1	0.01	24-Mar-12	12,129.31	-	12,129.31	8.70% p.a. payable annually	
Series 2012 A-2	0.01	24-Mar-12	35,755.18	-	35,755.18	8.70% p.a. compounded annually, payable at maturity	
Total (B)			166,446.67	-	166,446.67		
Total Redeemable non-convertible debentures (secured) (A+B)			306,946.67	35,500.00	271,446.67		

The debentures covered in (A) and (B) above are secured by mortgage of an immovable property created under the terms of its operating lease arrangement and hypothecation of specific receivables.

C) Unsecured, Redeemable, Non-Convertible Debentures (privately placed)

Series	Face Value per debenture (₹ Lakhs)	Date of allotment	Balance as at March 31, 2012 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non-Current Portion (₹ Lakhs)	Interest Rate (%)	Date of redemption	Redeemable term
Series "C" 2011-12	100.00	15-Nov-11	25,000.00	25,000.00	-	9.15%	20-Nov-16	At the end of 5 years from the date of allotment, Put call option at the end of 13 months from the date of allotment
Total			25,000.00	25,000.00	-			

Notes forming part of the Financial Statements March 31, 2012

As at March 31, 2011

D) Secured, Redeemable, Non-Convertible Debentures (privately placed)

Series	Face Value per debenture (₹ Lakhs)	Date of allotment	Balance as at March 31, 2011 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non-Current Portion (₹ Lakhs)	Interest Rate (%)	Date of redemption	Redeemable term
Series "A" of 2009-10	10.00	1-Jun-09	18,000.00	-	18,000.00	9.00% p.a.	1-Jun-12	At the end of 3 years from the date of allotment
Series "B" of 2009-10	10.00	30-Jun-09	7,500.00	7,500.00	-	8.75% p.a.	28-Jun-11	At the end of 728 days from the date of allotment
Series "C" of 2009-10	10.00	8-Jul-09	15,000.00	15,000.00	-	8.75% p.a.	8-Jul-11	At the end of 2 years from the date of allotment
Series "D" of 2009-10	10.00	5-Aug-09	12,500.00	12,500.00	-	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.20% p.a. and cap of 8.25% p.a.	5-Aug-11	At the end of 2 years from the date of allotment
Series "E" of 2009-10	10.00	5-Aug-09	12,500.00	12,500.00	-	NSE MIBOR + 600 BPS (Floating), with a floor rate of 8.25% p.a. and cap of 8.30% p.a.	5-Sep-11	At the end of 25 months from the date of allotment
Series "G" of 2009-10	10.00	23-Sep-09	10,000.00	10,000.00	-	8.15% p.a.	18-May-11	At the end of 601 days from the date of allotment
Series "K" of 2009-10	10.00	2-Feb-10	20,000.00	20,000.00	-	7.50% p.a.	2-Feb-12	At the end of 2 years from the date of allotment
Series "A" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-12	At the end of 2 years from the date of allotment
Series "B" 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-13	At the end of 3 years from the date of allotment
Series "C" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-14	At the end of 4 years from the date of allotment
Series "D" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-15	At the end of 5 years from the date of allotment
Series "E" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-16	At the end of 6 years from the date of allotment
Series "F" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	15-Apr-17	At the end of 7 years from the date of allotment
Series "G" of 2010-11	10.00	16-Apr-10	7,500.00	-	7,500.00	8.91% p.a.	16-Apr-18	At the end of 8 years from the date of allotment
Total (D)			148,000.00	77,500.00	70,500.00			

E) Long Term Infrastructure Bonds - Secured, Redeemable, Non-Convertible Debentures (public issue)

Series	Face Value per debenture (₹ Lakhs)	Date of allotment	Balance as at March 31, 2011 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non-Current Portion (₹ Lakhs)	Interest Rate (%)	Redeemable term
Series 2010 A-1	0.01	2-Dec-10	1,908.20	-	1,908.20	7.75% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment.
Series 2010 A-2	0.01	2-Dec-10	4,717.17	-	4,717.17	7.75% p.a. compounded annually, payable at maturity	
Series 2010 A-3	0.01	2-Dec-10	6,289.78	-	6,289.78	7.50% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment.
Series 2010 A-4	0.01	2-Dec-10	12,706.40	-	12,706.40	7.50% p.a. compounded annually, payable at maturity	
Series 2011 A-1	0.01	23-Mar-11	9,069.27	-	9,069.27	8.20% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment.
Series 2011 A-2	0.01	23-Mar-11	30,930.73	-	30,930.73	8.30% p.a. compounded annually, payable at maturity	
Total (E)			65,621.55	-	65,621.55		
Total redeemable non-convertible debentures (secured) (D+E)			213,621.55	77,500.00	136,121.55		

The debentures covered in (D) and (E) above are secured by mortgage of an immovable property created under the terms of its operating lease arrangement and

Notes forming part of the Financial Statements March 31, 2012

hypothecation of specific receivables.

Note 4b**Term loans from bank (Secured)**

As at March 31, 2012

Repayment terms	Balance as at March 31, 2012 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non-Current Portion (₹ Lakhs)	Tenure
Bullet repayment	128,960.00	-	128,960.00	18 months to 5 years
Equated annual installments starting from 25th month	30,000.00	-	30,000.00	4 years
Equated semi annual installments after moratorium period of 3 years	106,200.00	1,000.00	105,200.00	5 years to 6 years
Equated quarterly installments	224,500.00	12,165.00	212,335.00	5 years to 7 years
Total	489,660.00	13,165.00	476,495.00	

Above loans are secured by first exclusive charge on specific receivables.

