

Board's Report

Dear Members,

The Directors of your Company take pleasure in presenting the Fourth Annual Report of the Company together with the audited financial statements for the financial year ended March 31, 2015.

FINANCIAL RESULTS

The summarized financial results for the year ended March 31, 2015 are as under:

(₹ in lakhs)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Gross Income	1,448.34	461.92
Profit / (Loss) before exceptional and extraordinary items and taxes	(1,763.89)	(2,231.71)
Exceptional Item	14,389.42	---
Provision for Tax including Deferred Tax	1,109.20	(332.06)
Profit / (Loss) after Tax	11,516.33	(1,899.65)
Balance brought forward from previous year	(1,927.23)	(27.58)
Total	9,589.10	(1,927.23)
Transfer to Debenture Redemption Reserve	(1,696.00)	--
Surplus / (Deficit) in the statement of Profit and Loss	7,893.10	(1,927.23)

FINANCIAL PERFORMANCE

During the year under review, the Company earned a gross income of ₹ 1,448.34 Lakhs as against ₹ 461.92 Lakhs earned by it in the previous year. The gross income mainly represents the lease rental income along with the dividend received on investments and interest income earned on deployment of surplus funds in short term avenues.

The expenditure incurred by the Company during the year under review mainly comprises finance costs of ₹ 2,989.19 Lakhs as against ₹ 2,361.11 Lakhs in the previous year. The net profit reported by the Company for the financial year ended March 31, 2015 is ₹ 11,516.33 Lakhs (Previous year Loss of ₹ 1,899.65

Lakhs) due to exceptional item representing profit on sale of investment amounting to ₹ 14,389.42 Lakhs. During the year under review, the Company has transferred an amount of ₹ 1,696 Lakhs to Debenture Redemption Reserve.

The Net Worth of the Company as at March 31, 2015 is ₹ 11,464.10 Lakhs as against ₹ (52.23 Lakhs) as at March 31, 2014. The variation is on account of exceptional item as mentioned in the aforesaid paragraph.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

DIVIDEND

In order to conserve the reserves of the Company, your directors have decided not to recommend any dividend for the year under review.

YEAR IN RETROSPECT – THE HIGHLIGHTS

During the year under review, the Company has completed construction of Brindavan Building, based at Kalina. 85% of the interiors fit out work have been completed. The building is likely to be occupied by June- August 2015 in stages. The Company is also in an advanced stage of receiving statutory NOC & approvals.

KGN Towers, the property owned by the Company has been fully occupied / rented during the year. During the year under review, apart from leasing/renting property(ies), the Company also provided the following services to all L&T Financial Services group companies such as:

- General Administration
- Branch Roll out
- Event Management
- Logistical Support
- Facility Management

HOLDING AND SUBSIDIARIES

The Company is a wholly owned subsidiary of L&T Finance Holdings Limited. Mudit Cement Private Limited is the wholly owned subsidiary of the Company. The Company has no joint venture or associate company.

PERFORMANCE AND FINANCIAL POSITION OF EACH SUBSIDIARY/ASSOCIATE AND JOINT VENTURE COMPANIES

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the subsidiary of the Company has been appended as Annexure 'A' to this Report.

FIXED DEPOSITS

The Company has not accepted any deposits from the public since inception.

DIRECTORS

During the year under review, Mr. Joydeep Roy resigned from the Board of the Company due to his increased commitments and accordingly ceased to be a director of the Company with effect from September 24, 2014. The Board places on record its appreciation of the valuable services rendered by Mr. Roy during his tenure as a director of the Company.

During the year under review, the Company has appointed Mr. G. Krishnamurthy, Ms. Raji Vishwanathan, Mr. Prabhakar B. and Mr. Subramaniam N. as an Additional Directors, pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act"). Section 149(1) of the Act require every listed company to appoint a woman director on the Board of the Company. The Company has duly complied with the provisions of the Act by appointing Ms. Raji Vishwanathan as a director on the Board of the Company. Mr. Krishnamurthy and Ms. Vishwanathan hold office as a Director up to the date of the forthcoming Annual General Meeting (AGM). Your Company has received a notice in writing from a Member proposing their candidature for the office of Director.

The provisions of Section 149(4) of the Act, pertaining to the appointment of Independent Directors have been notified by the Ministry of Corporate Affairs with effect from April 1, 2014. Since the Company is a listed company by virtue of its debentures being listed, the Company is required to appoint Independent Directors on the Board. Accordingly, the Company has inducted Mr. Prabhakar B. and Mr. Subramaniam N., who fulfill the criteria for independence in terms of the Act. They hold office as directors up to the date of the forthcoming AGM. Your Company has received a notice in writing from a Member proposing their candidature for the office of Independent Director. Mr. Prabhakar B. and Mr. Subramaniam N. qualify to be Independent Directors

pursuant to the provisions of Section 149(6) of the Act.

Section 152 of the Companies Act provides that unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation. Accordingly, Mr. N. Sivaraman, Director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 (the Act), Ms. Trupti Patil was appointed as a Key Managerial Person to discharge the functions of a Chief Financial Officer under the Act.

During the year under review, Mr. Anirban Rakshit resigned from the position of Company Secretary and Mr. Swanand Shintre was appointed as Company Secretary of the Company pursuant to Section 203(1) of the Act.

Accordingly, as at March 31, 2015, the Company has the following Key Managerial Personnel:

- 1) Mr. Pradeep Shintre - Manager
- 2) Ms. Trupti Patil - Head Accounts
- 3) Mr. Swanand Shintre – Company Secretary

COMPANY POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION

A. Background and Objectives

Section 178 of the Companies Act, 2013 ('the Act') requires the Nomination and Remuneration Committee to formulate a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company and recommend the same for approval of the Board. Further, Section 178(4) of the Act stipulates that the policy shall be disclosed in the Board's Report.

Moreover, Section 134 of the Act stipulates that the Board's Report shall include a statement on Company's Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director and remuneration for key managerial personnel and other employees.

The Board of Directors at its meeting held on March 31, 2015, has approved the Policy on Directors' Appointment and Remuneration for Directors, Key Managerial Personnel and other Employees.

B. Brief Framework of the Policy

a) The objective of this Policy is

- To guide the Board in relation to appointment and removal of Directors.
- To evaluate the performance of the Members of the Board including Independent Directors.
- To formulate the criteria for evaluation of Independent Director and the Board.
- To determine criteria for payment of remuneration to Directors, Key Managerial Personnel, Senior Management and Employees.
- To recommend to the Board on remuneration payable to the Directors including Key Managerial Personnel, Senior Management and Employees, if required.

b) Evaluation Criteria of Directors and Senior Management/Key Managerial Personnel/Employees

• Non-executive Directors/ Independent Directors

Before determining the remuneration, the Nomination and Remuneration Committee ('the Committee') shall carry out evaluation of performance of Independent Directors/Non-Executive Directors, against the following criteria:

- Membership & attendance - Committee and Board Meetings
- Contribution during such meetings
- Active participation in strategic decision making
- Inputs to executive management on matters of strategic importance

• Executive Directors

With respect to evaluation of performance of Executive Directors

(EDs), the evaluation shall be on the basis of Key Performance Indicators (KPI), which would be identified well in advance for EDs and weights assigned for each measure of performance keeping in view the distinct roles of each EDs. The identified KPI for EDs shall be approved by the Board, pursuant to recommendation of the Committee, if required.

