

Board's Report

Dear Members,

The Directors of your Company have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance for the financial year 2016-17 as compared to the previous financial year 2015-16 is given below:

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2017 #	For the year ended March 31, 2016 #
Total Income	4,14,497.54	77,284.97
Less: Total Expenses	4,11,655.80	63,853.40
Profit / (Loss) before tax	2,841.74	13,431.57
Less: Provision for tax	1,237.57	4,692.06
Profit after tax from operations	1,604.17	8,739.51
Profit for the period carried to the balance sheet	1,604.17	8,739.51
Add: Balance brought forward from previous year (Deficit)/Surplus	(10,136.12)	(17,127.73)
Less: Transferred to Special Reserve u/s 45-IC of RBI Act, 1934	320.83	1,747.90
Dividend paid for the previous year (Including dividend distribution tax)	16,890.02	-
Net surplus/ (deficit) in the Statement of Profit and Loss	(25,742.80)	(10,136.12)

The data for March 31, 2016 is of the standalone entity whereas the data for March 31, 2017 is of the merged entity i.e. post merger of L&T Finance Limited and L&T FinCorp Limited with the Company effective February 13, 2017.

APPROPRIATIONS

During the current financial year, the Company has

not transferred any amount to General Reserve. Your Company proposes to transfer ₹ 320.83 Lakh (previous year: ₹ 1747.90 Lakh) to Special Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934.

YEAR IN RETROSPECT – THE HIGHLIGHTS

During the year under review, the scheme of amalgamation of L&T Finance Limited and L&T FinCorp Limited with the Company was filed for approval. On receipt of the order(s) of amalgamation from the Hon'ble High Court of Calcutta and National Company Law Tribunal, Mumbai Bench dated November 28, 2016 and January 24, 2017, respectively, approving the scheme of amalgamation, the amalgamation became effective from February 13, 2017. Consequent to the amalgamation, the name of the Company changed to "L&T Finance Limited".

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

PERFORMANCE OF BUSINESSES

Farm Equipment Finance

This includes loans in respect of products such as farm equipment i.e. Tractor and Harvester. The product is intended for farmers and hence there is an element of seasonality that coincides with the harvest cycle. Farm Equipment Finance is one of our core businesses and the growth trajectory here has been regained in the second half of the year after the onset of normal monsoons this year.

Two Wheeler Finance

The two wheeler finance portfolio includes loans made in respect of two wheelers. Two wheeler finance is one of the core businesses of the Company. The past year was a year of transformation which saw us launch the Sangam platform which gives us a competitive advantage of lowest TAT over the competition.

Microfinance

Microfinance business includes loans made to women in rural areas under the joint liability group model. The year saw rapid expansion in the first half and then a swift move to cashless disbursement post demonetization. We have started business in Chattisgarh also in this financial year.

Mid and Large Corporations

This includes products such as Lease, Structured Term

Loans and Loan against Securities.

During the year under review, the Company has improved deal origination and sourcing capabilities. Further, the risk monitoring of portfolio has been made more frequent as well as more intensive. The Company introduced new products in this segment to enhance growth in this segment. Various resolution and recovery mechanisms helped maintain control over the GNPA ratio.

FINANCIAL PERFORMANCE OF THE COMPANY

The Company has achieved enhanced business performance during the year under review, in comparison with the year ended March 31, 2016, in spite of the challenging economic environment and slowdown in several sectors. The performance of the Company is summarised as follows:

- Disbursement during the year under review increased from ₹ 3,52,354 Lakh to ₹ 34,33,918 Lakh, primarily driven by loans in respect of two wheelers and corporate lending.
- Momentum in overall disbursement growth with focus on high yield products led to revenue growth with income from operations growing from ₹ 77,114.56 Lakh in the year ended March 31, 2016 to ₹ 4,08,205.22 Lakh in the year under review. Total income has also grown from ₹ 77,284.97 Lakh to ₹ 4,14,497.54 Lakh in the same period.
- Gross portfolio assets recorded growth from ₹ 5,15,203 Lakh as at March 31, 2016 to ₹ 29,24,445.12 Lakh as at March 31, 2017.
- Net worth of the Company as on March 31, 2017 was ₹ 6,87,938.89 Lakh and ₹ 63,196.89 Lakh as on March 31, 2016.

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

The Directors have considered it financially prudent in the long-term interest of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No

dividend has therefore been recommended for the year ended March 31, 2017.

CREDIT RATING

During the year under review, Credit Analysis and Research Limited ("CARE") and ICRA Limited had reviewed the ratings on various issues of non-convertible debentures ("NCDs") and reaffirmed these at AA+ [Double A Plus] rating. The said rating agencies, have also reaffirmed the ratings assigned to the unsecured NCDs issued by the Company, in the nature of perpetual debt, at "CARE AA" (Double A) by CARE and "ICRA AA" (Double A) by ICRA Limited. All these ratings carry a stable outlook.

CARE has also reaffirmed the rating assigned to the commercial papers issued by the Company at A1+ (A One Plus) and its borrowings by way of loan from various banks at AA+ [Double A Plus], with a "Stable" outlook.

The instruments/bank facilities with long term ratings of AA+ are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The instruments with short term ratings of A1+ are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

RESOURCES

During the year under review, the Company met its funding requirements through issue of NCDs, Commercial Papers ("CPs"), Inter Corporate Deposits ("ICDs") and Bank borrowings from Banks.

During the year, the net borrowings have increased from ₹ 4,492.61 Crore as at March 31, 2016 to ₹ 23,468.25 Crore as at March 31, 2017, primarily due to merging of the other entities.

The aggregate debt (NCDs, CPs and Bank borrowings) outstanding as on March 31, 2017 was ₹ 27,960.86 Crore.

SHARE CAPITAL

During the year under review, in accordance with the terms of scheme of amalgamation of L&T Finance Limited ("LTF") and L&T FinCorp Limited ("LTFC") with the Company, the Authorised Capital of the Company was increased from ₹ 3,64,30,96,100 (Rupees Three Hundred Sixty Four Crore Thirty Lakh Ninety Six Thousand and One Hundred Only) divided into 35,43,09,610

equity shares of ₹ 10/- each and 10,00,000 preference shares of ₹ 100/- each to ₹ 26,64,30,96,100 (Rupees Two Thousand Six Hundred Sixty Four Crore Thirty Lakh Ninety Six Thousand and One Hundred Only) divided into 2,65,43,09,610 equity shares of ₹ 10/- each and 10,00,000 preference shares of ₹ 100/- each. During the year, the Company issued and allotted 1,23,57,37,684 (One Hundred Twenty Three Crore Fifty Seven Lakh Thirty Seven Thousand Six Hundred and Eight Four) equity shares to L&T Finance Holdings Limited i.e. the shareholder of LTF and LTFC in terms of the scheme of amalgamation.

As on March 31, 2017, the paid-up share capital of the Company stands at ₹ 1440,04,72,940 (Rupees One Thousand Four Hundred and Forty Crore Four Lakh Seventy Two Thousand Nine Hundred and Forty Only) divided into 1,44,00,47,294 (One Hundred and Forty Four Crore Forty Seven Thousand Two Hundred and Ninety Four) equity shares of ₹ 10/- each.

FIXED DEPOSITS

The Company being a Non-Deposit taking Non Banking Financial Company ("NBFC") has not accepted any deposits from the public during the year under review.

DIRECTORS

During the year under review, Mr. N. Sivaraman and Mr. Kailash Kulkarni, Non – Executive Directors, had resigned from the Board with effect from April 12, 2016 and March 17, 2017, respectively. The Board places on record its appreciation of the valuable service rendered by them during their tenure as Directors of the Company.