As at March 31, 2011

Repayment terms	Balance as at March 31, 2011 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non-Current Portion (₹ Lakhs)	Tenure
Bullet repayment	60,000.00	-	60,000.00	35 months to 5 years
Equated annual installments after moratorium period of 2 years	17,500.00	5,833.00	11,667.00	5 years
Equated semi annual installments	103,500.00	1,250.00	102,250.00	5 years to 6 years
Equated quarterly installments	152,167.00	11,332.00	140,835.00	5 years to 7 years
Total	333,167.00	18,415.00	314,752.00	

Above loans are secured by first exclusive charge on specific receivables.

Note 4c**Loans and advances from related parties (Inter Corporate Deposit) (Unsecured):**

As at March 31, 2012

Sr. No.	Name of the Lender	Balance as on March 31, 2012 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non-Current Portion (₹ Lakhs)	Tenure	Repayment Schedule
1.	L & T Finance Holdings Limited (Holding company)	1,434.52	1,434.52	-	90 days	Bullet
	Total	1,434.52	1,434.52			

As at March 31, 2011

Sr. No.	Name of the Lender	Balance as on March 31, 2011 (₹ Lakhs)	Current Maturities (₹ Lakhs)	Non-Current Portion (₹ Lakhs)	Tenure	Repayment Schedule
1.	Larsen & Toubro Limited (Ultimate holding company)	15,000.00	-	15,000.00	3 years	Bullet
	Total	15,000.00	-	15,000.00		

Note 5: Other long-term liabilities

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Others		
Deferred income on loan processing	2,679.28	2,966.78
Interest accrued but not due on debentures	5,224.85	496.82
Cash margin collected	1,868.62	-
Total other long-term liabilities	9,772.75	3,463.60

Notes forming part of the Financial Statements March 31, 2012

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Note 6: Long-term provisions		
For employee benefits		
Gratuity	41.47	28.35
Others		
For contingent provisions against standard assets	3,274.64	1,858.84
Total long-term provisions	3,316.11	1,887.19
Note 7: Short-term borrowings		
(I) Secured*		
Bank overdraft/ Cash Credit	10,189.57	7,564.02
Total I	10,189.57	7,564.02
(II) Unsecured		
Bank overdraft/ Cash Credit	50,000.00	-
Working Capital Demand Loan	10,000.00	-
Commercial paper	982.99	48,997.08
(Net of unexpired discount - ₹ 17.01 lakhs (Previous year ₹ 1,002.92 lakhs))		
(Maximum Balance during the year ₹ 122,500.00 lakhs (Previous Year ₹ 133,000.00 lakhs))		
Total II	60,982.99	48,997.08
Total short-term borrowings	(I+II) 71,172.56	56,561.10

*Secured by first exclusive charge on specific receivables.

Notes forming part of the Financial Statements March 31, 2012

Note 8: Trade Payable

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Sundry Creditors for expenses (Other than Micro and Small Enterprises)	2,003.59	1,488.29
	2,003.59	1,488.29

Note: On the basis of replies received by the Company in response to enquiries made, there are no dues payable as at the year end to Micro, Small and Medium Enterprises nor are there other particulars that are required to be disclosed under the Companies Act, 1956 or the Micro, Small and Medium Enterprises Development Act, 2006.

Note 9 : Other current liabilities

a) Current maturities of long-term debt (Refer Note 4)	75,099.52	95,915.00
b) Interest accrued but not due on debentures	8,907.98	9,127.99
c) Interest accrued but not due on other borrowings	214.30	257.98
d) Deferred income on loan processing	1,150.11	624.95
e) Other Payables:		
Advance from borrowers	19.80	28.41
Sundry creditors for capital goods	83.21	20.69
Accrued Expenses	1,950.51	724.22
Debenture application money refundable	476.16	3,377.51
Unclaimed interest on debentures (refer footnote)	157.99	29.30
Statutory liabilities	241.65	268.67
Other liabilities	0.47	0.20
Total other current liabilities	88,301.70	110,374.92

Note: No amount (*Previous year Nil*) was due for transfer to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.

Note 10: Short-term provisions

For employee benefits:		
Gratuity	1.39	0.70
Compensated Absences	105.47	59.65
Others:		
For Dividend Distribution Tax	441.26	-
For contingent provisions against standard assets	538.24	694.16
Total short-term provisions	1,086.36	754.51

Note 11: Fixed Assets (at Cost less Depreciation)

(₹ Lakhs)

Description	Gross Block				Depreciation and Amortisation				Net Book Value	
	Opening as at 01.04.2011	Additions during the year	Deductions	Closing as at 31.03.2012	Up to 01.04.2011	Charge during the year	Deductions	Up to 31.03.2012	As at	
									31.03.2012	31.03.2012
Tangible										
Computers	88.81	67.63	-	156.44	43.50	17.35	-	60.85	95.59	45.31
Furniture and Fittings	9.24	2.76	-	12.00	4.51	1.58	-	6.09	5.91	4.73
Office Equipment	33.93	12.81	-	46.74	2.60	2.16	-	4.76	41.98	31.33
Total Tangible Assets (A)	131.98	83.20	-	215.18	50.61	21.09	-	71.70	143.48	81.37
Intangible										
Computer Software and implementation cost	52.21	402.17	-	454.38	33.80	41.85	-	75.65	378.73	18.41
Total Intangible Assets (B)	52.21	402.17	-	454.38	33.80	41.85	-	75.65	378.73	18.41
Total (A+B)	184.19	485.37	-	669.56	84.41	62.94	-	147.35	522.21	99.78
<i>Previous Year</i>	138.65	47.65	2.11	184.19	58.76	26.12	0.46	84.41	-	99.78