• Senior Management/Key Managerial Personnel/Employees

The Human Resource Department (HR Department) would assign the responsibility of carrying out the evaluation of the aforementioned persons every year ending March 31st, to the reporting superior/department heads. KPI are identified well in advance at the commencement of the financial year. Performance benchmarks are set and evaluation of employees is done by the respective reporting manager(s)/Management vis-a-vis the performance benchmarks. The payment of remuneration/annual increment to the aforementioned persons is determined after the satisfactory completion of Evaluation process.

The HR Department of the Company is authorized to design the framework for evaluating the KMPs/Senior Management Personnel/Employees. The objective of carrying out the evaluation by the Company is to identify and match rewards with performance.

c) Criteria for Remuneration

In determining the remuneration for Directors and Senior Management, the Nomination and Remuneration Committee is required to ensure that:

- 1) the relationship of remuneration and performance benchmark is clear;
- 2) there is a balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- 3) the remuneration is divided into two components viz. fixed component comprising

salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

- 4) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

For information of the Members, the Company did not have EDs during the year under review.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee.

Manner of Evaluation

The Board has laid down the manner in which formal annual evaluation of the performance of the Board, Committees and individual directors have to be made.

It includes circulation of evaluation forms separately for evaluation of the Board and its Committees and Non-Executive Directors.

The process of the annual performance evaluation broadly comprises:

a) Board Evaluation:

Evaluation of the Board as a whole by the individual Board members, followed by collation thereof for apprising the Board.

b) Audit Committee Evaluation:

Evaluation of the Committee by respective Committee members, followed by compilation thereof for submission to the Board.

c) Non-Executive Directors Evaluation:

Evaluation by other Board members excluding the Director being evaluated, followed by collation thereof for apprising the Board.

STATUTORY AUDITORS

The Auditors, M/s. Sharp & Tannan, Chartered Accountants, hold office until the conclusion of the

ensuing Annual General Meeting (AGM) and are recommended for re-appointment.

Pursuant to Section 139(2) of the Companies Act, 2013 (the Act) and the rules made thereunder, no listed company shall appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The aforesaid appointment is subject to ratification by Members of the Company at every AGM.

Further, the proviso to the said Section 139(2) stipulates that every company existing on or before the commencement of the Act, has to comply with the requirements of this Section within three years from the date of commencement of this Act. The Audit Committee and Board of Directors of the Company have recommended the appointment of M/s. Sharp & Tannan, Chartered Accountants as Statutory Auditors for a further period of one year i.e. from the conclusion of the Fourth AGM till the conclusion of the Fifth AGM, subject to the approval of the Members in the ensuing AGM of the Company.

M/s. Sharp & Tannan have confirmed that their appointment, if made, will comply with the eligibility criteria in terms of Section 141(3) of the Act. Further, the Auditors have confirmed that they have subjected themselves to Peer Review process by the Institute of Chartered Accountants of India (ICAI) and hold valid certificate Issued by the Peer Review Board of ICAI.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') in respect of employees of the Company has been appended as Annexure 'B' of this Report. Your Company did not have any employee as on March 31, 2015 drawing remuneration in excess of the amount specified under Section 197 of the Act.

The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company and none of the employees listed in the said Annexure is related to any Director of the Company.

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

Considering the Company's major activity of leasing out properties, the particulars regarding conservation

of energy and technology absorption as required to be disclosed pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

There were no foreign exchange earnings and expenditure during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

- 1) in the preparation of the annual accounts, the applicable accounting standards had been followed and there has been no material departures;
- 2) the directors had 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, 2015 and of the profit of the Company for that period;
- 3) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the directors had prepared the annual accounts on a going concern basis;
- 5) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- 6) the directors had devised proper systems to ensure compliance with the provisions of all laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Testing of such Control Systems forms a part of Internal Audit functions. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee of the Parent. The Internal Audit functions are carried out by the Internal Audit department of L&T Financial Services Group.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions, if any are presented to the Audit Committee of the Board.

NUMBER OF BOARD MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the Financial Year 2014-2015, the Board of Directors of the Company duly met 6 (Six) times on April 18, 2014, July 11, 2014, September 23, 2014, October 14, 2014, January 16, 2015 and March 31, 2015.

COMPOSITION OF AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013. The members of the audit committee are Mr. Prabhakar B., Mr. Subramaniam N. and Mr. N. Sivaraman. The Company has duly complied with the provisions of Section 177(2) of the Companies Act, 2013 i.e. majority of audit committee members are independent.

VIGIL MECHANISM

The Company has formulated and established a Vigil Mechanism Framework to enable directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. Under this framework, the Company has set up a "Whistle Blower Investigation Committee ("the Committee")". The Chairman of this Committee is the Chief Ethics Officer of the Company responsible for receiving, validating, investigating and reporting to the Audit Committee of this matter. The Chief Internal Auditor of L&T Financial Services is acting as 'Chief Ethics Officer'.

The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal accounting controls, or fraudulent reporting of financial information.

The mechanism framed by the Company is in compliance with requirement of Companies Act, 2013 and available on the website of the Company at <http://www.ltvrvindavanproperties.com/investors.html>.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

Details of Loans given, Guarantees given, Investments made and Security provided covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, Bodies Corporate, which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable. The Directors draw attention of the members to Note No. 23.4 to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT

The Company has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

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 134(3)(f) of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Naina R. Desai, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as 'Annexure C'.

There is no adverse remark, qualifications or reservation in the Secretarial Audit Report.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and right to work with dignity. During the year under review, the Company has not received any complaints in this regard.

EXTRACT OF ANNUAL RETURN AS REQUIRED AND PRESCRIBED UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER

The extract of Annual Return in MGT 9 as required under section 92(3) of the Companies Act, 2013 and prescribed in rule 12 of Companies (Management and Administration) Rules, 2014 is appended as 'Annexure D' to this Report.

REPORT ON CORPORATE GOVERNANCE

It has always been the Company's endeavor to excel through better Corporate Governance and fair and transparent practices. The Corporate Governance Report is furnished as 'Annexure E' to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. Further, no penalties have been levied by any Regulators during the year under review.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation of the dedication and commitment of the Company's management to the growth of the Company. Their unstinted support has been and continues to be integral to the Company's ongoing success. The Directors also wish to thank the Regulatory/ Government Authorities, Stock Exchanges, Financial Institutions, Banks, Mutual Funds and Rating Agencies for their support.

For and on behalf of the Board

N. Sivaraman
Director
DIN: 00001747

Dinanath Dubhashi
Director
DIN - 03545900

Place: Mumbai
Date : April 21, 2015

Annexure 'A' to Board's Report

Statement pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries, associate companies and joint ventures

Part A: Subsidiaries

₹ in Lakhs

Sl. No.	1
Name of the subsidiaries	Mudit Cement Private Limited
Share capital	210.48
Reserves & surplus	(459.34)
Total assets	3,245.71
Total Liabilities	3,494.57
Investments	-
Turnover	-
Profit before taxation	(352.33)
Provision for taxation	-
Profit after taxation	(352.33)
Proposed Dividend (Including dividend paid)	-
% of shareholding	100%

Name of Subsidiaries which are yet to commence operations

(i) Mudit Cement Private Ltd.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

Names of associates or joint ventures which have been liquidated or sold during the year.

