

## ***DIRECTORS' REPORT***

The Directors have pleasure in presenting the first report and the audited accounts of the Company for the period ended March 31, 2011.

### **FINANCIAL RESULTS**

	01.01.2011 to 31.03.2011	
	Canadian Dollars	Rs. Lakhs
Total Income	10,418,601	4,783.21
Profit / (Loss) before tax	1,917,720	880.43
Taxes	735,435	337.64
Profit / (Loss) after taxes	1,182,285	542.79

### **DIVIDEND**

In order to conserve the resources for future business growth, the Directors do not recommend dividend for the current year.

### **REVIEW OF OPERATIONS**

On January 1, 2011, Larsen & Toubro Infotech Limited (the parent company) acquired transfer agency business from Citigroup Fund Services Canada Inc. (CFSC) servicing local clients represented by Asset Management Companies, Banks, Insurance Companies in Canada.

Since acquisition by Larsen & Toubro Infotech Limited, the Company recorded revenues of CAD 10.42 million and profit of CAD 1.18 million.

### **AUDITORS**

M/s. Sharp and Tannan, the Auditors of the Company, for the financial statements under Indian GAAP, have indicated their willingness and are eligible for re-appointment.

### **DISCLOSURE OF PARTICULARS**

The Company being registered outside India, the disclosures required to be made in accordance with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not relevant.

### **PARTICULARS OF EMPLOYEES**

The Company being registered outside India, the disclosures required to be made as per the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not relevant.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of directors of the Company confirms:

- (i) that in the preparation of the accounts for the period January 1, 2011 to March 31, 2011 the applicable accounting standards have been followed and there has been no material departure;
- (ii) that the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the accounts for the period January 1, 2011 to March 31, 2011 have been prepared on a going concern basis.
- (v) that proper systems are in place to ensure compliance of all laws applicable to the Company.

For and on behalf of the Board

Place : Toronto, Canada  
Date : May 12, 2011

**SUDIP BANERJEE**  
Director

**ALFRED PAGE**  
Director

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF L&T INFOTECH FINANCIAL SERVICES TECHNOLOGIES INC.**

The financial statements of L&T Infotech Financial Services Technologies Inc. for the period ended March 31, 2011, being the company registered in Canada, are audited by Ernst & Young and we have been furnished with their audit report dated May 6, 2011.

We are presented with the accounts in Indian Rupee prepared on the basis of the aforesaid accounts to comply with the requirement of Section 212 of the Companies Act, 1956. We give our report as under:

We have audited the attached Balance Sheet of L&T Infotech Financial Services Technologies Inc. as at March 31, 2011 and the Profit and Loss Account for the 3 month period from January 1, 2011 to March 31, 2011 and the Cash Flow Statement of the Company for the period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India under Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the said Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956; and
  - e) as regard reporting on the disqualification of director's under Section 274(1)(g) of the Companies Act, 1956, since the Company is incorporated in Canada, no reporting is required to be made under the said Section.

We report that in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies in Schedule K and the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2011;
- ii) in the case of the Profit and Loss Account, of the profit of the Company for the 3 month period from January 1 to March 31, 2011; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**SHARP & TANNAN**  
*Chartered Accountants*  
(ICAI registration No. 109982W)  
by the hand of