Notes forming part of the Financial Statements March 31, 2012

Note 12: Non-current investments

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Non-Trade investment, valued at cost, unquoted:		
(I) Investments in debentures or bonds:		
Compulsory Convertible Debentures		
Tikona Digital Networks Pvt. Ltd. (Nos. of debentures 361,968 (Previous year 175,956) @ ₹ 2,840 each fully paid)	10,279.89	4,997.15
(II) Investments in preference shares: fully paid		
Cumulative Redeemable Preference Shares		
Anrak Aluminium Limited (Nos. of shares 125,000,000 (Previous year 125,000,000) @ ₹ 10 each)	12,500.00	12,500.00
KSK Energy Ventures Limited (Nos. of shares 100,000,000 (Previous year 100,000,000) @ ₹ 10 each)	10,000.00	10,000.00
Cumulative Convertible Preference Shares (CCPS)		
Ardom Telecom Limited (Nos. of shares 1800 @ ₹ 100,000 each)	1,800.00	-
(III) Investment in equity instruments		
Fully paid equity shares - In subsidiaries		
L&T Infra Investment Partners Advisory Private Limited (Nos. of shares 10,000 face value of ₹ 10 each)	1.00	-
L&T Infra Investment Partners Trustee Private Limited (Nos. of shares 10,000 face value of ₹ 10 each)	1.00	-
Fully paid equity shares - others		
BSCPL Infrastructure Ltd. (Nos. of shares 436,300 (Previous year 436,300) face value of ₹ 10 each)	2,500.00	2,500.00
Tikona Digital Networks Pvt. Ltd. (Nos. of shares 100 (Previous year 100) face value of ₹ 10 each)	2.84	2.84
Bhoruka Power Corporation Ltd. (Nos. of shares 587,850 (Previous year 587,850) face value of ₹ 10 each)	5,000.00	5,000.00
Ardom Telecom Ltd. (Nos. of shares 648,649 face value of ₹ 10 each)	200.00	-
Total non-current investments	42,284.73	34,999.99
Note:		
a) Aggregate amount of unquoted investments.	42,284.73	34,999.99
b) Financial assistance provided through subscription of Cumulative Convertible Preference Shares aggregating ₹ 1,800.00 lakhs (previous year Cumulative Redeemable Preference Shares ₹ 22,500.00 lakhs) although classified as a part of Investments in the Balance Sheet as at March 31, 2012, has been grouped as a part of Operating Cash Flows in the Cash Flow Statement for the year ended on that date as such assistance forms a part of the main revenue producing activities of the Company.		

Notes forming part of the Financial Statements March 31, 2012

Note 13: Long-term loans and advances towards financing activities (secured)

	Non-current portion		Current maturities	
	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Term Loans	857,396.46	474,535.64	138,458.36	185,614.91
Debentures (Refer Foot Note)	43,580.56	48,712.78	9,632.22	9,785.63
Less: Provision on Standard Assets	809.00	290.00	-	-
Less: Provision on Non-Performing Assets	2,586.24	1,041.48	-	-
Total	897,581.78	521,916.94	148,090.58	195,400.54
Less: Amount disclosed under the "Note 18"	-	-	148,090.58	195,400.54
Total long-term loans and advances towards financing activities	897,581.78	521,916.94	-	-

Note : Following are the details of debentures in the nature of Infrastructure Loan:

Name of Company	As at March 31, 2012			As at March 31, 2011		
	Nos.	Face value (₹)	Amount (₹ Lakhs)	Nos.	Face value (₹)	Amount (₹ Lakhs)
(A) Debentures (Redeemable)						
Emas Expressway Pvt. Ltd.	1,260	1,000,000	12,195.54	1,440.00	1,000,000	13,937.76
	-	-	-	360.00	500,000	1,742.22
MAPEX Infrastructure Pvt. Ltd.	-	-	-	640.00	500,000	3,176.16
	2,240	1,000,000	21,517.24	2,560.00	1,000,000	24,642.27
Ind Bharat Power Madras Ltd.	50	10,000,000	5,000.00	50.00	10,000,000	5,000.00
Valdel Projects Corp. Pvt. Ltd.	4,500	100,000	4,500.00	-	-	-
(B) Debenture (Convertible)						
IOT Utkal Energy Services Ltd.	10	100,000,000	10,000.00	10.00	100,000,000	10,000.00
Total			53,212.78			58,498.41

Note 14: Long-term loans and advances

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Capital advances (Unsecured, considered good)	-	33.00
Security deposits (Unsecured, considered good)	768.91	505.31
Others:		
Advances recoverable in cash or in kind or for value to be received to be received (net of allowance for doubtful advances of ₹ 12.84 lakhs (Previous year Nil))	2,973.22	68.34
Advance Payment of Income Tax (net of provision for tax ₹ 18,821.30 lakhs (Previous year ₹ 7,660.00 lakhs))	3,350.85	3,699.94
Advance Payment of Fringe Benefit Tax	0.20	0.20
Loans to employees	1.45	-
Total other long-term loans and advances - others	7,094.63	4,306.79

Note 15: Other non-current assets

Others:

Accrued interest on debentures (Secured, considered good)	896.01	-
Accrued interest on fixed deposits (Unsecured, considered good)	1.84	1.36
Unamortised debenture issue expenses (refer Note 40)	-	4,287.00
Total other non-current assets	897.85	4,288.36

Notes forming part of the Financial Statements March 31, 2012

Note 16: Trade receivables

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Unsecured		
Considered Good - outstanding for a period of less than Six months from the date they become payable	52.16	349.99
Total trade receivables	52.16	349.99

Note 17: Cash and cash equivalents**Cash and cash equivalents as defined in AS - 3**

Cash on hand	0.10	0.16
Balances with Banks		
In Current Account (Refer note below)	635.60	3,414.73
	635.70	3,414.89
Other Balances		
Balances with Banks in Fixed Deposit Account (with original maturity of more than twelve months)	5.00	5.00
Total cash and Bank Balance	640.70	3,419.89

Note: The balances with banks in current account includes amount of ₹ 476.16 lakhs (Previous year ₹ 3,377.51 lakhs) lying in escrow account towards Infrastructure Bond Issue application money refundable.