Not Applicable

Annexure 'B' to Board's Report

PARTICULARS OF EMPLOYEES

Information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Particulars	
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Not Applicable, Since all the directors of the Company are Non-Executive.
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Directors – Nil Chief Financial Officer – N.A. * Company Secretary – Nil @ Manager - N.A. @ *Appointed during the Financial year 2014-15. @ Particulars not relevant as the persons belongs to a group function.
3.	The percentage increase in the median remuneration of employees in the financial year.	9.8 %
4.	The number of permanent employees on the rolls of company.	28 employees
5.	The explanation on the relationship between average increase in remuneration and company performance.	The employee remuneration is linked to the performance of the Company as per terms of appointment.
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	N.A. Please refer point 2
7.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than managerial personnel
		Managerial personnel
		9%
		N.A.#
8.	The key parameters for any variable component of remuneration availed by the directors.	Not Applicable, Since all the directors of the Company are Non-Executive.
9.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	None

Particulars not relevant as the person belongs to a group function

Annexure 'C' to Board's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

L&T VRINDAVAN PROPERTIES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T VRINDAVAN PROPERTIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and **which are kept in the custody of Company Secretary** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) **No** other specific business/industry related laws are applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India – **The Common Seal of the Company is kept in the custody of the Company Secretary;**
- ii. The Listing Agreements have been entered into by the Company with Stock Exchange(s), if applicable. – **Debt Listing Agreement with the BSE Limited (BSE).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. **It has been informed that since the Independent Directors have been appointed in the last Quarter of the financial year 2014-15, the Independent Directors' meeting is proposed to be held in the financial year 2015-16.**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, I was informed there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the following events / actions have taken place, which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.,:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc. – **NIL**;
- (ii) Redemption / buy-back of securities. – **NIL**.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
 - **Increase of Borrowing limits of the Company from ₹ 1,000 Crore to ₹ 1,500 Crore.**
- (iv) Merger / amalgamation / reconstruction, etc. – **NIL**.
- (v) Foreign technical collaborations – **NIL**.

Place: Mumbai
Date: April 21, 2015

NAINA R DESAI
Practising Company Secretary
Membership No. 1351
Certificate of Practice No.13365

This Report is to be read with our letter of even date which is annexed herewith and forms an integral part of this Report.

To,

The Members

L&T VRINDAVAN PROPERTIES LIMITED

Our Report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: April 21, 2015

NAINA R DESAI
Practising Company Secretary
Membership No. 1351
Certificate of Practice No.13365

Annexure 'D' to Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2015 Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U70200TN2011PLC081100
ii)	Registration Date	June 16, 2011
iii)	Name of the Company	L&T Vrindavan Properties Limited
iv)	Category / Sub- Category of the Company	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office & contact details	Mount Poonamallee Road, Manapakkam, Chennai – 600089, Tamil Nadu. Tel: 022 – 66217300 Website: www.ltvrindavanproperties.com
vi)	Whether listed company	Yes (Only Debentures are listed)
vii)	Name, Address & contact details of the Registrar & Transfer Agent, if any	<u>Sharepro Services (India) Private Limited</u> 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072. Tel: 022 61915400/412 Email Id: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Sr. No.	Name & Description of main products/ services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Dealing in Real Estate properties	68100	20%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	L&T Finance Holdings Limited Address: L&T House, N. M. Marg, Ballard Estate, Mumbai - 400001.	L67120MH2008PLC181833	Holding Company	100.00	2(46)
2.	Mudit Cement Private Limited Address: Unit No. 505 & 506, DLF Tower B, District Centre, Jasola, Delhi – 110025, India.	U26942DL1990PTC041941	Subsidiary Company	100.00	2(87)

IV. SHAREHOLDING PATTERN (Equity Share capital Breakup as % of total Equity)

i) Category-wise Shareholding :-

Category of Shareholders	No. of shares held at the beginning of the year (As on April 1, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	–	6#	6#	0	–	6#	6#	0	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1,87,49,994	–	1,87,49,994	100	1,87,49,994	–	1,87,49,994	100	–	–
e) Bank/FI	–	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–	–
Sub- total:(A) (1) :	1,87,49,994	6#	1,87,50,000	100	1,87,49,994	6#	1,87,50,000	100	–	–

Category of Shareholders	No. of shares held at the beginning of the year (As on April 1, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
(2) Foreign										
a) NRIs- Individuals	--	--	--	--	--	--	--	--	--	--
b) Other- Individuals	--	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--	--
Sub -total (A) (2) :	--	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	1,87,49,994	6#	1,87,50,000	100	1,87,49,994	6#	1,87,50,000	100	--	--
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	--	--	--	--	--	--	--	--	--	--
b) Banks/FI	--	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--	--
Sub -total (B)(1):										
(2) Non-Institutions										
a) Bodies Corp.	--	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto ₹1 lakh	--	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	--	--	--	--	--	--	--	--	--	--
c) Others (specify)	--	--	--	--	--	--	--	--	--	--
Sub -total (B)(2):	--	--	--	--	--	--	--	--	--	--
Total Public Shareholding (B)= (B)(1)+(B)(2)	--	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	1,87,49,994	6#	1,87,50,000	100	1,87,49,994	6#	1,87,50,000	100	----	---

Held Jointly with L&T Finance Holdings Limited

a. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2014)			Shareholding at the end of the year (As on March 31, 2015)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	*L&T Finance Holdings Limited	*1,87,50,000	100.00	0	1,87,50,000	100.00	0	0
	Total	1,87,50,000	100.00	0	1,87,50,000	100.00	0	0

*Includes six shares held by Individuals jointly with L&T Finance Holdings Limited

ii) Change in Promoters' Shareholding (please specify, if there is no change) - None

Sr. No.		Shareholding at the beginning of the Year (As on April 1, 2014)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	L&T Finance Holdings Limited				
	At the beginning of the year	*1,87,50,000	100.00		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc)	-	-	-	-
	At the end of the year			1,87,50,000	100.00

*Includes six shares held by Individuals jointly with L&T Finance Holdings Limited

iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) : NIL

iv) Shareholding of Directors & Key Managerial Personnel:

Sr. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. N. Sivaraman*				
	At the beginning of the year	1	0		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc)	-	-	-	-
	At the end of the year			1	0
2	Mr. Dinanath Dubhashi*				
	At the beginning of the year	1	0		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc)	-	-	-	-
	At the end of the year			1	0

*Held Jointly with L&T Finance Holdings Limited

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,000	25,886.22		45,886.22
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	34.19	808.52	-	842.71
Total (i+ii+iii)	20,034.19	26,694.74	-	46,728.93
Change in Indebtedness during the financial year				
Additions	-	33,663.55		33,663.55
Reduction	-	31,616.22		31,616.22
Net Change	-	2,047.33		2,047.33
Indebtedness at the end of the financial year				
i) Principal Amount	20,000	27,933.55		47,933.55
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	34.19	820.17		854.36
Total (i+ii+iii)	20,034.19	28,753.72		48,787.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: Nil#

Sr. No.	Particulars of Remuneration	Name of the Manager	Total Amount
		Mr. Pradeep Shintre	Nil
1.	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others (specify)	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

The Manager of the Company is on deputation, and draws his remuneration from the deputing company within the L&T Financial Services Group. Hence, the remuneration paid to him by the Company is NIL.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors		
	• Fee for attending board and Committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (1)	-	-

Sr. No.	Particulars of Remuneration	Name of the Directors	Total Amount
2	Other Non Executive Directors		
	• Fee for attending board/committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (2)	–	–
	Total (B)=(1+2)	–	–
	Total Managerial Remuneration	–	–
	Overall Ceiling as per the Act	–	–