**R. D. KARE**  
*Partner*  
Membership No. 8820

Place : Mumbai  
Date : May 12, 2011

## **ANNEXURE TO THE AUDITORS' REPORT**

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

- 1 (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets.
- (b) We are informed that the Company has physically verified the fixed assets during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable.
- (c) The Company has not disposed off any fixed assets during the period.
- 2 The Company has no inventories and hence reporting under paragraphs 4(ii)(a), (b) and (c) is not applicable.
- 3 There are no loans, secured or unsecured, either granted or taken by companies, firms or other parties. However, no register is required to be maintained under Section 301 of the Companies Act, 1956 since the Company is incorporated and doing business only in Canada.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- 5 The Company is incorporated in Canada and accordingly, maintenance of record under Section 301 of the Companies Act, 1956 is not required.
- 6 The Company has not accepted any deposits in terms of provisions of Sections 58A and 58AA of the Companies Act, 1956.
- 7 The Company does not have an adequate internal audit system commensurate with its size and the nature of its business.
- 8 The Company is not required to maintain cost accounts and records under Section 209(1)(d) of the Companies Act, 1956.
- 9 The Company is registered in Canada has no statutory liabilities in India and accordingly reporting for paragraphs 4(ix)(a) and (b) is not required.
- 10 The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year or in the immediately preceding financial year.
- 11 According to the information and explanations given to us, the Company has neither borrowed from financial institution or bank nor issued any debentures.
- 12 The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- 14 The Company is not dealing in shares, securities, debentures and other investments.
- 15 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 The Company has not availed any term loan during the period.
- 17 According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
- 18 The Company has not made any preferential allotment of shares during the period.
- 19 The Company did not have any outstanding secured debentures during the period. Accordingly, no securities have been created.
- 20 The Company has not raised any money by public issue during the period.
- 21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

**SHARP & TANNAN**  
*Chartered Accountants*  
(ICAI registration No. 109982W)  
by the hand of

**R. D. KARE**  
*Partner*  
Membership No. 8820

Place : Mumbai  
Date : May 12, 2011

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

	<u>Schedule</u>	<u>As at 31.03.2011</u>	
		<u>Rupees</u>	<u>Rupees</u>
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	<b>A</b>		2,799,974,190
Reserves and Surplus	<b>B</b>		128,774,097
<b>TOTAL</b>			<u>2,928,748,287</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
<b>Tangible Assets</b>			
Gross Block		65,891,951	
Less: Depreciation		<u>14,392,192</u>	
Net Block			51,499,759
<b>Intangible Assets</b>			
Gross Block		2,243,812,686	
Less: Depreciation		<u>66,937,235</u>	
Net Block			2,176,875,451
Capital Work in Progress			<u>510,714,148</u>
			<u>2,687,589,599</u>
<b>Current Assets Loans and Advances</b>			
Sundry Debtors	<b>D</b>	405,670,061	
Cash and Bank balances	<b>E</b>	82,715,206	
Loans and advances	<b>F</b>	<u>31,602,982</u>	
			<u>519,988,249</u>
<b>Less: Current Liabilities and Provisions</b>			
Current liabilities	<b>G</b>	296,506,647	
Provisions		<u>33,822,673</u>	
			<u>330,329,320</u>
<b>Net current Assets</b>			<u>189,658,929</u>
<b>TOTAL</b>			<u>2,928,748,287</u>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>			
	<b>K</b>		

The Schedules referred to above and the notes attached form an integral part of the financial statements.

As per our report attached

For and on behalf of the Board

**SHARP & TANNAN**

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

**R. D. KARE**

Partner  
Membership No. 08820

**SUDIP BANERJEE**

Director

**ALFRED PAGE**

Director

Place : Mumbai  
Date : May 12, 2011

Place : Toronto  
Date : May 12, 2011

## **PROFIT & LOSS ACCOUNT FOR THREE MONTHS PERIOD FROM JANUARY 1, 2011 TO MARCH 31, 2011**

	<u>Schedule</u>	<u>For the period from 01.01.2011 to 31.03.2011 Rupees</u>
<b>INCOME</b>		
Software development services and products		478,298,785
Other Income	H	304,819
<b>TOTAL</b>		<u>478,603,604</u>
<b>EXPENDITURE</b>		
Software Development Expenses	I	174,804,128
Sales administration and other Expenses	J	134,550,665
<b>TOTAL</b>		<u>309,354,793</u>
<b>Operating Profit</b>		169,248,811
Interest		17,318
Depreciation on tangible assets		14,367,241
Amortisation on intangible assets		66,821,192
<b>Profit Before Tax</b>		<u>88,043,060</u>
Provision for Income-tax		33,764,037
<b>Profit After Tax</b>		<u>54,279,023</u>
<b>Balance carried forward</b>		<u>54,279,023</u>
Number of equity shares		1,000,000
<b>Basic and Diluted Earnings per share</b>		54.28
Face value per equity share (CAD)		1
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	K	

The Schedules referred to above and the notes attached form an integral part of the financial statements.