The Board of Directors of the Company has appointed effective March 18, 2017:

- Mr. Y. M. Deosthalee, as an Additional Director and designated him as the Chairperson of the Company and the Board. Mr. Deosthalee holds office up to the date of forthcoming Annual General Meeting ("AGM"). His candidature for appointment as a Director would be placed before the forthcoming AGM and he will be liable to retire by rotation.
- Mr. P. V. Bhide, as an Additional Director in the Independent category, who qualified for the said position, pursuant to the provisions of Section 149(6) of the Companies Act, 2013 ("the Act"). The Members may further note that Mr. P. V. Bhide possesses relevant expertise and experience and fulfills the criteria pertaining to Independent

Directors as stated in Section 149 (6) of the Act, for being appointed as an Independent Director. Mr. Bhide holds office up to the date of forthcoming AGM. His candidature for appointment as Independent Director would be placed before the forthcoming AGM.

- Mr. Pavninder Singh, as an Additional Director of the Company, in terms of the provisions of Section 161 of the Act. The appointment of Mr. Singh was pursuant to the terms and conditions of the 'Investor Agreement' which the promoter of the Company i.e. L&T Finance Holdings Limited ("LTFH") had entered into with BC Investments VI Limited and BC Asia Growth Investments, in connection with the raising of funds by issuing equity shares/warrants on a private placement basis. Pursuant to the merger / amalgamation of L&T Finance Limited and L&T FinCorp Limited with the Company, the Company has become a material subsidiary of LTFH. Mr. Singh holds office up to the date of forthcoming AGM. His candidature for appointment as director would be placed before the forthcoming AGM and he will not be liable for retirement by rotation.

Further, Mr. Dinanath Dubhashi was appointed as the Chairperson of the Board of the Company with effect from July 21, 2016.

The composition of the Board is in accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act"), with an appropriate combination of Non-Executive Directors and Independent Directors. As on March 31, 2017, the Board comprises the following Directors:

Mr. Y.M. Deosthalee	Non-Executive Director, Chairperson
Mr. P. V. Bhide	Independent Director
Mr. Mannil Venugopalan	Independent Director
Dr. (Mrs.) Rajani R. Gupte	Independent Director
Mr. Dinanath Dubhashi	Non – Executive Director
Mr. Pavninder Singh	Non – Executive Director
Mr. Prabhakar B.	Non – Executive Director

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every AGM, 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 (excluding Independent Directors). Accordingly, Mr. Prabhakar B. Director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

Terms and conditions of appointment of Independent Directors are placed on the website of the Company <http://www.ltfs.com>

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted the declaration of independence, as required pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149 (6) of the Act and are not disqualified from continuing as Independent Directors.

FIT AND PROPER CRITERIA & CODE OF CONDUCT

Further, all the Directors meet the Fit and Proper criteria stipulated by RBI pursuant to the revised regulatory framework notified during the year.

All the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Vamshidhar Chevendra had resigned as the Manager of the Company, and Mr. Muralidharan R. was appointed as a Manager with effect from April 29, 2016. Further, Mr. Muralidharan R. had stepped down as the Manager of the Company and Mr. Sunil Prabhune was appointed as the Manager of the Company with effect from February 13, 2017.

During the year under review, Mr. Saurabh Zawar had resigned as Head – Accounts, to take up other responsibilities within Group and Ms. Sonika Kapoor was appointed as Head – Accounts to discharge the functions of Chief Financial Officer and was accordingly designated as Key Managerial Personnel (“KMP”) with effect from April 6, 2016. Further, Ms. Sonika Kapoor had stepped down as Head– Accounts and Mr. Amol Joshi was appointed as Head – Accounts and designated as KMP with effect from October 21, 2016, to discharge duties as required to be performed by a Chief Financial Officer under the Act.

Accordingly, as at March 31, 2017, the Company has the following KMP:

- 1) Mr. Sunil Prabhune – Manager

- 2) Mr. Amol Joshi – Head– Accounts
- 3) Mr. Amit Bhandari – Company Secretary

COMPANY’S POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION

A) Background

Section 178 of the Companies Act, 2013 (“the Act”) requires the Nomination and Remuneration Committee (“NRC”) of the Company to formulate a Policy relating to the remuneration for the Directors, Key Managerial Personnel (“KMP”) 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.

Further, 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 KMP and other employees.

The Board of Directors has, based on the recommendation of the NRC of the Company, approved the policy on Directors' appointment and remuneration for Directors, KMP and other employees.

B) Brief Framework of the Policy

The objective of this Policy is:

- a) to determine inter-alia, qualifications, positive attributes and independence of a Director;
- b) to guide on matters relating to appointment and removal of Directors, and Senior Management;
- c) to lay down criteria/evaluate performance of the Directors; and
- d) to guide on determination of remuneration of the Directors, KMPs and other employees.

C) Appointment of Director(s)

The NRC identifies and ascertain the integrity, professional qualification, expertise and experience of the person, who is proposed to be appointed as a director and appropriate recommendation is made to the Board with respect to his/her appointment.

Appointment of Independent Directors is subject

to the provisions of Section 149 of the Act read with Schedule IV and rules thereunder, as the case may be. The NRC satisfies itself that the proposed person satisfies the criteria of independence as stipulated under Section 149(6) of the Act, before their appointment as an Independent Director.

No person is eligible to be appointed as a Director, if he/she is subject to any disqualifications as stipulated under the Act or any other law(s) for the time being in force.

Appointment of Managing Director and Whole-Time Director is subject to provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and rules there under. The NRC ensures that a person does not occupy position as a Managing Director/Whole-Time Director beyond the age of seventy years, unless the appointment is approved by a Special Resolution passed by the Company in general meeting. No re-appointment shall be made earlier than one year before the expiry of term.

The Company has framed a Code of Conduct for its Directors. The Directors have to abide by the Code of Conduct and ensure compliance of the same.

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

- Non-Executive Directors/Independent Directors
The NRC carries out evaluation of performance of Independent Directors/Non-Executive Directors every year ending March 31st on the basis of the following criteria:
 - Membership & attendance – Board and Committee Meetings
 - Contribution during such meetings
 - Active participation in strategic decision making
 - Inputs to executive management on matters of strategic importance
 - Such other matters as the NRC/Board may determine from time to time
- Senior Management/ Key Managerial Personnel/ Employees
The HR Department carries out the evaluation of the aforementioned persons every year ending

March 31st, with the Department Head(s)/ Management concerned. KPIs 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 to determine whether the performance benchmarks are achieved. 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 KMP/Senior Management Personnel/ Employees. The objective of carrying out the evaluation by the Company is to identify and reward those with exceptional performances during any financial year. Training and Development Orientation programs on a need basis are provided to employees, whose performance during any financial year does not meet the benchmark criteria.

E) Criteria for Remuneration

The Committee, while determining the criteria for remuneration for Directors and Senior Management/ other employees ensures that:

- 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;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the Committees of the Board.

Manner of Evaluation

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

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

The process of the annual performance evaluation broadly comprises:

a. Board and Committee Evaluation:

- Evaluation of Board as a whole and the Committees is done by the individual directors, followed by submission of collation to NRC and feedback to the Board.

b. Independent / Non-Executive Directors Evaluation:

- Evaluation done by Board members excluding the Director being evaluated is submitted to the Chairperson of L&T Finance Holdings Limited, the holding company and individual feedback provided to each Director.

CORPORATE GOVERNANCE

It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices. The report on Corporate Governance for the year under review is appended as '**Annexure A**'.

In accordance with the master circular issued by RBI on "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015", the Company has adopted the Internal Guidelines on Corporate Governance.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members at their Twenty Third AGM held on June 15, 2016 has appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm's Registration Number 117366W/W-100018) as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of Twenty Third AGM till the conclusion of the Twenty Eighth AGM.

Further, in terms of section 139(1) of the Act, the

appointment of Statutory Auditors is required to be placed for ratification at every AGM. Accordingly, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company, has been placed for ratification by the members at the ensuing Twenty Fourth AGM.