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: Not Applicable#

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
		-	-	-	Nil
1.	Gross Salary	–	–	–	–
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	–	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
	Commission	–	–	–	–
	as % of profit	–	–	–	–
	others, specify	–	–	–	–
	Others, please specify	–	–	–	–
5.	Others, please specify	–	–	–	–
	Total	–	–	–	–

The above KMPs are on deputation and draw their remuneration from the deputing company within the L&T Financial Services Group. Hence, the remuneration paid to them by the Company is NIL.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE

Annexure 'E' to Board's Report

CORPORATE GOVERNANCE 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 the Company. At present, the Board comprises six Directors viz. Mr. Prabhakar B., Mr. Subramaniam N., Mr. N. Sivaraman, Ms. Raji Vishwanathan, Mr. Dinanath Dubhashi and Mr. G. Krishnamurthy. Mr. N. Sivaraman is the President & Whole-time Director of L&T Finance Holdings Limited, Mr. Dinanath Dubhashi is the Managing Director and Chief Executive of L&T Finance Limited, Mr. G Krishnamurthy is the Manager and Chief Executive of L&T Infrastructure Finance Company Limited and Ms. Raji Vishwanathan is the Group General Counsel of L&T Financial Services. Mr. Prabhakar B. and Mr. Subramaniam N. are the Independent Directors. Post induction of the Independent Directors, the Company has re-constituted various committees.

Mr. Pradeep Shintre, who holds a senior position in a group company, is the Manager of the 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 Three Committees constituted by the Board in this connection are:

- Audit Committee
- Committee of Directors
- Nomination and Remuneration Committee

The details of various committees of the Company (particulars relevant to the financial year ended on March 31, 2015) are as under:

Audit Committee:

The Audit Committee has been set up pursuant to Section 177 of the Companies Act, 2013. The Committee, which was re-constituted on March 31, 2015, comprises 3 Directors as per the details given below:

Composition of Audit Committee

Mr. Prabhakar B. - Chairman
Mr. Subramaniam N.
Mr. N. Sivaraman

Role of the Committee

- To make recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To examine the financial statement and the auditors' report thereon;
- To approve or make any subsequent modification of transactions of the Company with related parties;
- To scrutinise inter-corporate loans and investments;
- To undertake valuation of undertakings or assets of the company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;
- To monitor the end use of funds raised through public offers and related matters;
- To investigate into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of the company; and
- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the company

Committee of Directors:

The Committee of Directors comprises 3 Directors as per details given below:

Composition of Committee of Directors

Mr. N. Sivaraman
Mr. Dinanath Dubhashi
Mr. G. Krishnamurthy

Role of the Committee

The Committee of Directors is entrusted with the powers of general management of the affairs of the Company.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee, which was constituted on March 31, 2015 comprises three Members

Composition of Nomination and Remuneration Committee

Mr. Prabhakar B. - Chairman

Mr. Subramaniam N.

Mr. N. Sivaraman

Role of the Committee

- i) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- ii) If desire, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- iii) To ensure that
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- iv) 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 suitability of the person for appointment/continuing to hold appointment as Director on the Board based upon qualification, expertise, track record, integrity and other relevant factors.

Separation of Offices of Chairman and Manager

The roles and offices of the Chairman and Manager are separated. The Chairman is elected by the Board Members at every Board Meeting of the Company. Further, Mr. Pradeep Shintre is the Manager of your Company.

Independent Directors

Mr. Prabhakar B. and Mr. Subramaniam N. are Independent Directors on the Board of the Company.

Remuneration of Directors

Non-Executive Directors of the Company other than Independent Directors are associated with companies of L&T Financial Services group and are not drawing any remuneration from the Company. Independent Directors on the Board are paid sitting fees for attending the meetings of the Board and/or any Committee thereof and commission on net profits, if any.

Numbers of Companies in which an Individual may become a Director

The Company has apprised its Board members about the restriction on number of other directorships and they have confirmed compliance with the same.

Responsibilities of the Board

The operations of the Company are run by the Manager under the supervision and the guidance of the Board.

Presentation to the Board in areas such as financial results, budgets, business prospects etc., give the Directors an opportunity to interact with senior managers and other functional heads. Directors are also updated about their role, responsibilities and liabilities.

The Company ensures necessary training to the Directors including their Independent 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/Independent 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 systems of risk management and compliance with statutory requirements are in place.

Internal Auditors

The Board of Directors at its meeting held on July 11, 2014 has appointed M/s. Aneja Associates as Internal Auditor of the Company to conduct internal audit of the functions and activities of the 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.

Disclosures

During the financial year ended March 31, 2015:

- 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 generally ensures adherence to the various mandatory and non-mandatory requirements of Corporate Governance norms as prescribed by Clause 49 of the Listing Agreement.

Means of Communication

- Half Yearly Results are published in one daily English newspaper of national prominence.
- The investors (Debenture Holders) are also communicated the "Half Yearly Communication" as per the Debt Listing Agreement.
- Annual Reports, official news releases and presentations are displayed on the website of the Company <http://www.ltvrindavanproperties.com>

Independent Auditors' Report

To the members of L&T Vrindavan Properties Limited

(formerly "L&T Unnati Finance Limited")

Report on the financial statements

We have audited the accompanying financial statements of L&T Vrindavan Properties Limited (formerly "L&T Unnati Finance Limited") ('the Company'), which comprise the balance sheet as at March 31, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:
- (a) we have sought and 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on March 31, 2015 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

SHARP & TANNAN

Chartered Accountants
Firm's registration no.109982W
by the hand of

R. P. Acharya

Partner

Membership no. 39920

Mumbai, April 21, 2015

Annexure To The Independent Auditors' Report

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

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) In respect of owned assets, as explained to us, all fixed assets have been physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) The Company does not hold any inventories. Accordingly, paragraph 3 (ii) (a), (b) and (c) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) and (b) of the Order is not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and services rendered. During the course of audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, staff labour fund, income tax, service tax, cess and other statutory dues as applicable, with the appropriate authorities. According to the information and explanations given to us, there are no material arrears of outstanding statutory dues as at the last day of the financial year for a period exceeding six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, service tax, cess and other statutory dues as applicable that have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us, there is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder.
- (viii) The Company was incorporated on June 16, 2011 and commenced its business on August 4, 2011. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in the repayment of dues to any financial institution or banks or debenture holders as at the balance sheet date.
- (x) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, paragraph 3 (x) of the Order is not applicable.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not availed any term loans from banks or financial institutions. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with 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

Firm's registration no.109982W

by the hand of

R. P. Acharya

Partner

Mumbai, April 21, 2015

Membership no. 39920

Balance Sheet as at March 31, 2015

(₹ Lakh)

	Note No	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES:			
Shareholders' funds			
(a) Share capital	2	1,875.00	1,875.00
(b) Reserves and surplus	3	9,589.10	(1,927.23)
		11,464.10	(52.23)
Non current liabilities			
(a) Long term borrowings	4	20,005.00	20,000.00
(b) Other long term liabilities	5	1,476.93	1,174.72
(c) Long term-provisions	6	32.48	4.55
		21,514.41	21,179.27
Current liabilities			
(a) Short term borrowings	7	14,776.98	-
(b) Current maturities of long term borrowings	4	13,151.58	25,886.22
(c) Other current liabilities	8	1,434.72	1,018.31
(d) Short term-provisions	9	18.65	10.13
		29,381.93	26,914.66
TOTAL		62,360.44	48,041.70
ASSETS:			
Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		20,987.67	20,409.80
(ii) Capital work-in-progress		18,091.88	14,918.15
		39,079.55	35,327.95
(b) Non-current investments	11	426.10	4,316.72
(c) Deferred tax assets (net)	12	573.91	339.39
(d) Long term loans and advances	13	1,833.88	25.66
		41,913.44	40,009.72
Current assets			
(a) Current investments	14	17,110.87	5,000.00
(b) Cash and bank balances	15	50.31	70.85
(c) Short term loans and advances	16	23.29	2,875.66
(d) Other current assets	17	3,262.53	85.47
		20,447.00	8,031.98
TOTAL		62,360.44	48,041.70
Significant accounting policies	1		
Other notes to the financial statements	23		