As per our report attached

For and on behalf of the Board

### **SHARP & TANNAN**

*Chartered Accountants*

*(ICAI registration No. 109982W)*

*By the hand of*

**R. D. KARE**

*Partner*

*Membership No. 08820*

*Place : Mumbai*

*Date : May 12, 2011*

**SUDIP BANERJEE**

*Director*

*Place : Toronto*

*Date : May 12, 2011*

**ALFRED PAGE**

*Director*

## **CASH FLOW STATEMENT FOR THE THREE MONTH PERIOD FROM JANUARY 1, 2011 TO MARCH 31, 2011**

	2010-2011 Rupees
<b>A. Cash flow from operating activities</b>	
Net profit before tax	88,043,060
<b>Adjustments for:</b>	
Depreciation and amortisation	81,188,433
Interest (net)	17,318
Unrealised foreign exchange loss (gain)	74,553,713
<b>Operating profit before working capital changes</b>	<b>243,802,524</b>
Changes in working capital	
(Increase) / decrease in trade receivables	(405,670,061)
(Increase) / decrease in other receivables	(31,602,981)
Increase / (decrease) in trade & other payables	296,506,647
(Increase) / decrease in working capital	(140,766,395)
<b>Cash generated from operations</b>	<b>103,036,129</b>
Direct taxes paid	-
<b>Net cash from operating activities</b>	<b>103,036,129</b>
<b>B. Cash flow from investing activities</b>	
Purchase of fixed assets	(2,820,277,795)
Sale of fixed assets	-
Purchase / Sale of current investments	-
Investment in subsidiary	-
Interest received	-
<b>Net cash used in investing activities</b>	<b>(2,820,277,795)</b>
<b>C. Cash flow from financing activities</b>	
Share capital issued (including premium)	2,799,974,190
Proceeds from / Repayment of borrowings	-
Interest paid	(17,318)
Dividend paid	-
Dividend tax	-
<b>Net cash from financing activities</b>	<b>2,799,956,872</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>
<b>Cash and cash equivalents at March 31, 2011</b>	<b>82,715,206</b>

**Notes:**

- 1 Cash flow has been prepared under the indirect method as set out in the Accounting Standard - 3 issued under the Companies (Accounting Standards) Rules, 2006.
- 2 Purchase of fixed assets includes movements of capital work-in-progress between the beginning and end of the year.
- 3 Cash and cash equivalents represent cash and bank balances.

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

**R. D. KARE**  
Partner  
Membership No. 08820

Place : Mumbai  
Date : May 12, 2011

For and on behalf of the Board

**SUDIP BANERJEE**  
Director

**ALFRED PAGE**  
Director

Place : Toronto  
Date : May 12, 2011

**SCHEDULES FORMING PART OF THE ACCOUNTS**As at 31.03.2011  
Rupees**SCHEDULE A****SHARE CAPITAL****Authorised**

10,00,000 common shares at no par value

2,799,974,190

**Issued and Subscribed**

10,00,000 common shares at no par value

2,799,974,190

**Paid up**

10,00,000 Common shares at no par value

2,799,974,190

(All the above equity shares are held by Larsen &amp; Toubro Infotech Limited)

**TOTAL**

2,799,974,190

**SCHEDULE B****RESERVES AND SURPLUS**

Profit and Loss account

54,279,023

Foreign Currency Translation Reserve

74,495,074

**TOTAL**

128,774,097

**SCHEDULE C****FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Acquired as at 01.01.2011	Additions during the period	Deductions for the year	Foreign Currency Translation	As at 31.03.2011	Acquired as at 01.01.2011	For the Period	On Deductions	Foreign Currency Translation	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>TANGIBLE ASSETS</b>												
Computers	61,681,595	2,965,418	–	1,244,938	65,891,951	–	14,367,241	–	24,951	14,392,192	51,499,759	–
<b>Total of Tangible Assets</b>	61,681,595	2,965,418	–	1,244,938	65,891,951	–	14,367,241	–	24,951	14,392,192	51,499,759	–
<b>INTANGIBLE ASSETS</b>												
Goodwill	323,790,269	–	–	6,535,093	330,325,362	–	8,243,818	–	14,316	8,258,134	322,067,228	–
Customer Contracts	933,609,699	–	–	18,843,201	952,452,900	–	23,770,043	–	41,280	23,811,323	928,641,577	–
Softwares	942,021,448	–	–	19,012,976	961,034,424	–	34,807,331	–	60,447	34,867,778	926,166,646	–
Add : Capital Work in Progress - Software											510,714,147	–
<b>Total of Intangible Assets</b>	2,199,421,416	–	–	44,391,270	2,243,812,686	–	66,821,192	–	116,043	66,937,235	2,687,589,598	–