In this regard, the Company has received a Certificate from the Auditors to the effect that ratification of their appointment, if made, would be in accordance with the provisions of Section 141 of the Act. They have also confirmed that they hold a valid Peer Review Certificate issued to them by the Institute of Chartered Accountants of India ("ICAI").

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

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 had appointed M/s. Alwyn Jay & Co., Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2016-17.

The Secretarial Audit Report is appended as '**Annexure B**' to this Report.

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

PARTICULARS OF EMPLOYEES

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, has been appended herewith as '**Annexure C**'.

In terms of the first proviso to the provisions of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said Annexure is available for inspection by the Members at the Registered Office of the Company during the business hours on working

days of the Company up to the date of the ensuing AGM. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

The Board of Directors affirms that the remuneration paid to employees of the Company is as per the Policy on Directors' appointment and remuneration for Directors, Key Managerial Personnel and other Employees and none of the employees listed in the said annexure is related to any Directors of the Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Considering the Company being a NBFC, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to provisions of Rule 8(3) of the Companies (Accounts) Rules, 2014 have not been considered significant enough to warrant disclosure.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no foreign exchange earnings (previous year ₹ Nil). The expenditure in foreign currency was ₹ 15.02 Lakh (previous year ₹ 2.58 Lakh) for professional fees and ₹ 1.08 Lakh (previous year ₹ 1.11 Lakh) for software license fees.

DISCLOSURE RELATING TO HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. It has no subsidiary and joint venture company.

Pursuant to the merger of LTFS group entities with the Company, Grameen Capital India Private Limited has become an Associate of the Company. During the financial year 2015 - 2016, L&T Finance Limited (now merged with the Company) had invested ₹ 2.13 Crore into the equity share capital, constituting 26% of the paid up capital of Grameen and ₹ 3.87 Crore in compulsorily convertible preference shares.

Further, pursuant to merger of LTFS group entities with the Company, the shares held by transferee companies have been transferred to the Company, and now it holds 28.28% of equity share of L&T Infra Debt Funds Limited.

The disclosures required to be made under Rule 8(1) and Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 relating to associate company are enclosed to this report as '**Annexure D**'.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, based on the representations received from the operational management, confirm in pursuance of Section 134(5) of the Companies Act, 2013, that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have 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 operating effectively;
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has internal control system, commensurate with the size, scale and complexity of its operations. Such system forms a part of review by the Internal Audit functions. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter.

The Internal Audit department of LTFS monitors and evaluates the efficacy and adequacy of the internal control systems in the Company, and 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 strengthens the controls. Significant audit observations and corrective

actions thereon are presented to the Audit Committee from time to time.

BOARD MEETINGS

During the financial year 2016-2017, 7 (seven) Board meetings were held on April 6, 2016, April 29, 2016, July 21, 2016, October 21, 2016, January 20, 2017, February 13, 2017 and March 21, 2017.

The Agenda for the Meetings were circulated to the Directors well in advance. The Minutes of the Meetings of the Board of Directors were circulated amongst the members of the Board for their perusal.

COMPOSITION OF THE AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act and RBI directions. The details of the same are disclosed in the Corporate Governance Report.

COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY (“CSR”) COMMITTEE:

In accordance with the requirements of Section 135 of Companies Act, 2013, the Company has constituted the CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report. The Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at www.ltfs.com.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as '**Annexure E**' to this Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act, the Company has framed and adopted Vigil Mechanism Framework to enable directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct.

Under the framework, the Company has set up “Whistle Blower Investigation Committee” (“the Committee”). The Chairperson of the Committee is the Chief Ethics Officer of the Company responsible for receiving, validating, investigating and reporting to the Audit Committee on aforesaid 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 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 www.ltfs.com.

PARTICULARS OF LOAN GIVEN, INVESTMENT MADE OR GUARANTEE OR SECURITY PROVIDED BY THE COMPANY

Details of loans given, investments made, guarantees given and security provided, if any, as covered under the provisions of Section 186 of the Act, are given in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors at its meeting held on July 17, 2014 had approved the policy on transactions with related parties (“RPT Policy”), pursuant to recommendation of the same by the Audit Committee (“AC”). The same is also available on the website of the Company <http://www.ltfs.com> The RPT policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the related parties.

Key features of the RPT Policy are as under:

- All transactions with related parties (“RPTs”) are referred to the AC of the Company for approval irrespective of its materiality. The AC, on the recommendation of the management, approves certain transactions with related parties which would occur on a regular basis or at regular intervals. The AC, at the end of each year, appraises the position of the approved transactions to ensure that all necessary requirements are being complied with.
- All RPTs which are not at arm’s length and / or which are not in the ordinary course of business are presented to the Board for an appropriate decision. All RPTs that were entered into during the FY 2016-17 were on an arm’s length basis and were in the ordinary course of business and disclosed in the Financial Statements. There were no materially

significant RPTs made by the Company with Promoters, Directors, Key Managerial Personnel or body corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention of the Members to Notes to the Financial Statements which sets out related party disclosures.

RISK MANAGEMENT FRAMEWORK

The Company has formulated a risk management framework 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. The Audit Committee is kept apprised of the proceedings of the Risk Management Committee.

The Risk Management framework is also covered in detail in Management Discussion & Analysis 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 period under review, the Company had not received any complaint 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 Form MGT 9 as required under the provisions of Section 92(3) of the Act and as prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as ‘Annexure F’ to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, orders were received from the Hon’ble High Court of Calcutta and National Company Law Tribunal, Mumbai Bench (“NCLT”) dated November 28, 2016 and January 24, 2017 respectively, approving the scheme of amalgamation of L&T Finance Limited and L&T FinCorp Limited with the Company, which interalia provided that post merger, the name of the amalgamated company i.e. Family Credit Limited be changed to L&T Finance Limited.

No penalties have been levied by RBI/any other Regulators during the year under review.

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.

RBI REGULATION

The Company has complied with all the applicable regulations of RBI as on March 31, 2017.

OTHER DISCLOSURES

During the year under review, the Company has obtained Corporate Agency License from Insurance Regulatory and Development Authority (“IRDA”) for distribution of Insurance Products. Further, the Company has not obtained any registration/license/authorisation, by whatever name called from any other financial sector regulators.

The Company has applied to the Regional Director, Eastern Region, Ministry of Corporate Affairs for the shifting of its registered office from the State of West Bengal to the State of Maharashtra and is awaiting approval.

ACKNOWLEDGEMENT

Your Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company’s bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company’s stakeholders and trust reposed by them in your Company. Your Directors sincerely appreciate the commitment displayed by the employees of the Company across all levels, resulting in successful performance during the year.

For and on behalf of the Board of Directors

Dinanath Dubhashi
Non – Executive
Director
DIN 03545900

Prabhakar B.
Non – Executive
Director
DIN 02101808

Place : Mumbai
Date : May 2, 2017

ANNUAL REPORT 2016-17 - ANNEXURE 'A' TO BOARD'S REPORT

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board of Directors ("the Board") along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company.

As on the date of this report, the Board comprises seven Non-Executive Directors including three Independent Directors viz. Mr. Y. M. Deosthalee, Mr. P. V. Bhide, Mr. Mannil Venugopalan, Dr. (Mrs.) Rajani R. Gupte, Mr. Dinanath Dubhashi, Mr. Prabhakar B. and Mr. Pavninder Singh.

During the year, Mr. N. Sivaraman and Mr. Kailash Kulkarni, had stepped down as Directors of the Company. Further, Mr. Y. M. Deosthalee, Mr. P. V. Bhide and Mr. Pavninder Singh were appointed as Additional Directors on the Board of the Company with effect from March 18, 2017, to hold the office till the conclusion of the forthcoming Annual General Meeting.

Mr. Y. M. Deosthalee was appointed as the Chairperson of the Board and Company with effect from March 18, 2017.