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

R. P. Acharya

Partner

Membership No. 39920

Mumbai, April 21, 2015

For and on behalf of the board

N. Sivaraman

Director

(DIN: 00001747)

Trupti Patil

Head Accounts

D. M. Dubhashi

Director

(DIN - 03545900)

Swanand Shintre

Company Secretary

Statement of Profit and Loss for the year ended March 31, 2015

(₹ Lakh)

	Note No	2014-15	2013-14
Income			
Revenue from operations	18	289.34	163.15
Other income	19	1,159.00	298.77
Total income		1,448.34	461.92
Expenses			
Employee benefits expense	20	30.43	118.52
Finance costs	21	2,989.19	2,361.11
Administration and other expenses	22	90.11	122.09
Depreciation		102.50	91.91
Total expenses		3,212.23	2,693.63
Profit/(loss) before exceptional and extraordinary items and taxes		(1,763.89)	(2,231.71)
Exceptional items	23.9	14,389.42	-
Profit/(loss) before extraordinary items and taxes		12,625.53	(2,231.71)
Extraordinary items		-	-
Profit/(loss) before tax		12,625.53	(2,231.71)
Tax expense:			
- Current tax		2,543.72	-
Less: MAT Credit Entitlement		(1,200.00)	-
- Deferred tax		(234.52)	(332.06)
		1,109.20	(332.06)
Profit/(loss) for the year		11,516.33	(1,899.65)
Earnings per equity share:	23.6		
Basic earnings per equity share (₹)		61.42	(27.34)
Diluted earnings per equity share (₹)		61.42	(27.34)
Face value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
Other notes to the financial statements	23		

As per our report attached
SHARP & TANNAN
 Chartered Accountants
 Firm's registration no. 109982W
 by the hand of

R. P. Acharya
 Partner
 Membership No. 39920
 Mumbai, April 21, 2015

For and on behalf of the board

N. Sivaraman
 Director
 (DIN: 00001747)
Trupti Patil
 Head Accounts

D. M. Dubhashi
 Director
 (DIN - 03545900)
Swanand Shintre
 Company Secretary

Cash Flow Statement for the year ended March 31, 2015

(₹ Lakh)

	Year ended March 31, 2015	Year ended March 31, 2014
A. Cash flow from operating activities		
Profit/(loss) before tax as per statement of profit and loss	12,625.53	(2,231.71)
Adjustment for:		
Provision for employee benefits	2.64	3.11
Depreciation	102.50	91.91
Dividend / profit on sale of current investment	(860.48)	(224.27)
Interest income on ICD	(298.52)	(74.50)
Profit on sale of investment in equity shares	(14,389.42)	-
Operating profit before working capital changes	(2,817.75)	(2,435.46)
Changes in working capital		
(Increase)/ Decrease in loans and advances	1,018.49	-
(Increase)/ decrease in current and non current assets	(3,177.06)	(2,961.01)
Increase / (decrease) in current and non current liabilities and provisions	719.93	1,460.72
Cash generated from operations	(4,256.39)	(3,935.75)
Direct taxes paid	(1,285.58)	(23.95)
Net cash generated from operating activities (A)	(5,541.97)	(3,959.70)
B. Cash flows from investing activities		
Add : Inflows from investing activities		
Sale of investment in equity shares	18,280.03	-
Investment in current investments (net)	-	15,314.63
	18,280.03	15,314.63
Less : Outflow for investing activities		
Purchase of shares of subsidiary company	-	977.83
Investment in current investments (net)	10,951.87	-
Purchases of fixed assets (including capital work in progress)	3,854.10	8,820.06
	14,805.97	9,797.89
Net cash from(used in) investing activities (B)	3,474.06	5,516.74
C. Cash flows from financing activities		
Add : Inflows from financing activities		
Proceeds from issue of share capital including securities premium	-	1,425.00
Proceeds from short term borrowings	14,777.00	-
Proceeds from long term borrowings	-	-
	14,777.00	1,425.00
Less : Outflows for financing activities		
Repayment of other borrowings (net)	-	3,073.78
Proceeds from long term borrowings	12,729.63	-
	12,729.63	3,073.78
Net cash generated from(used in) financing activities (C)	2,047.37	(1,648.78)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(20.54)	(91.74)
Cash and cash equivalents as at beginning of the year	70.85	162.59
Cash and cash equivalents as at end of the year	50.31	70.85

Notes:

- Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".
- Cash and cash equivalents represent cash and bank balances.
- Previous year figures have been regrouped/reclassified wherever applicable.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

R. P. Acharya

Partner

Membership No. 39920

Mumbai, April 21, 2015

For and on behalf of the board

N. Sivaraman

Director

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Head Accounts

D. M. Dubhashi

Director

(DIN - 03545900)

Swanand Shintre

Company Secretary

Notes to the Financial Statements for the year ended March 31, 2015

1. Significant accounting policies

A. Basis of Accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP'), Accounting Standards notified under Rule 7 of the Companies (Accounts) Rules, 2014, the provision of Section 133 of the Companies Act, 2013 (the "2013 Act").

B. Use of Estimates

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 year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any change in such estimates is recognised prospectively.

C. Revenue Recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- Income from services is recognized as per the terms of contracts on accrual basis.
- Interest income on deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Profit/loss on sale of investments is recognised at the time of actual sale/redemption.
- Dividend is accounted when the right to its receipt is established.
- Rental income is recognised on accrual basis.

D. 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.

E. Income Taxes

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.

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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the Guidance Note issued by the ICAI, the said assets is created by way of a credit to the Statement of Profit and Loss.

F. Provisions and 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.

Notes to the Financial Statements for the year ended March 31, 2015

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent Assets are not recognised.

G. 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.

H. Investments

Investments are classified under two categories i.e. Current and Long Term and are valued in accordance with the Accounting Standard (AS) 13 on 'Accounting for Investments'.

'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.

I. Depreciation and Amortisation

Depreciation/Amortization on fixed assets is calculated on a straight-line which reflect the management's estimate of the useful lives of respective fixed assets and are greater than or equal to the corresponding rate prescribed in Schedule II of the Companies Act, 2013.

- Fixed assets costing ₹ 5,000/- or less are fully depreciated in the year of installation.
- Depreciation is charged for the full month in the month of purchase/sale even used for part of the month.

Consequent to the adoption of Schedule II to the Companies Act, 2013, the depreciation for the year ended March 31, 2015 is higher and the profit before tax is lower by ₹ 8.00 lacs.

Further, an amount of ₹ nil (net of tax of ₹ nil) has been charged to the opening reserves as on April 1, 2014 pursuant to the Companies Act, 2013.

J. 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.

K. Retirement and other employee benefits

Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, short term compensated absences etc. and estimated variable remuneration are recognized in the period in which the employee renders the related service.

Post employment benefits:

(a) Defined contribution plans:

The Company's provident fund and pension are defined contribution plans. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related services.