Note 18: Current maturities of long-term loans towards financing activities**Secured, considered good**

Current maturities of long-term loans towards financing activities	148,090.59	195,400.54
Total current maturities of Long-term loans towards financing activities	148,090.59	195,400.54

Note 19: Short-term loans and advances - others

Security deposits	36.40	-
(Unsecured, considered good)		
Loans and advances to related parties (refer Note 29)	528.15	7.96
(Unsecured, considered good)		
Others		
Prepaid Expense	35.02	19.57
Loan to employees	4.58	-
Other advances recoverable in cash or in kind or for value to be received	179.48	429.61
Total other short-term loans and advances	783.63	457.14

Note 20: Other current assets**Unsecured, considered good**

Accrued Interest :		
On loans towards financing activities	6,375.08	2,901.69
(Net of provision on interest receivable ₹ 1,254.53 lakhs (Previous year Nil))		
Accrual of Fee Income	422.73	385.90
Others:		
Unamortised debenture issue expenses (refer note 40)	-	1,063.06
Total other current assets	6,797.81	4,350.65

Notes forming part of the Financial Statements March 31, 2012

Note 21: Revenue from operations

	Year ended March 31, 2012 (₹ Lakhs)	Year ended March 31, 2011 (₹ Lakhs)
Interest and dividend income		
Interest on loans and advances towards financing activities	107,677.46	64,376.54
Less: Provision for interest receivables	1,254.53	-
	106,422.93	64,376.54
Interest on Debentures	6,356.95	1,963.54
Dividend Income from Preference Shares	800.00	232.33
Other Income from Preference Shares	1,453.97	1,242.02
Other financial services		
Financial Advisory Fees	2,996.34	2,404.64
Total revenue from operations	118,030.19	70,219.07
Note 22: Other income		
Interest on Bank Deposits	1.28	9.16
Dividend Income on Current Investments	114.62	160.41
Dividend Income on Long-term Investment	8.82	8.82
Interest on Income Tax Refund	235.20	-
Others	0.72	-
Total other income	360.64	178.39
Note 23: Finance cost		
(I) Interest expenses		
Interest on Term Loans	41,282.76	16,842.79
Interest on Bank Overdraft	949.11	299.08
Interest on Debentures	19,126.03	14,638.72
Interest on inter corporate borrowing	3,132.96	1,168.77
Interest on commercial paper	5,920.83	4,554.39
(II) Other borrowing costs		
Professional Fees	211.45	226.76
On Infra bond (refer Note 40)	-	210.01
Other Charges	229.55	76.18
(III) Net (gain)/loss on foreign currency transactions (to the extent regarded as borrowing costs)	891.46	-
Total finance cost	71,744.15	38,016.70
Note 24: Employee benefit expenses		
Salaries	1,710.73	1,024.51
Contribution to provident and other funds	66.05	43.52
Staff Gratuity	13.82	9.39
Staff Welfare	59.56	42.10
Expenses on Employees Stock Option Plans (refer Note 29)	80.86	17.00
Reimbursement of costs of staff on deputation	57.07	191.21
Total employee benefit expenses	1,988.09	1,327.73

Notes forming part of the Financial Statements March 31, 2012

Note 25: Other expenses

	Year ended March 31, 2012 (₹ Lakhs)	Year ended March 31, 2011 (₹ Lakhs)
Rent	492.47	445.25
Electricity charges	12.28	10.83
Property Maintenance	64.74	42.15
Telephone, Postage and Courier	33.10	24.38
Printing and Stationery	30.28	21.70
Membership and Subscription	88.28	36.84
Insurance	2.85	0.09
Training and Conference	9.67	18.25
Travelling and Conveyance	204.35	122.76
Advertising and Publicity	74.04	68.83
Professional Fees	346.01	130.91
Auditors' Remuneration (refer note given below)	61.26	56.22
Directors' Fees	11.80	7.00
Obsolescence of Tangible Assets	-	1.64
Rates and taxes	0.05	0.06
Brand License Fee	406.93	-
Support Charges	630.90	-
Management fees	787.95	-
Miscellaneous Expenses	199.55	63.83
Total establishment and other expenses	3,456.51	1,050.74

Note: Auditors' Remuneration comprises the following (net of service tax set off):

As auditors	22.00	11.50
For Tax Audit	3.00	2.00
For Tax Matters	0.50	-
Other Service	33.47	42.47
Reimbursement of Expenses	0.23	0.25
Service Tax on above	2.06	-
	61.26	56.22

Note: It excludes ₹ 19.00 lakhs (*Previous year ₹ 24.00 lakhs*) paid to Auditors for professional fee in connection with issuance of long-term Infrastructure Bonds. The said fee along with other expenses is charged off against Securities Premium Account as per Section 78 of the Companies Act, 1956.

Note 26: Provisions and contingencies

Provision for standard assets	1,778.88	327.00
Provision for non-performing assets/write offs	1,544.76	251.48
Total provisions and contingencies	3,323.64	578.48

Notes forming part of the Financial Statements March 31, 2012

Note 27: Contingent liabilities and commitments:

Contingent Liabilities	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
a) Claims against the Company not acknowledged as debt:		
Income Tax matter in dispute	235.64	-
Service Tax matter in dispute	453.96	-
b) Bank Guarantees	5,134.12	-
c) Other money for which the Company is contingently liable; Liability towards Letter of Comfort	9,816.56	1,036.42
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	212.00
b) Other Commitments –		
i) Performance Guarantee	1,400.00	-
ii) Undisbursed Commitment*	264,353.34	-

*As this information is provided for the first time, previous year's figures for undisbursed commitments are not available with the Company.