While Mr. Dinanath Dubhashi, Mr. Prabhakar B., Mr. Y. M. Deosthalee and Mr. Pavninder Singh are Non-Executive Directors on the Board of the Company; Mr. Mannil Venugopalan, Dr. (Mrs.) Rajani R. Gupte and Mr. P. V. Bhide are Independent Directors on the Board.

During the FY 2016-17, 7 (seven) meetings of the Board of Directors were held on April 6, 2016, April 29, 2016, July 21, 2016, October 21, 2016, January 20, 2017, February 13, 2017 and March 21, 2017.

The attendance of the Members of the Board at the Meetings held during the FY 2016-17 is as follows:

Name of the Director	DIN	Nature of Directorship	Board Meetings held during the year	No. of Board Meetings attended
Mr. Y. M. Deosthalee ⁽¹⁾	00001698	C	7	1
Mr. Dinanath Dubhashi	03545900	NED	7	7
Mr. P. V. Bhide ⁽¹⁾	03304262	ID	7	1
Mr. Mannil Venugopalan	00255575	ID	7	7
Dr. (Mrs.) Rajani R. Gupte	03172965	ID	7	6
Mr. Prabhakar B	02101808	NED	7	7
Mr. Pavninder Singh ⁽¹⁾	03048302	NED	7	1
Mr. Kailash Kulkarni ⁽²⁾	07242982	NED	7	4

Notes:

⁽¹⁾ Appointed as Directors on the Board of the Company with effect from March 18, 2017.

⁽²⁾ Ceased to be a Director with effect from March 17, 2017.

C - Chairperson ID - Independent Director NED - Non-Executive Director

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 five core Committees constituted by the Board in this connection are:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Committee of Directors
- Stakeholders Relationship Committee

The details of various Committees of the Company and their composition, as on the date of the report, are as under:

1) Audit Committee

The Audit Committee has been set up pursuant to the provisions of Section 177 of the Companies Act, 2013, as well as the RBI directions for Non-Banking Financial Companies ("NBFCs"). During the FY 2016-17, the Committee was re-constituted. Further, during the FY 2016-17, the Committee met 7 (seven) times, i.e. April 6, 2016, April 28, 2016, July 20, 2016, October 21, 2016, December 7, 2016, January 20, 2017 and March 21, 2017. The Committee comprises the following Members:

- Mr. P. V. Bhide – Chairperson
- Dr. (Mrs.) Rajani R. Gupte
- Mr. Dinanath Dubhashi

The attendance of the Members of the Audit Committee at the Meetings held during the FY 2016-17 is as follows:

Name of the Director	Audit Committee Meetings held during the year	No. of Audit Committee Meetings attended
Mr. Mannil Venugopalan ⁽¹⁾	7	6
Mr. P. V. Bhide ⁽²⁾	7	1
Dr. (Mrs.) Rajani R. Gupte	7	6
Mr. Dinanath Dubhashi ⁽³⁾	7	4
Mr. Kailash Kulkarni ⁽⁴⁾	7	3

Notes:

⁽¹⁾ Ceased to be a Member with effect from March 18, 2017.

⁽²⁾ Appointed as a Member with effect from March 18, 2017.

⁽³⁾ Ceased to be a Member with effect from July 21, 2016 and again appointed as a Member with effect from March 18, 2017.

⁽⁴⁾ Ceased to be a Member with effect from March 17, 2017

Role of the Committee:

The role, terms of reference, authority and powers of the Audit Committee are in conformity with Section 177 of the Companies Act, 2013.

Terms of reference of the Committee are as follows:

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- iii. Examine the financial statement and the auditors' report thereon;
- iv. Approval or any subsequent modification of transactions of the Company with related parties;
- v. Scrutiny of inter-corporate loans and investments;
- vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and other related matters;
- ix. Functioning of the Vigil Mechanism Framework of the Company;
- x. Access to information contained in the records of the Company and external professional advice;
- xi. Investigation of any activity within its terms of reference, seek information from an employee, obtain outside legal/professional advice;
- xii. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- xiii. Recommendation of appointment and removal of external auditor, fixation of audit fees and also approve payment for other services;
- xiv. Discussion with the auditors periodically on internal control systems, scope of audit including observations of the auditors and

review the half yearly and annual financial statements before submission to the Board and ensure compliance of internal control system;

- xv. Ensure Information System Audit of the internal systems and processes to assess operational risks faced by the Company in accordance with the requirements stipulated by RBI;
- xvi. Recommend on financial management including audit report which shall be binding on the Board;
- xvii. Investigation 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;
- xviii. Right 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.

The Board had duly accepted the recommendations made by the Audit Committee from time to time.

2) Nomination and Remuneration Committee

The Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder. The Committee has formulated Fit & Proper Policy for directors' appointment and policy on directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees and the criteria for determining qualifications, positive attributes and independence of a Director. During the FY 2016-17, the Committee was re-constituted and met 5 (five) times, i.e. April 28, 2016, July 21, 2016, September 14, 2016, October 21, 2016 and January 20, 2017.

The Committee comprises the following Members:

- Mr. Mannil Venugopalan - Chairperson
- Dr. (Mrs.) Rajani R. Gupte
- Mr. Y. M. Deosthalee
- Mr. Dinanath Dubhashi

The attendance of the Members of the Nomination and Remuneration Committee at the Meetings held during the FY 2016-17 is as follows:

Name of the Director	Nomination and Remuneration Committee Meetings held during the year	No. of Nomination and Remuneration Committee Meetings attended
Mr. Mannil Venugopalan	5	4
Dr. (Mrs.) Rajani R. Gupte	5	5
Mr. Y. M. Deosthalee ⁽¹⁾	-	-
Mr. Dinanath Dubhashi	5	5

Note:

⁽¹⁾Appointed as a Member with effect from March 18, 2017.

Role of the Committee:

Terms of reference of the Committee are as follows:

- 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 carry out evaluation of every director's performance.
- 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.
- 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.
- Ensure fit and proper status of existing/proposed reference 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.

- Undertake process of due diligence undertaken at the time of initial appointment and also prior to reappointment.
- Decide based on the information provided in the declaration, the acceptance (and/or otherwise) and may make references where considered necessary to the appropriate person/authority to ensure their compliance with the requirements indicated.
- Obtain annual declaration confirming that the information already provided had not undergone change and if there is any change requisite details would be furnished by the directors forthwith.
- Focus on evaluating senior level employees their remuneration, promotion etc.

3) Corporate Social Responsibility Committee

In terms of the requirement of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility ("CSR") Committee. During the year, the Committee was re-constituted. During the FY 2016-17, the Committee met 1 (one) time, i.e. September 14, 2016. The Committee comprises the following Members:

- Mr. Y. M. Deosthalee - Chairperson
- Mr. Mannil Venugopalan
- Mr. Dinanath Dubhashi

The attendance of the Members of the CSR Committee at the Meeting held during the FY 2016-17 is as follows:

Name of the Director	CSR Committee Meetings held during the year	No. of CSR Committee Meetings attended
Mr. Y. M. Deosthalee ⁽¹⁾	-	-
Mr. Dinanath Dubhashi	1	1
Mr. Mannil Venugopalan	1	-
Mr. Kailash Kulkarni ⁽²⁾	1	1

Notes:

⁽¹⁾Appointed as Member with effect from March 18, 2017.

⁽²⁾Ceased to be a Member with effect from March 17, 2017.

Role of the Committee:

- i. Formulation of CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and recommendation of the same to the Board;
- ii. Determine the amount to be spent on CSR from time to time and recommend the same to the Board;
- iii. Monitoring the CSR Policy of the Company from time to time.

4) Committee of Directors ("COD")

During the year, the Committee was re-constituted. The Committee comprises the following Members:

- Mr. Y. M. Deosthalee
- Mr. Pavninder Singh
- Mr. Dinanath Dubhashi

Role of the Committee:

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

The Committee of Directors met 22 (twenty-two) times during the FY 2016-2017.