As at 31.03.2011

Rupees

Rupees

**SCHEDULE D****SUNDRY DEBTORS**

Unsecured

Debts outstanding for a period exceeding six months

Considered Good

–

Other Debts

Considered Good

Due from others

405,670,061

**TOTAL**

405,670,061

405,670,061

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

	As at 31.03.2011	
	Rupees	Rupees
<b>SCHEDULE E</b>		
<b>CASH AND BANK BALANCES</b>		
Balances with non-scheduled banks (see schedule K, note 5)		13,730,206
Fixed Deposits with banks		68,985,000
<b>TOTAL</b>		82,715,206
 <b>SCHEDULE F</b>		
<b>LOANS AND ADVANCES</b>		
Unsecured, considered good		
Advances recoverable in cash or kind		31,602,982
<b>TOTAL</b>		31,602,982
 <b>SCHEDULE G</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry creditors	291,856,433	
Due to		
Holding company	4,650,214	296,506,647
<b>Provisions</b>		
Income Taxes	33,822,673	33,822,673
<b>TOTAL</b>		330,329,320
		For the period from 01.01.2011 to 31.03.2011 Rupees
 <b>SCHEDULE H</b>		
<b>OTHER INCOME</b>		
Interest Received from Banks		22,012
Provision for Doubtful Debts - Written back		282,807
<b>TOTAL</b>		304,819
 <b>SCHEDULE I</b>		
<b>SOFTWARE DEVELOPMENT EXPENSES</b>		
Salaries including overseas staff expenses		87,921,986
Consultancy charges		84,913,280
Cost of Software Packages for own use		1,968,862
<b>TOTAL</b>		174,804,128



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

**For the period  
from 01.01.2011  
to 31.03.2011**

**Rupees**

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**SCHEDULE J****SALES, ADMINISTRATION AND OTHER EXPENSES**

Salaries including overseas staff expenses	34,313,247
Travelling and conveyance	237,494
Rent and establishment expenses	44,983,891
Telephone charges and postage	819,360
Legal and professional charges	48,403,992
Printing and stationery	22,567
Entertainment	510,678
General repairs and maintenance	2,494,266
Books and periodicals	110,185
Miscellaneous Expenses	2,654,985
<b>TOTAL</b>	<b>134,550,665</b>

**SCHEDULE K****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

## 1. Legal Status

L&T Infotech Financial Services Technologies Inc. is incorporated under the Business Corporations Act (Ontario). The Company is an indirect, wholly owned subsidiary of Larsen & Toubro Limited, India. The Company commenced operations on January 1, 2011 with acquisition of the information technology operations business of Citigroup Fund Services Canada Inc. by the Company's parent.

## 2. Significant Accounting Policies

**a. Basis of preparation**

The Company maintains its accounts on an accrual basis following the historical cost convention in accordance with the generally accepted accounting principles (GAAP), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government.

The preparation of financial statements in conformity with GAAP required that management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates.

**b. Revenue recognition**

The Company recognizes revenues when they are earned, specifically when all the following conditions are met:

- (a) Services are provided or products are delivered to customers
- (b) There is clear evidence that an arrangement exist
- (c) Amounts are fixed or can be determined, and
- (d) The ability to collect is reasonably assured

**c. Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Intangible-Computer software developed in-house is capitalized at cost.

**Depreciation**

Tangible Assets - Depreciation on computers is calculated using straight line method over the estimated useful life of 4 to 5 years

Intangible Assets - Amortization is calculated on the straight-line method over the following estimated useful lives:

- Acquired software 10 years
- Internally generated software 5 years

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

- Goodwill 10 years
- Customer Contracts 10 years

Depreciation / amortization on additions / disposals are calculated pro-rata from / to the month of additions / disposals.

Customer contracts, which are comprised of customer contracts and relationships acquired are stated net of amortization.