Note 28: The Company's main business is to provide finance for infrastructure projects. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of Accounting Standard (AS) 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

Note 29: As per the Accounting Standard (AS) 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the related parties, nature and volume of transactions carried out with them in the ordinary course of business are as follows:

Related Party Disclosures:**(a) List of Related Parties and Relationships:****A. Ultimate Holding Company**

1. Larsen & Toubro Ltd.

B. Holding Company

2. L&T Finance Holding Ltd.
(Previously known as L&T Capital Holdings Ltd.)

C. Subsidiary Company

3. L&T Infra Investment Partners Trustee Pvt. Ltd.
4. L&T Infra Investment Partners Advisors Pvt. Ltd.

D. Fellow Subsidiary Company

5. L&T Finance Ltd.
6. L&T FinCorp Ltd. (previously known as India Infrastructure Developers Ltd.).
7. L&T Capital Company Ltd.
8. L&T Sargent & Lundy Ltd.
9. L&T Power Development Ltd.
10. L&T MHI Boilers Pvt. Ltd.
11. L&T Transco Pvt. Ltd.
12. L&T Seawoods Pvt. Ltd.
13. L&T Shipbuilding Ltd.
14. L&T Uttaranchal Hydropower Ltd.
15. L&T Special Steels & Heavy Forgings Pvt. Ltd.
16. L&T Devihalli Hassan Tollway Pvt. Ltd.
17. L & T Bangalore Airport Hotel Ltd.
18. Nabha Power Ltd.
19. L&T Electromech LLC.

E. Key Management Personnel

20. Mr. Suneet K. Maheshwari (Manager till January 30, 2012, Managing Director from January 31, 2012)

Note: The above list of fellow subsidiary contain name of only those related parties with whom Company has undertaken transaction in current or previous year.

Notes forming part of the Financial Statements March 31, 2012

(b) Related Party Transaction:

Sr. No.	Nature of Transactions	2011-12 (₹ Lakhs)	2010-11 (₹ Lakhs)
1.	Interest on Inter Corporate Deposit		
	• L&T Finance Holdings Ltd.	2,287.12	-
	• Larsen & Toubro Ltd.	845.84	1,168.77
2.	Interest on Secured Debentures		
	• Larsen & Toubro Ltd.	2,825.17	2,995.17
3.	Reimbursement of Staff Cost		
	• L&T Finance Holdings Ltd. (ESOP Expenses)	80.86	17.00
	• L&T Finance Ltd.	-	7.90
	• Larsen & Toubro Ltd.	88.88	227.07
4.	Support Charges		
	• L&T Finance Ltd.	661.8	-
5.	Rent Paid		
	• L&T Finance Holdings Ltd.	22.83	-
	• L&T Finance Ltd.	242.48	256.27
6.	Portfolio Acquisition Cost		
	• L&T Finance Ltd.	2.44	-
7.	Brand License Fees		
	• Larsen & Toubro Ltd.	426.86	-
8.	Other Expenses		
	• L&T Finance Holdings Ltd.	1.44	-
	• L&T Sargent & Lundry Limited	3.78	-
	• L&T Finance Ltd.	11.05	7.81
	• Larsen & Toubro Ltd.	53.40	38.41
	• L&T Electromech LLC	0.44	-
	• L&T Uttaranchal Hydropower Ltd.	-	0.04
	• L&T Devihalli Hassan Tollway Pvt. Ltd.	-	0.40
	• Nabha Power Ltd.	-	2.16
	• L&T Capital Co. Ltd.	-	6.03
9.	Management Fees		
	• L&T Finance Holdings Ltd.	826.54	-
10.	Professional fees & Other Expenses Recoverable		
	• L&T Infra Investment Partners Advisory Pvt. Ltd.	347.77	-
11.	Rent Recovered		
	• L&T Capital Co. Ltd.	15.88	7.94
12.	Deputation Cost and Other Expenses Recoverable		
	• L&T Infra Investment Partners Advisory Pvt. Ltd.	162.00	-
	• L&T Infrastructure Development Projects Ltd.	4.80	-
	• L&T MHI Boilers Pvt. Ltd.	12.66	10.64
	• Larsen & Toubro Ltd.	16.15	88.77
	• L&T Capital Co. Ltd.	-	6.03
	• L&T Infra Investment Partners Trustee Pvt. Ltd.	0.07	-
	• L&T Finance Ltd.	-	31.69
	• L&T Power Development Ltd.	18.50	2.63
	• L&T Transco Pvt. Ltd.	-	10.91
	• L&T Infrastructure Development Projects Ltd.	-	59.04
	• L&T Shipbuilding Ltd.	-	1.65
	• L&T Uttaranchal Hydropower Ltd.	-	0.04
	• L&T Devihalli Hassan Tollway Pvt. Ltd.	-	0.40
	• Nabha Power Ltd.	-	2.16