5) Stakeholders Relationship Committee

In terms of the requirement of Companies Act, 2013, the Company has constituted the Stakeholders Relationship Committee on March 18, 2017. During the FY 2016-17, there was no meeting of the Committee.

The Committee comprises the following Members:

- Mr. Dinanath Dubhashi – Chairperson
- Mr. Sunil Prabhune
- Mr. Sachinn Joshi

Role of the Committee:

The role of the Committee inter-alia is to consider and resolve the grievances of the Debenture holders and any other security holders from time to time.

MEETING OF INDEPENDENT DIRECTORS:

Section 149(8) of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act require the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The Independent Directors of the Company met twice on April 29, 2016 and October 21, 2016, pursuant to

the provisions of the Act.

REMUNERATION TO DIRECTORS

The Non-Executive Directors on the Board (except those Directors who were in the services of L&T Financial Services Group) are paid sitting fees for attending the meetings of the Board and/or any Committee thereof and commission on net profits.

REMUNERATION TABLE

The details of remuneration paid to the Directors for the year ended March 31, 2017 are as follows:

(Amount in ₹)

Name of the Director	Sitting Fees for Board Meetings attended	Sitting Fees for Committee Meetings attended*	Commission	Total
Mr. Mannil Venugopalan	1,80,000	2,00,000	12,00,000	15,80,000
Mr. P. V. Bhide#	20,000	20,000	-	40,000
Dr. (Mrs.) Rajani R. Gupte	1,60,000	2,20,000	8,95,000	12,75,000
Mr. Prabhakar B.	1,40,000	-	7,25,000	8,65,000
Mr. Pavninder Singh#	20,000	-	-	20,000

* Includes Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

Appointed as Directors on the Board of the Company with effect from March 18, 2017.

NUMBER 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 expects them to comply with the same.

RESPONSIBILITIES OF THE BOARD

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

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

Your Company ensures necessary training to the Directors relating to its business through formal/ informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a

timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable/discharge his duties. The Directors are given time to study the data and contribute effectively to the Board discussions.

The Non-Executive Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees. Their inputs are also utilized to determine the critical skills required for prospective candidates for election to the Board.

DEBENTURE TRUSTEES

The debenture trustees of the Company are:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17,
R. Kamani Marg, Ballard Estate,
Mumbai – 400001.
Tel: +91 022-4080 7000
Fax: +91 022-6631 1776
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com

Catalyst Trusteeship Limited (erstwhile GDA Trusteeship Limited)

GDA House, Plot No 85, Bhusari Colony (Right),
Paud Road, Pune - 411 038.

Tel: +91 020 2528 0081

Fax: +91 020 2528 0275

E-mail: dt@ctltrustee.com

Website: www.catalysttrustee.com

DISCLOSURES

During the Financial Year ended March 31, 2017:

- There was no materially significant related party transaction with the Directors that have a potential conflict with the interests of the Company.
- The related party transactions have been disclosed in the Notes to Accounts forming part of the Annual Financial Statements.
- Since introduction of the Companies Act, 2013, the Company has implemented all Sections as applicable to it and accordingly, it is in compliance with all relevant and applicable provisions of Companies Act, 2013.

Means of Communication

- Half Yearly Results are published in one daily English newspaper of national prominence.
- The Company submit "Half Yearly Communication" to Stock Exchanges as per the requirement of the Debt Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Annual Reports are displayed on the website of the Company <http://www.ltfs.com>.

Place: Mumbai

Date: May 2, 2017

ANNUAL REPORT 2016-17 - ANNEXURE 'B' TO BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

L&T Finance Limited (Erstwhile known as Family Credit Limited)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct, statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017** 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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 - **Not applicable to the Company.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not applicable to the Company;**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not applicable to the Company;**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company;**
 - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the Company;**
 - 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 - **Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review;**

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company; and**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) Other specific business/industry related laws are applicable to the company, viz.:

The Company has complied with the provisions of Prevention of Money Laundering Act 2002 and guidelines issued by Reserve Bank of India, Non- Banking Finance Companies Regulations issued by the Reserve Bank of India and notifications, other directions issued by the Reserve Bank of India. Further, the Company has complied with the applicable general laws, rules, regulations and guidelines.

We have also examined the compliance with-

- (i) the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, with respect to the Company's listing of Non-Convertible Debentures.

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

We further report that –

- (a) the Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors;
- (b) 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;
- (c) 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; and
- (d) The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period the following specific events /actions having major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.:

- (i) On 7th April, 2016, the members at the Extra-Ordinary General Meeting had approved issuance of Non-Convertible Debentures/ Bonds to various investors from time to time on private placement basis up to ₹ 6000 Crores in aggregate pursuant to the provisions of Section 42 and 71 of the Companies Act, 2013.
- (ii) On 7th April, 2016, the members at the Extra-Ordinary General Meeting had approved the alteration of the Memorandum of Association of the Company pursuant to the provisions of Section 13 and 14 of the Companies Act, 2013.
- (iii) On 7th April, 2016, the approval of the members at the Extra-Ordinary General Meeting was obtained for adoption of new sets of Articles of Association in substitution and to the entire exclusion of the Articles contained in the existing Articles of Association of the Company pursuant to the provisions of Section 14 of the Companies Act, 2013.

- (iv) On 10th November, 2016, approval of the members at the Extra-Ordinary General Meeting was obtained for revision in the borrowing limits to the extent of sum of ₹ 47,000 Crore under Section 180(1)(c) of the Companies Act, 2013
- (v) On 10th November, 2016, the members at the Extra-Ordinary General Meeting had accorded their approval to offer, issue and allot, in one or more tranches, Secured or Unsecured Non-convertible Debentures/ Bonds on Private Placement basis, during the financial year 2016-17, for an amount not exceeding ₹ 23,000 Crore pursuant to the provisions of Section 42 and 71 of the Companies Act, 2013.
- (vi) The Company has obtained necessary approval from the Hon'ble High Court of Judicature at Calcutta for the amalgamation of L&T Finance Limited, L&T Fincorp Limited with the Company.
- (vii) On 13th February, 2017, the members at the Extra-Ordinary General Meeting had approved the change of name of the Company from Family Credit Limited to L&T Finance Limited.

Place : Mumbai
Date : 24th April, 2017

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.[Certificate of Practice No.7991]

ALWYN JAY & Co.
Company Secretaries

[Vijay Sonone FCS.7301]
(Partner)

ANNUAL REPORT 2016-17 - ANNEXURE 'C' 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	Disclosure	
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year. ⁽¹⁾	Not Applicable	
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. ⁽¹⁾	Manager – Not Applicable ⁽²⁾ Chief Financial Officer (Head - Accounts) - Not Applicable ⁽²⁾ Company Secretary - 7%	
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of employees in the financial year was increased by 4.4 %	
4	The number of permanent employees on the rolls of company.	8,261 employees	
5	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
		6%	Not Applicable ⁽²⁾
6	Affirmation that the remuneration is as per remuneration policy of the Company	We affirm that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.	

⁽¹⁾ For the purpose of determining the ratio of remuneration and percentage increase in remuneration of directors as stipulated in Sr. No. 1 & 2 above, only remuneration of Executive Directors is considered.

⁽²⁾ Drew their remuneration from another company within the L&T Financial Services Group.