(b) Defined benefit plan

The Company's gratuity scheme is defined benefit plan. The employee gratuity obligation is determined based on actuarial valuation using Projected Unit Credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to the Financial Statements for the year ended March 31, 2015

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the balance sheet date.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

(c) Long Term Employee Benefits:

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an Unconditional right to defer its settlement for twelve months after the reporting date.

L. Impairment of Assets

Tangible fixed assets and intangible fixed 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.

M. Commitments

Commitments are future liabilities for contracted expenditure. Commitments are classified and disclosed as follows:-

- a. Estimated amount of contracts remaining to be executed on capital account are not provided for.
- b. Other non cancellable commitments, if any to the extent they are considered material and relevant in the opinion of the management.

N. Borrowing Costs

Borrowing cost includes interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the construction of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

O. Cash flow Statements

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Company are segregated and profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Notes to the Financial Statements for the year ended March 31, 2015

2 Share Capital

(I) Share capital authorized, issued and subscribed

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ In Lakh)	No. of Shares	(₹ In Lakh)
Authorized				
Equity Share of ₹ 10 each	25,000,000	2,500.00	25,000,000	2,500.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10 each fully paid	18,750,000	1,875.00	18,750,000	1,875.00
Total Issued, subscribed & paid up capital	18,750,000	1,875.00	18,750,000	1,875.00

(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.

(III) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ In Lakh)	No. of Shares	(₹ In Lakh)
At the beginning of the year	18,750,000	1,875.00	4,500,000	450.00
Issued during the year				
- Capital infusion by holding company	-	-	14,250,000	1,425.00
Outstanding at the end of the year	18,750,000	1,875.00	18,750,000	1,875.00

(IV) Equity shares in the Company held by the holding Company

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ In Lakh)	No. of Shares	(₹ In Lakh)
L&T Finance Holdings Limited				
Equity Shares of ₹ 10 each fully paid				
* Held by L&T Finance Holdings Limited and its nominee	18,750,000	1,875.00	18,750,000	1,875.00
	18,750,000	1,875.00	18,750,000	1,875.00

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

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
L&T Finance Holdings Limited				
Equity Shares of ₹ 10 each fully paid				
* Held by L&T Finance Holdings Limited and its nominee	18,750,000	100%	18,750,000	100%
	18,750,000		18,750,000	

Notes to the Financial Statements for the year ended March 31, 2015

3 Reserves and surplus

(₹ In lakh)

	As at March 31, 2015	As at March 31, 2014
a. Debenture Redemption Reserve		
As per last balance sheet	-	-
Add: Trasferred from statement of profit and loss	1,696.00	-
Closing Balance	1,696.00	-

b. Surplus in the Statement of Profit and Loss

(₹ In lakh)

	As at March 31, 2015	As at March 31, 2014
As per last balance sheet	(1,927.23)	(27.58)
Add: Profit/(loss) for the year	11,516.33	9,589.10
Less: Trasferred to Debenture Redemption Reserve	(1,696.00)	(1,899.65)
Closing Balance	7,893.10	(1,927.23)
Total reserves and surplus	9,589.10	(1,927.23)

4 Long term borrowings

(₹ In lakh)

	As at March 31, 2015		As at March 31, 2014	
	Non Current	Current Maturity	Non Current	Current Maturity
Secured				
Redeemable non-convertible debentures	20,000.00	-	20,000.00	-
Unsecured				
Inter corporate borrowings	5.00	13,151.58	-	25,886.22
Total long term borrowings	20,005.00	13,151.58	20,000.00	25,886.22

I. Secured - Redeemable non-convertible debentures - Series A 2013-14

Face value	₹ 25 lakh each
Amount (₹ lakh)	20,000.00
Interest rate % p.a	10.40%
Date of allotment	March 26, 2014
Date of redemption	March 24, 2017
Redeemable terms	Redeemable at par

Note:

Security: The debentures are secured by pari-passu charge on market value of fixed assets.

Utilisation of proceeds: The funds raised through the above issues have been utilized for the Company's financing activities, repayment of existing loans and for its business operations including capital expenditure and working capital requirements.

II. Unsecured - Inter Corporate Borrowing

Name of lender	L&T Finance Holdings Limited
Relation	Holding Company
Amount (₹ lakh)	5.00
Date of financing	January 13, 2015
Date of redemption	January 12, 2017
Redeemable terms	Bullet

Notes to the Financial Statements for the year ended March 31, 2015

5 Other long term liabilities

(₹ In lakh)

	As at March 31, 2015	As at March 31, 2014
Security deposit	1,476.93	1,174.72
Total other Long term liabilities	1,476.93	1,174.72

6 Long term provisions

(₹ In lakh)

	As at March 31, 2015	As at March 31, 2014
Tax provisions (net of advance tax)	32.48	-
Gratuity	-	4.55
Total long term provisions	32.48	4.55

7 Short term borrowings

(₹ In lakh)

	As at March 31, 2015	As at March 31, 2014
Inter corporate borrowings	14,776.98	-
Total short term borrowings	14,776.98	-

8 Other current Liabilities

(₹ In lakh)

	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on borrowings	854.36	842.71
Statutory dues	24.62	29.02
Accrued expenses	35.76	12.71
Payable to related parties	479.99	73.40
Other Liabilities	39.99	60.47
Total other current liabilities	1,434.72	1,018.31

9 Short-term provisions

(₹ In lakh)

	As at March 31, 2015	As at March 31, 2014
For employee benefit		
- Gratuity	10.28	0.24
- Leave encashment	8.37	9.89
Total short-term provisions	18.65	10.13

Notes to the Financial Statements for the year ended March 31, 2015

10 Fixed assets

(₹ Lakh)

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	As at April 1, 2014	Additions	Deductions	As at March 31, 2015	Upto March 31, 2014	For the year Adjustments	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets									
Land	15,593.45	163.22	-	15,756.67	-	-	-	15,756.67	15,593.45
Building	4,766.95	516.69	-	5,283.64	74.75	80.44	-	5,128.45	4,692.20
Office equipments	81.12	0.16	-	81.28	4.63	16.35	-	60.30	76.49
Computers	2.91	-	-	2.91	0.19	0.97	-	1.75	2.72
Furniture & fixtures	60.90	0.28	-	61.18	15.96	4.74	-	40.48	44.94
Total	20,505.33	680.35	-	21,185.68	95.53	102.50	-	20,987.65	20,409.80
<i>Previous year</i>	<i>18,255.82</i>	<i>2,249.51</i>	<i>-</i>	<i>20,505.33</i>	<i>3.62</i>	<i>91.91</i>	<i>-</i>	<i>20,409.80</i>	

11 Non current investments

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ In Lakh)	No. of Shares	(₹ In Lakh)
Trade investments (valued at cost unless stated otherwise)				
A. Unquoted equity instruments				
Investment in subsidiaries				
Mudit Cement Private Limited (Equity Shares of ₹ 10 each fully paid)	2,104,800	426.10	2,104,800	426.10
B. Quoted equity instruments				
City Union Bank Limited (Equity Shares of ₹ 1 each fully paid)	-	-	24,712,337	3,890.62
Total non current investments		426.10		4,316.72
Note:				
Aggregate amount of quoted investments {Market value NIL (Previous Year ₹ 10,336.51 lakh)}		-		3,890.62
Aggregate amount of unquoted investments		426.10		426.10

12 Deferred tax assets (net)

(₹ In lakh)