Notes forming part of the Financial Statements March 31, 2012

Sr. No.	Nature of Transactions	2011-12 (₹ Lakhs)	2010-11 (₹ Lakhs)
13.	Dividend Paid		
	• L&T Finance Holdings Ltd.	2,720.02	-
14.	Fee Income		
	• L&T Infrastructure Development Projects Ltd.	1,012.82	253.2
	• L&T Power Development Ltd.	55.15	-
	• L&T Beawar Pali Pindwara Tollway Pvt. Ltd.	11.03	-
	• L&T Shipbuilding Ltd.	87.02	390.96
	• L&T Devihalli Hassan Tollway Pvt. Ltd.	-	44.12
	• L&T Special Steels & Heavy Forgings Pvt. Ltd.	-	202.95
	• L&T Uttaranchal Hydropower Ltd.	-	194.32
	• Nabha Power Ltd.	-	794.16
	• L&T Bangalore Airport Hotel Ltd.	-	107.54
15.	Interest on Sale of Loan Assets		
	• L&T Finance Ltd.	-	6.21
16.	Equity Shares issued (including share Premium)		
	• L&T Finance Holdings Ltd.	37,500.00	7,500.00
17.	Purchase of Loan Assets		
	• L&T Finance Ltd.	9,408.00	29,408.56
18.	Secured Debentures Issued		
	• Larsen & Toubro Ltd.	20,000.00	17,500.00
19.	Inter Corporate Deposit Paid		
	• L&T Finance Holdings Ltd.	99,680.00	-
	• Larsen & Toubro Ltd.	22,000.00	39,000.00
20.	Inter Corporate Deposit Received		
	• L&T Finance Holdings Ltd.	101,114.52	-
	• Larsen & Toubro Ltd.	7,000.00	39,000.00
21.	Investment in Equity Shares		
	• L&T Infra Investment Partners Advisors Pvt. Ltd.	1.00	-
	• L&T Infra Investment Partners Trustee Pvt. Ltd.	1.00	-
22.	Key Management Personnel – Remuneration	145.18	48.90
23.	Secured Debenture Outstanding		
	• Larsen & Toubro Ltd.	17,500.00	37,500.00
24.	Inter Corporate Deposit Outstanding		
	• L&T Finance Holdings Ltd.	1,434.52	-
	• Larsen & Toubro Ltd.	-	15,000.00
25.	Share Investment Outstanding		
	• L&T Infra Investment Partners Advisors Pvt. Ltd.	1.00	-
	• L&T Infra Investment Partners Trustee Pvt. Ltd.	1.00	-
26.	Short term loans and advances		
	• L&T Infra Investment Partners Advisors Pvt. Ltd.	509.77	-
	• L&T Infra Investment Partners Trustee Pvt. Ltd.	0.07	-
	• L&T MHI Boilers Pvt Ltd.	1.66	-
	• L&T Power Development Ltd.	16.65	2.37
	• L&T Finance Ltd.	-	5.59
27.	Trade receivables		
	• L&T Beawar Pali Pindwara Tollway Pvt. Ltd.	11.03	-
	• L&T Shipbuilding Ltd.	41.13	-
	• L&T Infrastructure Development Projects Ltd.	-	253.20
	• L&T Bangalore Airport Hotel Ltd.	-	96.79
28.	Account Payable		
	• L&T Finance Holdings Ltd.	827.48	17.00
	• L&T Finance Ltd.	196.2	-
	• Larsen & Toubro Ltd.	392.53	28.33
	• Larsen & Toubro Electromech LLC	0.17	-

Note: Transactions shown above are inclusive of Service Tax, if any.

Notes forming part of the Financial Statements March 31, 2012

Note 30: The Company holds certain premises under operating leases. Rent includes net expenses of ₹ 492.47 lakhs (*Previous year ₹ 445.25 lakhs*). The committed lease rentals in the future are:

Particulars	2011-12 (₹ Lakhs)	2010-11 (₹ Lakhs)
Not later than one year	338.46	367.97
Later than one year and not later than five years	39.75	325.60
Later than five years	-	-

Note 31: Earnings per share computed as per the Accounting Standard (AS) 20 'Earnings Per Share ("EPS")' issued by the Institute of Chartered Accountants of India, is as follows:

	₹ Lakhs except per share data	
Basic and Diluted	2011-12	2010-11
Profit after tax as per Profit and Loss account (₹)	26,395.12	20,082.69
Weighted average number of equity shares for computation of Basic earnings per share	737,652,049	683,554,110
Weighted average number of equity shares for computation of diluted earnings per share	740,520,902	683,554,110
Number of equity shares outstanding	795,900,000	702,150,000
Basic earnings per share (₹)	3.58	2.94
Diluted earnings per share (₹)	3.56	2.94
Nominal Value of Shares (₹)	10	10

Note 32: Expenditure in Foreign Currencies

	2011-12 (₹ Lakhs)	2010-11 (₹ Lakhs)
Directors' Sitting Fees	-	0.40
Others	41.53	3.60

* The above amount does not include payment of ₹ 112.43 lakhs made on behalf of subsidiary company which is recoverable.

Note 33: Employee Benefits**I. Defined-Contribution Plans**

The Company offers its employee defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary. The Company recognised charges of ₹ 66.05 lakhs (*Previous year ₹ 43.52 lakhs*) for provident fund contribution in the Statement of Profit and Loss.

II. Defined-Benefit Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined-benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. The gratuity scheme is not funded. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits", actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss. The following tables set out the amounts recognised in the Company's financial statements as at March 31, 2012 in respect of Gratuity benefits:

Notes forming part of the Financial Statements March 31, 2012

a) The amounts recognised in the balance sheet are as follows:

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	-	-
Present Value of Unfunded Obligations	45.56	33.53
Unrecognised Past Service Cost	2.69	4.49
Amount not Recognised as an Asset (limit in Para 59 (b))	-	-
Net Liability	42.87	29.05
Amounts in Balance Sheet		
Liability	42.87	29.05
Assets	-	-
Net Liability is bifurcated as follows:	42.87	29.05
Current	1.39	0.70
Non-Current	41.47	28.35
Net Liability	42.87	29.05

b) The amounts recognised in the Statement of profit and loss are as follows:

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Current Service Cost	15.22	6.84
Interest on Defined Benefit Obligation	4.02	2.22
Expected Return on Plan Assets	-	-
Net Actuarial Losses/(Gains) recognised in the Year	(7.21)	(0.57)
Past Service Cost	1.79	0.90
Losses/(Gains) on "Curtailments & Settlements"	-	-
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Effects of the limit in Para 59(b)	-	-
Total, included in "Employee Benefit Expense"	13.82	9.39
Actual Return on Plan Assets	-	-

c) Reconciliation of Benefit Obligation and Plan Assets for the period

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	33.53	19.66
Current Service Cost	15.22	6.84
Interest Cost on Defined Benefit Obligation	4.02	2.22
Actuarial Losses/(Gain) recognized	(7.21)	(0.57)
Past Service Cost	-	5.38
Actuarial Losses/(Gain) due to "Curtailment and Settlements"	-	-
Liabilities Extinguished on "Settlements"	-	-
Liabilities assumed on Acquisition/(Settled on Divestiture)	-	-
Exchange Difference on Foreign Plans	-	-