ANNUAL REPORT 2016-17 - ANNEXURE 'D' TO BOARD'S REPORT

Form AOC-I

(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: Not Applicable

Part B: Associates and Joint Ventures

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

Name of Associates	Grameen Capital India Pvt. Ltd.	L&T Infra Debt Fund Ltd.
1. Latest audited balance sheet date	March 31, 2016	March 31, 2017
2. Date on which the Associate or Joint Venture was associated or acquired	-	-
3. Shares of associates held by the company as at March 31,2017		
Number of Shares	2,126,000	133,133,329
Amount of investment in Associates (₹ lakh)	212.60	15,670.00
Extend of Holding %	26 % of shareholding	28.29% of shareholding
4. Description of significant influence	26 % of shareholding	28.29% of shareholding
5. Reason of non consolidation of the associate	NA	NA
6. Networth attributable to shareholding as per latest audited balance sheet (₹ lakh)	NA	19,902.55
7. Profit/ Loss for the year 2016-17		
i. Considered in Consolidation (₹ lakh)	-	2,662.00
ii. Not Considered in Consolidation (₹ lakh)	-	-

Names of associates or joint ventures which are yet to commence operations

(i) Nil

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

(i) Nil

ANNUAL REPORT 2016-17 - ANNEXURE 'E' TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility ("CSR") (Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014)

As required under Section 135(4) of the Companies Act, 2013 ("the Act") and Rule 9 of the Companies (Accounts) Rules, 2014, the details with respect to CSR are as follows:

1) **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :**

L&T Financial Services aspires to bring in inclusive social transformation of the rural communities by nurturing and creating opportunities for sustainable livelihoods. The policy clearly states the organization's core CSR thrust areas as Integrated Water Resource Management and Financial Inclusion. The policy defines the Company's CSR vision with a clear implementation methodology. The CSR Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 and is available on the website of the Company at <http://www.ltfs.com>.

2) **Composition of CSR Committee:**

The Composition of CSR is disclosed in the Corporate Governance Report.

3) **Average Net Profit of the Company for the last three financial years is ₹ 10,418.80 Lakh.**

4) **Prescribed CSR Expenditure and details of CSR spend :**

Particulars	(₹ in Lakh)
Prescribed CSR Expenditure	208.38
Amount spent as CSR	208.51
Amount unspent	---

5) **Manner in which amount spent during the financial year: (₹ in Lakh)**

Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or program coverage	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub heads- (a) Direct Expenditure & (b) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Rural Development & women empowerment project through livelihoods generation	iii) Promoting gender equality, empowering women for reducing inequalities faced by socially and economically backward groups x) Rural Development project	State: Madhya Pradesh Districts: Betul & Hoshangabad	96.35	96.35	96.35	Indirect**
2	Quality Education through supporting best practices in Zila Parishad schools	ii) Promoting Education	State: Maharashtra District: Pune	15.00	15.00	15.00	Indirect**
3	Quality Education through Govt school support	ii) Promoting Education	State: Tamil Nadu District: Dharmapuri	48.00	48.00	48.00	Indirect**
4	Promotion of Road Safety among municipal school children & larger eco system; training and deployment of community youth as traffic wardens	ii) Promoting Education ii) Livelihoods enhancement project	State: Maharashtra District: Mumbai	20.63	20.63	20.63	Indirect**

Sr. No.	CSR project or activity identified	Sector in which project is covered	Projects or program coverage	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub heads- (a) Direct Expenditure & (b) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
5	Rural Development Project for Tamilnadu flood relief and rehabilitation	(x) rural development projects	State: Tamil Nadu District: Cuddalore	1.26	1.26	1.26	Indirect**
6	Community Development through digital & financial literacy	ii) Promoting education	State: Tamil Nadu District: Chennai State: Maharashtra District: Mumbai State: Karnataka District: Bangalore State : Delhi District : Delhi	3.35	3.35	3.35	Indirect**
7	Rural development through - Watershed Management-drought relief Project	(x) rural development projects	State: Maharashtra District: Beed	23.65	23.65	23.65	Indirect**
8	CSR Administration, NGO capacity building	Capacity building	State: Maharashtra District: Beed	0.27	0.27	0.27	Direct*
	Total CSR Spend in FY 16-17			208.51	208.51	208.51	

Note:

Direct* = CSR projects/ initiatives directly implemented by the Organisation.

Indirect** = CSR activities/ projects have been carried out by partnering with several Non-Governmental Organisations/ Charitable Institutions.

6) Responsibility Statement:

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**For L&T Finance Limited
(Erstwhile Family Credit Limited)**

**Y. M. Deosthalee
Non-Executive Director
& Chairperson of the CSR Committee
DIN: 00001698**

ANNUAL REPORT 2016-17 - ANNEXURE 'F' TO BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS

I	CIN	U65910WB1993FLC060810
II	Registration Date	24-11-1993
III	Name of the Company	L & T Finance Limited (erstwhile Family Credit Limited)
IV	Category/Sub-category of the Company	Company Limited by Shares
V	Address of the Registered office & contact details	Technopolis, 7th Floor, A Wing, Plot No.4, Block-BP, Sec-V, Salt Lake, Kolkata – 700091 Tel: +91 22 66217300/7400
VI	Whether listed company	Yes (Only Debentures are listed)
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mr. Ganesh Jadhav Assistant Vice President M/s. Link Intime (India) Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel: +91 22 4918 6262 Email Id: ganesh.jadhav@linkintime.co.in

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	Non-Banking Finance Company (NBFC)	64990	100%

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 ⁽¹⁾ Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra, India	L67120MH2008PLC181833	Holding Company	100%	2(46)
2	L&T Infra Debt Fund Limited Plot No 177, CTS No. 6970, 6971, Vidyanagari Marg, CST Road, Kalina, Santacruz(east), Mumbai - 400098	U67100MH2013PLC241104	Associate Company	28.29%	2(6)
3	Grameen Capital India Private Limited 402, 36 Turner Road, Bandra (West), Mumbai - 400050	U65923MH2007PTC168721	Associate Company	26%	2(6)

⁽¹⁾ Change of registered office effective June 15, 2017

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category – wise Share Holding :-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	----	7 *	7*	0.00	---	7*	7*	0.00	----	----
b) Central Govt. or State Govt.	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
c) Bodies Corporates	15,43,09,603	5,00,00,000	20,43,09,603	100	1,44,00,47,287	-----	1,44,00,47,287	100	--	-----
d) Bank/FI	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
e) Any other	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
SUB TOTAL:(A) (1)	15,43,09,603	5,00,00,007	20,43,09,610	100	1,44,00,47,287	7*	1,44,00,47,294	100	---	-----
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRI- 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)	15,43,09,603	5,00,00,007	20,43,09,610	100	1,44,00,47,287	7*	1,44,00,47,294	100	---	-----
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-	-
a) Mutual Funds										
b) Banks/FI										
c) Central Govt.										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIs										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies corporate										
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs										
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs										
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)	15,43,09,603	5,00,00,007	20,43,09,610	100	1,44,00,47,287	7*	1,44,00,47,294	100	--	-----

* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, 7 shares are held by 7 members jointly with L&T Finance Holdings Limited

(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	20,43,09,610*	100	-----	1,44,00,47,294*	100.00	-----	-----
	Total	20,43,09,610*	100.00	-----	1,44,00,47,294*	100.00	-----	-----

* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, 7 shares are held by 7 members jointly with L&T Finance Holdings Limited.

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	20,43,09,610*	100		
2	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):	-	-	1,23,57,37,684 (shares allotted pursuant to scheme of amalgamation of fellow subsidiary companies)	100
3	At the end of the year	-	-	1,44,00,47,294*	100

* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, 7 shares are held by 7 members jointly with L&T Finance Holdings Limited.

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

Sr. No.		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
	For Each of the Top 10 Shareholders				
1	At the beginning of the year	-	-	-	-
2	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)	-	-	-	-
3	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) 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
	At the beginning of the year:	1*	0	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:	2*	0	2*	0

* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of Members, shares held jointly with L&T Finance Holdings Limited.