	As at March 31, 2015	As at March 31, 2014
Deferred tax assets		
Other item giving rise to timing difference	6.45	-
On unabsorbed brought forward losses	879.57	339.39
Total	886.02	339.39
Deferred tax liabilities		
Difference between book and tax depreciation	312.11	-
Total	312.11	-
Total deferred tax assets	573.91	339.39

Notes to the Financial Statements for the year ended March 31, 2014

13 Long term loans and advances

	(₹ In lakh)	
	As at March 31, 2015	As at March 31, 2014
Advance taxes (net)	-	25.66
Capital advance	379.63	-
MAT Credit Entitlement	1,200.00	-
Inter corporate deposits	254.25	-
Total long term loans and advances	1,833.88	25.66

14 Current investments

	(₹ In lakh)	
	As at March 31, 2015	As at March 31, 2014
Non trade investments (valued at cost unless stated otherwise)		
Unquoted investment in Mutual Fund		
L&T Short Term Opportunities Fund Direct Plan - Dividend	10,323.63	-
L&T Liquid Fund Direct Plan - Growth	-	5,000.00
L&T Liquid Fund Direct Plan - Daily Dividend	4,697.60	-
L&T Arbitrage Opportunities Fund Direct Monthly Dividend	2,089.64	-
Total current investments	17,110.87	5,000.00

15 Cash and bank balances

	(₹ In lakh)	
	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Balances with banks:		
In current accounts	50.31	70.85
Total cash and bank balances	50.31	70.85

16 Short term loans and advances

	(₹ In lakh)	
	As at March 31, 2015	As at March 31, 2014
Inter corporate deposits	23.29	2,875.66
Total short term loans and advances	23.29	2,875.66

17 Other current assets

	(₹ In lakh)	
	As at March 31, 2015	As at March 31, 2014
Current maturity of long term loans and advances	2,875.66	-
Receivable from related Companies	24.09	15.54
Interest accrued but not due	335.59	66.92
Advances recoverable in cash or in kind	27.19	3.01
Total other current assets	3,262.53	85.47

Notes to the Financial Statements for the year ended March 31, 2014

18 Revenue from operations

	(₹ In lakh)	
	2014-15	2013-14
Lease rental income	289.34	163.15
Total revenue from operations	289.34	163.15

19 Other Income

	(₹ In lakh)	
	2014-15	2013-14
Interest and dividend on investments	843.85	224.27
Profit on sale of investment of current investments	16.63	-
Interest income on inter corporate deposit	298.52	74.50
Total other income	1,159.00	298.77

20 Employee benefits expense

	(₹ In lakh)	
	2014-15	2013-14
Salaries	165.80	102.63
Contribution to and provision for:		
Provident fund	6.79	3.72
ESIC	-	0.80
Gratuity	2.79	(1.40)
Leave encashment	(0.15)	4.52
	9.43	7.64
Corporate Expenses Charged to Subsidiaries	(148.91)	-
ESOP charges	(0.09)	7.22
Staff welfare	4.20	1.03
Total employee benefits expense	30.43	118.52

21 Finance costs

	(₹ In lakh)	
	2014-15	2013-14
Interest on debentures	627.07	86.90
Interest on Inter corporate deposits	2,355.87	2,274.01
Others	6.25	0.20
Total finance costs	2,989.19	2,361.11

Notes to the Financial Statements for the year ended March 31, 2014

22 Administration and other expenses

	(₹ In lakh)	
	2014-15	2013-14
Professional fees	19.34	32.53
Travelling and conveyance	13.82	9.45
Printing and stationery	0.07	1.26
Electricity charges	49.21	24.53
Insurance	13.03	3.82
Telephone, postage and telegrams	0.67	0.08
Advertising and publicity	0.44	0.01
Filing fees	-	9.14
Auditors remuneration		
Audit fees	0.75	0.40
Tax Audit Fees	0.25	-
Limited review fees	0.90	0.15
Other services	-	0.29
Rates & taxes	4.23	6.15
Repairs & maintenance	65.61	22.83
Overhead recovery from group companies	(93.78)	-
Listing and Custodian fees	0.80	-
Miscellaneous expenses	14.77	11.45
Total administration and other expenses	90.11	122.09

23 Other notes to the financial statements

23.1 Disclosure pursuant to Accounting Standard (AS) 15 Revised "Employee Benefits" :

i) Defined Contribution Plans :

Amount of ₹ 6.79 lakh (previous year ₹ 3.72 lakh) towards contribution to Provident fund. It is recognized as an expense and included in employee benefits expenses in the statement of profit and loss.

ii) Defined Benefit Plans (Gratuity):

The details of the Company's post-retirement benefit plans for gratuity for its employees are given below which are certified by the actuary and complied by the management upon which auditors have relied:

	(₹ in lakh)	
	As at March 31, 2015	As at March 31, 2014
A. Amount recognised in the Balance Sheet:		
Present value of defined benefit obligation	-	-
- Unfunded obligations	10.28	4.79
Net liability	10.28	4.79
B. Expenses recognised in the statement of profit & loss:		
Current service cost	1.18	0.90
Interest on Defined Benefit Obligation	0.53	0.30
Net Actuarial Losses / (Gains) Recognised in Year	1.08	(0.85)
Amount included in "Employee benefit expenses"	2.79	0.35

Notes to the Financial Statements for the year ended March 31, 2015

(₹ in lakh)

	As at March 31, 2015	As at March 31, 2014
C. Change in the Defined Benefit Obligations:		
Liability at the beginning of the year	4.79	-
Transferred from group Company	9.02	4.44
Current service cost	1.18	0.90
Interest on Defined Benefit Obligation	0.53	0.30
Net Actuarial Losses / (Gains) Recognised in Year	1.08	(0.85)
Benefit paid	(6.32)	-
Liability at the end of the year	10.28	4.79
D. Reconciliation of the Liability Recognised in the Balance Sheet:		
Opening Liability/(Assets)	4.79	-
Current Service Cost	2.79	0.35
Transferred from group Company	9.02	4.44
Benefit paid	(6.32)	-
Amount recognised in the Balance Sheet under "Short-term provisions"	10.28	4.79
Expected employers contribution next year	0.22	0.24

Principal actuarial assumptions at the balance sheet date:

Particular	As at March 31, 2015	As at March 31, 2014
Discount rate	7.90%	9.05%
Salary escalation rate	8.00%	7.00%

The amounts pertaining to experience adjustments are as follows:

Particulars	As at March 31				
	2015	2014	2013	2012	2011
- Defined Benefit Obligation	10.28	4.78	-	-	-
- Plan Assets	-	-	-	-	-
- Surplus /(Deficit)	(10.28)	(4.78)	-	-	-
Exp. Adjustment on Plan Liabilities	(1.29)	0.16	-	-	-
Exp. Adjustment on Plan Asset	-	-	-	-	-

23.2. Borrowing Cost : Accounting Standard - 16

Borrowing costs capitalized during the year are ₹ 1,452.93 lakh (Previous year : ₹ 1,150.60 lakh).

23.3. Segment Reporting : Accounting Standard – 17

The Company operates mainly in the business segment of investment activity. 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'.