Notes forming part of the Financial Statements March 31, 2012

	As at March 31, 2012 (₹ Lakhs)	As at March 31, 2011 (₹ Lakhs)
Benefits Paid	-	-
Closing Defined Benefit Obligation	45.56	33.53
Change in Fair Value of Plan Assets	-	-
Opening Fair Value of Plan Assets	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Losses)	-	-
Assets Distributed on Settlements	-	-
Contributions by Employer	-	-
Assets Acquired on Acquisition/Distributed on Divestiture	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	-	-
Closing Fair Value of Plan Assets	-	-

d) Experience Adjustment

	₹ Lakhs				
	2011-12	2010-11	2009-10	2008-09	2007-08
Defined Benefit Obligation	45.56	33.53	19.66	12.45	6.58
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(45.56)	(33.53)	(19.66)	(12.45)	(6.58)
Experience. Adjustments on Plan Liabilities	(5.88)	(1.07)	2.76	2.52	0.54
Experience. Adjustments on Plan Assets	-	-	-	-	-

e) Financial assumptions at the valuation date

	2011-12	2010-11
Discount Rate (per annum)	8.50%	8.30%
Expected Rate of Return on Assets (per annum)	Not Applicable	Not Applicable
Salary Escalation Rate (per annum)	7.00%	7.00%
Mortality Rate	Published rates under the LIC (1994-96) mortality tables.	Published rates under the LIC (1994-96) mortality tables.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary and relied upon by the Auditors.

The contributions expected to be made by the Company during the financial year 2012-13 amounts to ₹ 14.06 lakhs (Previous year ₹ 11.25 lakhs).

Note 34: Appropriations to the Special Reserve under Section 36(1) (viii) of the Income Tax Act, 1961 and the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

Note 35: Appropriation to the Debenture Redemption Reserve has been created in terms of Section 117C of the Companies Act, 1956 is carried out of distributable profits of the Company.

Note 36: During the financial year 2009-10, in respect of a loan classified as a part of "Non-Performing Assets", the Company invoked pledge of 6,946,000 equity shares in the borrower company, pledged with it as collateral by the borrower. Out of the said equity shares, 28,000 nos. were sold upto March 31, 2012 and the proceeds adjusted against the interest and related costs outstanding against the said loan. As and when the balance shares are sold, the proceeds would be adjusted against the overdue portion of the loan then remaining outstanding.

Note 37: The Company has entered into currency swap transactions with a view to convert its USD borrowings into Indian rupee borrowing. The Company has foreign currency borrowings of USD 45,000,000 (Previous year Nil), against which the Company has undertaken currency interest rate swaps of USD 45,000,000 (Previous year Nil) to hedge foreign currency risk. Accordingly translation of borrowing at the exchange rate prevailing at the Balance Sheet date is not required.

Notes forming part of the Financial Statements March 31, 2012

Note 38: Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options were granted to the employees of the Company during the financial year 2010-11 and 2011-12. The total cost incurred by the holding company, in respect of options granted to employees of the Company amounts to ₹ 217.07 lakhs (*Previous year ₹ 117.41 lakhs*). This sum is being recovered from the Company over the period of vesting. Accordingly, sum of ₹ 80.86 lakhs has been recovered from the Company during the year (*Previous year ₹ 17.00 lakhs*), which has been charged to the Statement of Profit and Loss. The balance sum of ₹ 119.21 lakhs (*Previous year ₹ 100.41 lakhs*) will be recovered in future periods.

Note 39: During the year, the Company has raised ₹ 100,825.12 lakhs (*Previous year ₹ 65,621.55 lakhs*) from the public issue of long- term infrastructure bonds entitled to benefits under section 80CCF of Income Tax Act, 1961. The said amount has been fully utilised towards 'infrastructure lending' as defined by the Reserve Bank of India upto March 31, 2012.

Note 40: During FY 2010-11, the Company amortised debenture issue expenses over the tenure of the debentures. During the current year the Company has decided to debit the unamortized portion of debenture issue expenses of ₹ 6,174.97 lakhs (net of tax of ₹ 2,966.08 lakhs) from the securities premium account in accordance with Section 78 of the Companies Act, 1956. Consequently profit before tax is higher by ₹ 1,163.82 lakhs for the year ended March 31, 2012.

Note 41: The Company has exercised the option granted under notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No. G.S.R.378 (E) (F. No. 17/133/2008-CL.V) dated May 11, 2011 and G.S.R. 913(E) dated December 29, 2011 and is accordingly, amortising the foreign currency translation differences on long-term foreign currency monetary items over the maturity period. However, due to maturity of underlying monetary item during the year, there is no impact on profit before tax.

Note 42: The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI circular (Ref. No. DNBS.200/ CGM (PK) - 2008) dated August 1, 2008.

(i) Capital to Risk Assets Ratio (CRAR)

	2011-12	2010-11
CRAR (%)	16.36%	16.50%
CRAR - Tier I Capital (%)	16.02%	16.26%
CRAR - Tier II Capital (%)	0.34%	0.24%

(ii) Exposure to Real Estate Sector

	2011-12 (₹ Lakhs)	2010-11 (₹ Lakhs)
a) Direct Exposure		
Residential Mortgages	-	-
Infrastructure Real Estate (SEZs, Industrial Parks, IT Parks)	71,308.25	85,103.00
Commercial Real Estate	16,820.99	2,907.00
Investment in Mortgage Backed Securities (MBS) and other securitised exposures	-	-
b) Indirect Exposure	-	-

(iii) Maturity pattern of certain items of assets and liabilities

(₹ Lakhs)