V. INDEBTEDNESS

(₹ In Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,54,169.12	10,14,617.00	-	22,68,786.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	51,381.97	2,846.32	-	54,228.29
Total (i+ii+iii)	13,05,551.09	10,17,463.32	-	23,23,014.41
Change in Indebtedness during the financial year				
Additions	45,16,169.62	1,28,55,769.60	-	1,73,71,939.22
Reduction	46,35,919.53	1,22,08,985.60	-	1,68,44,905.13
Net Change	(1,19,749.906)	6,46,784.00	-	5,27,034.09
Indebtedness at the end of the financial year				
i) Principal Amount	11,34,419.21	16,61,401.00	-	27,95,820.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	52,345.60	2,570.57	-	54,916.17
Total (i+ii+iii)	11,86,764.80	16,63,971.57	-	28,50,736.38

The figures shown in the above table for April 1, 2016 and March 31, 2017 are of the merged entity.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount (₹)
		Mr. Vamshidhar Chevendra (Manager) ⁽¹⁾	Mr. Muralidharan Rajamani (Manager) ⁽²⁾	Mr. Sunil Prabhune (Manager) ⁽³⁾	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	4,63,130	NA	16,83,374	21,46,504
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	3,771	3,771
	(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) - Contribution to Provident	-	-	-	-
5	Others, please specify – Performance Bonus	-	-	-	-
	Total (A)	463,130	-	1,687,145	21,50,275
	Ceiling as per the Act	₹ 1,50,56,000 (being 5% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

⁽¹⁾ Remuneration data till April 29, 2016.

⁽²⁾ Mr. Muralidharan drew this remuneration from another company within the L&T Financial Services Group.

⁽³⁾ Remuneration data from February 13, 2017 to March 31, 2017.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount (₹)
		Mr. Mannil Venugopalan	Dr. (Mrs). Rajani R. Gupte	Mr. P. V. Bhide ⁽¹⁾	
1	Independent Directors				
	(a) Fee for attending Board/Committee meetings ⁽²⁾	3,80,000	3,80,000	40,000	8,00,000
	(b) Commission	12,00,000	8,95,000	-	20,95,000
	(c) Others, please specify	-	-	-	-
	Total (1)	15,80,000	12,75,000	40,000	28,95,000
2	Other Non Executive Directors	Mr. Prabhakar B	Mr. Pavninder Singh ⁽¹⁾	-	
	(a) Fee for attending board committee meetings ⁽²⁾	1,40,000	20,000	-	1,60,000
	(b) Commission	7,25,000	-	-	7,25,000
	(c) Others, please specify.	-	-	-	-
	Total (2)	8,65,000	20,000	-	8,85,000
	Total (B)=(1+2)	-	-	-	37,80,000
	Total Managerial Remuneration (A+B)	-	-	-	59,30,275
	Overall Ceiling as per the Act	₹ 3,31,22,000 (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

⁽¹⁾ Mr. P. V. Bhide and Mr. Pavninder Singh were appointed as Additional Directors on the Board of the Company with effect from March 18, 2017. Hence, payment of commission to them is Nil.

⁽²⁾ Committee Meeting includes Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		CEO	Company Secretary	CFO			
		NA	Mr. Amit Bhandari	Mr. Saurab Zawar ⁽¹⁾	Ms. Sonika Kapoor ⁽¹⁾	Mr. Amol Joshi ⁽²⁾	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NA	15,24,474	Not Applicable	Not Applicable	29,22,571	44,47,045
	(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	-	15,24,474	-	-	29,22,571	44,47,045

⁽¹⁾ Drew their remuneration from another company within the L&T Financial Services Group.

⁽²⁾ Remuneration data from October 21, 2016 to March 31, 2017.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Under Companies Act, 2013):

During the year under review, the National Company Law Tribunal (NCLT), Kolkata Bench passed compounding orders with respect to year 2012, in relation to violation of provisions of Section 220 and Section 372A (3) of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO-ECONOMIC REVIEW

India, a large and the fastest growing economy, continues to be a bright spot in the global landscape. It has been underpinned by strong private consumption and gradual introduction of significant domestic reforms. In FY17, the economy has grown by 7.1% and the foreign exchange reserves have grown to US\$ 370 billion. India's Current Account Deficit (CAD) narrowed to 0.7% of its GDP in FY17, compared with 1.1% in FY16, on the back of a contraction in trade deficit. Foreign Direct Investment inflows touched a new high of US\$ 60.1 billion.

The move of demonetising in November 2016, made with the objective to curb black money in circulation, weighed on growth during the second half of FY17. This reflected in relatively weaker growth in manufacturing and rural consumption as well as services sector PMIs (Purchase Managers Indices) in H2, FY17. However, it is expected to have a positive long-term impact on the economy through better tax compliance, increase in Tax-to-GDP ratio and higher tax collections. Continued fiscal consolidation and an anti-inflationary monetary policy stance helped cement macro-economic stability.

OUTLOOK FOR FY18

Major leading indicators suggest that the economic activity is gradually improving. This is driven by improving global demand and a remonetisation-led pick-up in domestic activity. The International Monetary Fund (IMF) expects India to resume the 8% growth path in the medium term. This should happen as soon as the short-term dislocation to consumption from demonetisation passes. The nation is expected to remain the fastest growing economy on the back of high private consumption levels and gradually implemented domestic reforms.

Your Company sees growth picking up significantly, supported by a normal monsoon, modest costs of borrowing, pay hikes for state government employees and stronger export demand. Other growth supportive factors will be Government's continued thrust on physical infrastructure and the Real Estate (Regulation and Development) Act, 2016 (RERA), which will pave way for greater transparency and accountability in the real estate sector. The Goods & Services Tax, (GST) implemented in July 2017, will also have long term structural benefits, despite short-term execution and adjustment risks during the course of FY18.

POSSIBLE THREATS

As we get into an environment which is likely to be largely positive over medium to long term, there may be significant roadblocks in the shorter term. The implementation of GST is likely to cause certain short term disturbances. Despite recent push by the RBI, the resolution of stressed assets in the system is likely to take more time. Also the effect of various loan waivers on credit culture in the rural areas is still to be seen.

Your Company acknowledges these possible negative factors and has a plan to mitigate them through its deep domain knowledge, strong risk framework and an efficient collection mechanism.

RURAL FINANCE

The Company's strength in Rural Finance makes us one of the fastest growing NBFCs in this sector. Your Company is now a single brand under L&T Financial Services (LTFS) offering through multi channels, multiple financing products like Farm Equipment Finance, Two-Wheeler Finance and Microfinance.

Farm Equipment Finance

The tractor industry grew ~15% in FY17 after two continuous years of market contraction. The positive growth was on account of a normal monsoon cycle which has helped reinvigorate the demand in this sector. With monsoons expected to be normal, this industry is expected to grow at ~18-20% this year.

During the year, your Company gained market share, doubling its share of the pie of farm equipment financing to 9.4% in the second half of FY17, from 4.2% in the first half. However, the business witnessed a Y-o-Y contraction by 11% in disbursement, along with a book De-growth of 6%. This trend is expected to reverse in the current year which will help excellent growth in both disbursements and book.

Competitive Advantage

- Proven ability to last through the cycles
- Differentiated value proposition for top dealers
- Analytics driven business mix and channel management
- Technology led sourcing and credit decisioning for superior service proposition

Future Strategy

- Create a right portfolio mix across geographies, Original Equipment Manufacturers (OEMs) and distributors
- Digitise the entire process and provide a differentiated value proposition to the Company partners
- Capture higher counter share at chosen dealers through differentiated value proposition

Two-Wheeler Finance

The two-wheeler industry posted a healthy Y-o-Y growth of 8%. The market in FY18 is expected to remain stable with a demand influenced by structural factors like a growing middle class segment and urbanisation.

Technology - led sourcing along with analytics driven channel segmentation enabled the Company to gain market share. The Company's domain expertise and in-depth knowledge in chosen geographies have laid the foundation of its strong business growth. A well-established network and tie-ups with OEMs enabled your Company to retain a strong market position. In FY17, the two-wheeler finance business witnessed a Y-o-Y growth of 10% in disbursement, along with a book growth of 20%.