23.4. Related party disclosures: Accounting Standard - 18

(a) List of related party and relationships:

Ultimate Holding Company

- Larsen & Toubro Limited

Holding Company

- L&T Finance Holdings Limited

Notes to the Financial Statements for the year ended March 31, 2015

Subsidiary Company

- Mudit Cement Private Limited

Fellow Subsidiary Company

- L&T Finance Limited
- L&T Infrastructure Finance Company Limited
- L&T Housing Finance Limited
- L&T Investment Management Limited
- L&T Capital Markets Limited
- L&T Fincorp Limited
- L&T Infra Debt Fund Limited
- L&T General Insurance Company Limited
- Family Credit Limited

Key Managerial Personnel

- Mr. Swanand Shintre

(b) Related Party Transaction:

		(Exclusive of service tax)	
		(₹ in lakh)	
Sr. No.	Nature of Transactions	2014-15	2013-14
1	Issue of Equity Shares to		
	- L&T Finance Holdings Limited	-	1,425.00
2	Inter Corporate Borrowings taken from		
	- L&T Finance Holdings Limited	29,933.55	32,835.00
	- L&T Finance Limited	3,730.00	13,623.63
	- L&T Fincorp Limited	-	700.00
3	Inter Corporate Deposit given to		
	- Mudit Cement Private Limited	277.54	2,895.66
4	NCD taken from		
	- L&T Finance Holdings Limited	-	500.00
5	Inter Corporate Borrowings repaid		
	- L&T Finance Holdings Limited	27,886.22	55,908.78
	- L&T Finance Limited	3,730.00	13,623.63
	- L&T Fincorp Limited	-	700.00
6	Interest Expended on NCD		
	- L&T Finance Holdings Limited	52.00	0.85
7	Interest expended on Inter Corporate Borrowings		
	- L&T Finance Holdings Limited	2,353.84	2,915.19
	- L&T Finance Limited	2.03	508.85
	- L&T Fincorp Limited	-	0.58
8	Lease Rental Income		
	- L&T Finance Limited	129.16	91.98
	- L&T Infrastructure Finance Company Limited	42.53	20.75
	- L&T Housing Finance Limited	25.15	17.09
	- Larsen & Toubro Limited	13.11	13.11
	- L&T Investment Management Limited	22.56	9.21
	- L&T Capital Markets Limited	13.53	6.60
	- L&T Fincorp Limited	4.92	2.40
	- L&T Infra Debt Fund Limited	4.82	2.01
	- L&T General Insurance Company Limited	26.96	-
	- Family Credit Limited	6.60	-

Notes to the Financial Statements for the year ended March 31, 2015

		(₹ in lakh)	
Sr. No.	Nature of Transactions	2014-15	2013-14
9	Interest Income on ICD given to - Mudit Cement Private Limited	298.52	74.50
10	Professional Fees paid to - Larsen & Toubro Limited	1.31	2.17
11	ESOP charges debited by - L&T Finance Holdings Limited	(0.09)	7.22
12	Construction charges debited by - Larsen & Toubro Limited	638.91	930.59
13	Corporate support charges paid to - L&T Finance Limited	148.91	-
14	Security Deposit taken from - L&T Infrastructure Finance Company Limited	-	721.18
	- L&T Finance Limited	-	399.27
	- L&T Investment Management Limited	271.31	-
	- L&T Finance Holdings Limited	-	30.63
	- L&T General Insurance Company Limited	21.90	-
	- L&T Housing Finance Limited	-	12.23
	- L&T Capital Markets Limited	-	6.60
	- Larsen & Toubro Limited	6.56	-
	- Family Credit Limited	2.45	-
	- L&T Infra Debt Fund Limited	-	2.41
	- L&T Fincorp Limited	-	2.40

(c) Amount due to/from related party:-

		(₹ in lakh)	
Sr. No.	Nature of Transactions	As at March 31, 2015	As at March 31, 2014
1	Account payable to - Larsen & Toubro Limited	67.62	58.24
	- L&T Finance Holdings Limited	412.36	1.75
	- L&T Finance Limited	0.20	-
2	Outstanding balance of ICB - L&T Finance Holdings Limited	27,933.55	25,886.22
3	Outstanding balance of NCD - L&T Finance Holdings Limited	500.00	500.00
4	Interest accrued but not due ICB - L&T Finance Holdings Limited	820.16	808.52
5	Interest accrued but not due on NCD - L&T Finance Holdings Limited	0.85	0.85
6	Outstanding balance of ICD - Mudit Cement Private Limited	3,153.20	2,875.66
7	Interest accrued but not due on ICD - Mudit Cement Private Limited	298.52	66.92

Notes to the Financial Statements for the year ended March 31, 2015

		(₹ in lakh)	
Sr. No.	Nature of Transactions	As at March 31, 2015	As at March 31, 2014
8	Outstanding Security Deposit taken from		
	- L&T Infrastructure Finance Company Limited	721.18	721.18
	- L&T Finance Limited	399.27	399.27
	- L&T Investment Management Limited	271.31	-
	- L&T Finance Holdings Limited	30.63	30.63
	- L&T General Insurance Company Limited	21.90	-
	- L&T Housing Finance Limited	12.23	12.23
	- L&T Capital Markets Limited	6.60	6.60
	- Larsen & Toubro Limited	6.56	-
	- Family Credit Limited	2.45	-
	- L&T Infra Debt Fund Limited	2.41	2.41
	- L&T Fincorp Limited	2.40	2.40
9	Outstanding balance of ICD		
	- Mudit Cement Private Limited	3,153.20	2,875.66
10	Interest accrued but not due on ICD		
	- Mudit Cement Private Limited	335.59	66.92
11	Receivable from		
	- Larsen & Toubro Limited	15.25	13.42
	- L&T Housing Finance Limited	0.55	0.23
	- L&T Investment Management Limited	3.92	1.89
	- L&T Infrastructure Finance Company Limited	2.58	-
	- L&T General Insurance Company Limited	1.98	-

23.5 Operating Lease : Accounting Standards (AS) 19

Assets give on lease:

The Total of future minimum lease payments under non-cancellable operating leases are :

		(₹ in lakh)	
Particulars		2014-15	2013-14
Minimum Lease			
- Within one year		242.50	230.96
- Later than one year and not later than five years		110.70	353.21
- Later than five years		-	-

23.6 Earnings Per Share: : Accounting Standard - 20

Particulars	2014-15	2013-14
Basic & Diluted		
Profit / (Loss) after tax as per statement of profit and loss (i)	11,516.33	(1,899.65)
Weighted average number of equity shares outstanding (ii)	1,87,50,000	69,48,630
Basic & Diluted EPS (₹) iii (i/ii)	61.42	(27.34)

Notes to the Financial Statements for the year ended March 31, 2015

- 23.7** Provision for tax has been made in these financial statements in view of book profit under section 115 JB of Income Tax Act, 1961 for the year.
- 23.8** Contingent Liabilities and commitment : Accounting Standard 29
- There are no contingent liabilities as on March 31, 2015.
 - The Company has an outstanding capital commitments amount of ₹ 2,984.60 lakh.
(Previous year: ₹ 1,187.81 lakh).
- 23.9** Exceptional items represent Profit on sale of investment in City Union Bank Limited amounting to ₹ 14,389.42 lakhs.
- 23.10** The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2015. This information is given in respect of such vendors as could be identified as 'Micro'/'Medium'/'Small Enterprises' on the basis of information available with the Company.
- 23.11** Previous year figures have been regrouped / reclassified wherever necessary.
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As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

R. P. Acharya

Partner

Membership No. 39920

Mumbai, April 21, 2015

For and on behalf of the board

N. Sivaraman

Director

(DIN: 00001747)

Trupti Patil

Head Accounts

D. M. Dubhashi

Director

(DIN - 03545900)

Swanand Shintre

Company Secretary