	One month	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	-	1,250.00	500.00	2,250.00	29,354.57	363,620.00 ¹	160,635.00	2,240.00	559,849.57
	(-)	833.00	(1,000.00)	(2,333.00)	(21,813.35)	(99,661.67)	(190,093.00)	(24,997.00)	(340,731.01)
Market Borrowings	8,934.52	-	19,000.00	-	35,000.00	25,000.00	174,821.00	71,625.67	334,381.19
	(2,5000.00)	(35,000.00)	(7,500.00)	(47,500.00)	(35,000.00)	(48,000.00)	(73,996.00)	(29,126.00)	(278,622.00)
Assets									
Advance	23,773.57	20,913.07	12,236.98	26,443.36	64,723.60	344,042.03	197,345.87	359,589.12	1,049,067.60
	(7,765.83)	(15,720.35)	(9,595.84)	(54,576.31)	(107,742.63)	(240,553.52)	(141,637.61)	(141,056.59)	(718,648.67)
Investments	-	-	-	-	-	6,000.00	4,000.00	32,284.73	42,284.73
	(-)	(-)	(-)	(-)	(-)	(6,600.00)	(3,400.00)	(24,999.99)	(34,999.99)

- Includes revolving credit facility of ₹ 50,000.00 lakhs (*Previous year: Nil*) for a maximum period of 15 months.
- Figures in brackets relates to the Previous Year.

Notes forming part of the Financial Statements March 31, 2012

Note 43: The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI circular (Ref. No. DNBS.193 DG (VL) - 2007 dated February 22, 2007.

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Liability Side:**1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**

Particular	Amount outstanding (₹ Lakhs)	Amount overdue (₹ Lakhs)
(a) Debentures:		
Secured	320,214.29	-
Unsecured (Other than falling within the meaning of Public Deposits)	25,865.21	-
(b) Deferred Credits	-	-
(c) Term Loans	489,874.30	-
(d) Inter-Corporate Loans and borrowings	1,434.52	-
(e) Commercial Paper	982.99	-
Other Loans		
(f) i) (Foreign Currency Loan)	20,160.00	-
ii) Bank Overdraft , Cash credit & Working Capital Demand Loan	70,189.57	-

Asset Side:**2. Break-up of Loans and Advances including bills receivables [Other than those included in (3) below]**

	Amount outstanding (₹ Lakhs)
(a) Secured (Net of Provision for NPA)	1,046,481.36
(b) Unsecured	-

3. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

	Amount outstanding (₹ Lakhs)
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial Lease	-
(b) Operating Lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on Hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities:	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

Notes forming part of the Financial Statements March 31, 2012

4. Break-up of Investments

		Amount outstanding (₹ Lakhs)
Current Investments		
1. Quoted:		-
(i) Shares:	(a) Equity	-
	(b) Preference	-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted:		-
(i) Shares:	(a) Equity	-
	(b) Preference	-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
Long Term Investments		
1. Quoted		-
(i) Shares:	(a) Equity	-
	(b) Preference	-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted:		-
(i) Shares:	(a) Equity	7,704.84
	(b) Preference	24,300.00
(ii) Debentures and Bonds		10,279.89
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify) Sec deposits & share application money		-

5. Borrower group-wise classification of assets financed : (see footnote 2 below)

Category	Amount (net of Provisions) ₹ Lakhs	
	2011-12	2010-11
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1,046,481.36	717,607.48
Total	1,046,481.36	717,607.48

6. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted): (see footnote 3 below)

Category	2011 - 12 ₹ Lakhs		2010 - 11 ₹ Lakhs	
	Market Value/ Breakup Value/ Fair value /NAV (₹ Lakhs)	Book Value (Net of Provisions) (₹ Lakhs)	Market Value/ Breakup Value/ Fair value /NAV (₹ Lakhs)	Book Value (Net of Provisions) (₹ Lakhs)
1. Related Parties **				
(a) Subsidiaries	2.00	2.00	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties @	42,282.73	42,282.73	34,999.99	34,999.99
Total	42,284.73	42,284.73	34,999.99	34,999.99

@ Being cost of unquoted investment

** As per Accounting Standard issued by the Institute of Chartered Accountants of India (see footnote 3 below)

Notes forming part of the Financial Statements March 31, 2012

7. Other information

Particulars	2011-12 Amount (₹ Lakhs)	2010-11 Amount (₹ Lakhs)
(i) Gross Non-Performing Assets	17,768.58	4,838.41
(a) Related parties	-	-
(b) Other than related parties	17,768.58	4,838.41
(ii) Net Non-Performing Assets	15,182.34	3,796.93
(a) Related parties	-	-
(b) Other than related parties	15,182.34	3,796.93
(iii) Assets acquired in satisfaction of debt	-	-

8. No Loans (availed by the Company) remain overdue as on March 31, 2012 and March 31, 2011.

Footnotes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms have been applied as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ Net Asset Value in respect of unquoted investments have been disclosed irrespective of whether they are classified as long term or current.

Note 44: The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been regrouped / reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For and on behalf of the Board

Y. M. Deosthalee
Director

N. Sivaraman
Director

Suneet Maheshwari
Managing Director and Chief Executive

Shekhar Prabhudesai
Company Secretary

Place : Mumbai
Date : April 24, 2012

Summary of financial information of subsidiary companies under Section 212 (8) of the Companies Act, 1956

₹ Lakhs

S. No.	Name of subsidiary	Capital	Reserves	Total assets	Total liabilities	Investments	Total income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend
1	L&T Infra Investment Partners Advisory Private Limited*	1.00	(461.30)	57.56	57.56	-	-	(461.30)	-	(461.30)	-
2	L&T Infra Investment Partners Trustee Private Limited**	1.00	(1.08)	1.00	1.00	-	-	(1.08)	-	(1.08)	-

* w.e.f August 12, 2011.

** w.e.f. November 8, 2011.