**d. Translation of financial statements**

The accounts are translated in Indian Rupees as follows:-

- i. Revenue transactions are translated at the average rates for the period.
- ii. Share capital is retained at the initial contribution.
- iii. Fixed Assets, current assets and current liabilities are translated at rates prevailing on the date of Balance Sheet.
- iv. The resultant differences are accounted as Foreign Currency Translation Reserve in the Balance Sheet.

**e. Taxes on income**

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

**3. Purchase Price Allocation**

The Company's parent allocated the purchase price to the underlying assets acquired and liabilities assumed based upon their fair value at the date of acquisition. The Company's parent determined the fair values based on discounted cash flows and management's estimates.

The preliminary allocation of the purchase price is as follows:

	<b>Rupees</b>
Accounts receivable	241,782,172
Other assets	4,067,386
Computers	62,211,589
Software	1,349,293,530
Customer contracts intangibles	941,631,925
Accounts payable and accrued liabilities	(73,793,616)
Other liabilities	(10,048,363)
Net identifiable assets	2,515,144,623
Goodwill	326,572,501
<b>TOTAL</b>	<b>2,841,717,124</b>

**4. There are no contingent liabilities as on 31.03.2011.****5. Leases:**

Certain premises and office equipment are leased under several non-cancellable operating leases that require future minimum annual payments as follows:

	<b>Rupees</b>
Minimum lease payments	
Payable not later than 1 year	64,746,792
Payable after 1 year but not later than 5 years	360,012,341
<b>TOTAL</b>	<b>424,759,133</b>

**6. Basic Earnings per share (EPS)**

	<b>2010-11</b>
Profit after Tax as per accounts	54,279,023
Weighted average number of shares outstanding	1,000,000
Basic EPS (Rs.)	54.28

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

## 7. Related Parties

The related parties who exercise control:

Name	Relationship
Larsen & Toubro Limited	Ultimate holding company
Larsen & Toubro Infotech Limited	Holding company
Larsen & Toubro Infotech Canada Limited	Fellow Subsidiary

The related parties with whom the Company had transactions during the year are:

Name	Relationship
Larsen & Toubro Infotech Limited	Holding company
Larsen & Toubro Infotech Canada Limited	Fellow Subsidiary

A summary of transactions with related parties is given below:

Particulars	Holding Company Rupees	Fellow Subsidiary Rupees
Sale of Services	-	-
Purchase of Services	1,367,605	-
Overheads charged by	3,282,609	4,559,541
Overheads charged to	-	-
Accounts Receivable	-	-
Accounts Payable	4,650,214	4,559,541

8. Borrowing cost capitalised during the year: Rs. Nil

## 9. Employee Future Benefits

The Company sponsors pension arrangements for substantially all of its employees through defined contribution plans. The Company makes regular contributions to the employees' individual accounts, which are administered by a plan trustee, in accordance with the plan documents. The cost of this plan, which is expensed as incurred, totalled Rs. 11,444,858 in 2011.

10. Based on the information and records available with the Company, there are no amounts payable to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

11. Auditors remuneration charged to the accounts amounted to Rs. 2,069,550 during year.

12. The Company is mainly in the business of software development. This is not capable of being expressed in the form of generic units. Hence it is not possible to give quantitative details and information required under Paragraphs 3, 4c of Part II of Schedule VI to the Companies Act, 1956.

## 13. Segmental reporting

The Company is wholly involved in the business of software development and operates only in Canada. Hence, segmental reporting is not required.

14. The Company is considered non-integral operation of Larsen & Toubro Infotech Limited (the holding company). In accordance with Accounting Standard -11 (revised 2003), the exchange differences on translation are accounted as Foreign Currency Translation Reserve in Balance Sheet.

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

## 15. Balance Sheet Abstract and Company's General Business Profile

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

As per our report attached

For and on behalf of the Board

**SHARP & TANNAN**Chartered Accountants  
(ICAI registration No. 109982W)  
By the hand of**R. D. KARE**Partner  
Membership No. 08820**SUDIP BANERJEE**  
Director**ALFRED PAGE**  
DirectorPlace : Mumbai  
Date : May 12, 2011Place : Toronto  
Date : May 12, 2011