Competitive Advantage

- Technology led sourcing and decisioning
- Analytics driven channel selection and differentiated value proposition for top dealers
- Market depth in chosen geographies

Future Strategy

- Enhance TAT proposition through mobility solutions and automated credit decisioning
- Further increase market penetration in our chosen geographies and develop new locations
- Increase market depth by exploring entry into self-financed segment

Microfinance

The microfinance industry has recorded a 26% Y-o-Y growth in FY17. However, there has been a trend of decrease in growth since demonetisation. We believe that the decrease is not entirely attributable to demonetisation as other external factors and vested interests also impacted performance in certain

geographies. Industry looks to be cautious and a pause in growth can be expected in the short term.

During FY17, your Company launched mobility solutions, aimed towards improving the operational efficiencies and making the disbursement process simpler. This move enabled your Company to achieve the highest single month disbursement of ₹ 470 Crores in September, 2016. The Company continued its key initiatives of enhancing customer reach, building scalability, and managing risks effectively, attaining process excellence and cost excellence. Microfinance business witnessed a Y-o-Y growth of 39% in disbursement, along with a book growth of 59%.

The post demonetisation period was marked with increased delays in repayments in certain geographies. While the situation has improved significantly from March 2017 onwards, your Company expects stress in some areas to continue for some more time. In line with its conservative policies, your Company has made adequate loan loss provisions in FY17 and will look to continue to do so based on how the situation develops.

Competitive Advantage

- Robust risk management framework
- Best in Industry productivity through differentiated business model
- Proven ability to scale rapidly
- An efficient and technology enabled delivery channel

Future Strategy

- Transform Microfinance into a steady state retail business by moving further towards a technology and analytics driven platform
- Expand into under penetrated new geographies to further enhance customer reach
- Further strengthen risk management framework, processes and systems

RISK MANAGEMENT

The transformation journey embarked by the Company involves rapid growth in our chosen businesses. Having embarked on this transformational journey, the Company recognises the criticality of risk management practices towards a longer term success. We have a robust management framework covering various families of risk like credit risk, portfolio risk, market risk and operational risk.

During FY17, your Company engaged a leading global risk management consultancy to further strengthen its risk management framework. Based on their recommendations, your Company is strengthening its capabilities in the four key areas to ensure that the businesses operate fearlessly within the defined risk appetite and risk tolerance levels.

1. Risk Appetite Statement (RAS)

A robust RAS is set up that acts as a governing framework from board to front line to facilitate trade-offs between risk, value and growth. It helps in effective risk and return management while providing greater clarity and autonomy to businesses.

2. Risk Dashboards & Early Warning Signals (EWS)

Dashboards should provide cross-risk view and are anchored to the Company's Risk Appetite Statement. It leverages risk measurement and analytics to further enhance early warning capabilities and to use those in driving decisions. EWS helps in timely identification of portfolios with increasing risk, enabling timely remedial measures (where applicable) and eventually driving lower NPAs.

3. Treasury Risk Management

This gives the ability to effectively manage the Market Risk (liquidity and interest rate risks) emanating from the core businesses of the Company. A robust governance framework is set up to monitor and manage the Market Risk Operations.

4. Risk-adjusted Pricing

This tool helps in tracking transaction level and portfolio level actual pricing vis-à-vis risk-adjusted pricing. Thus giving more clarity on value creation by products/portfolios. The pricing tool incorporates weighted average tenor, based on behavioural maturity in order to align with expected cash-flows.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

For details on internal control systems and their adequacy, refer Board Report.

HUMAN RESOURCES

As on March 31, 2017, your Company had a total workforce of 8,261 employees.

Your Company believes that this journey will become sustainable if we get three aspects right:

- Clarity and Communication of Management Intent
- A well-honed Execution Engine
- A performance oriented Culture

The Company's endeavour is to ensure that its HR processes are completely aligned with the above three aspects and they work towards creating leadership which makes the transformation smooth and sustainable.

1. Clarity and Communications of Management Intent

The intent of the management is quite clear – to deliver top quartile RoE by profitable growth in the Company's focussed businesses. We take all efforts to make sure that this is communicated clearly across all levels of the organisation. This is done through a series of town halls which are a two-way communication platform between the organisation and employees to share a 360-degree update on the Company's mission of superior shareholder value creation. Also, very clear communication of expected performance and behaviours is ensured. These town halls are organised every quarter end, across cities, departments, functions and grades.

2. A Well-honed Execution Engine

Your Company's chosen method of ensuring efficient execution is through a series of projects touching each aspect of strategy execution. These projects are towards creating Centres of Excellence in various aspects of the business. We have developed our own unique way of not only ensuring that these contribute to delivering results in line with the decided milestones, but also ensuring that these are used for effective Leadership Development. Each of these projects is headed by a hand-picked middle level executive. This develops the leadership qualities of the person as it requires working with multi-functional teams and also exposes the person to close senior management reviews.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) witnessed a transformation during FY17. The Company's overarching theme of sustainable Livelihoods was revisited to align to the larger needs of the rural ecosystem - through Integrated Water Resource Management (IWRM). LTFS committed itself to come up with long-term innovative

solutions benefitting the water-deprived communities. The IWRM programme engaged with communities to implement interventions in order to address their core needs in water and facilitate the rural economy through agriculture and allied activities.

In addition to this, your Company also focussed on Financial Literacy. It helped in spreading the message of financial literacy to rural India, resulting in enhanced absorption of facilities and schemes granted by the Government and other financial institutions.

Thrust areas were re-modelled to rake in the 3S approach which believes in:

- Social Impact through right projects aligned with Company's focussed businesses
- Sustainable development creating right structures
- Achieve scale by collaborating with right partners

Highlights

- Constructing water harvesting structures, known as Dohas
- Creating disaster relief shelters, towards the Tamil Nadu floods
- Nurturing 100 Integrated livelihood development centres in villages
- Initiating remedial education programmes
- Garnering volunteers from the organisation (Boondein) to contribute towards CSR initiatives

Independent Auditors' Report

TO THE MEMBERS OF L&T FINANCE LIMITED (formerly FAMILY CREDIT LIMITED)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of L&T FINANCE LIMITED(formerly FAMILY CREDIT LIMITED)(the "Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 Standalone 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 standalone 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 prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 standalone 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 standalone financial statements based on our audit.

In conducting 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 of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note 29.15 of the financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the financial statements of the Company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit,we report, to the extent applicable 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 relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor

Education and Protection Fund by the Company.

- iv. To the best of our information and according to the information and explanations given to us, we report that, except where, for reasons explained in note no. 29.14 to the financial statements, the disclosures with regard to the Specified Bank Notes ("SBNs") were restricted to readily available information and also considering that certain amounts directly deposited into the bank accounts by the customers for which information relating to SBNs was not available has been classified as "Permitted receipts/ Other Denomination Notes", the Company has provided requisite disclosures in the financial statements as regards its holding and dealings in SBNs, as defined in the Notification S.O. 3407(E) dated 8th November, 2016, of the Ministry of Finance, during the period from November 9, 2016 to December 30, 2016. Based on audit procedures performed by us and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained for the purpose of preparation of the financial statements and as produced before us by the management.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "CARO 2016 Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)

Mumbai, 2nd May, 2017

Annexure 'A' To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of L&T FINANCE LIMITED (formerly Family Credit Limited) (the "Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)

Mumbai, 2nd May, 2017

Annexure 'B' To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed and other relevant document which evidences title provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet, except the following:

Particulars of the land and building	Carrying amount as at 31 Mar 2017 ₹ lakh	Remarks
Building located at Baroda	8.33	The title deeds are in the name of L&T FinCorp Limited, erstwhile Company that was merged with the Company in terms of the approval of the Honourable High Courts of judicature.
Building located at Mumbai	3,039.13	The title deeds are in the name of L&T Finance Limited, erstwhile Company that was merged with the Company in terms of the approval of the Honourable High Courts of judicature.

- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Companies (Auditor's Report) Order, 2016 (the "CARO 2016 Order") is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Custom Duty, Excise Duty and corresponding cess during the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ₹ lakh	Amount unpaid ₹ lakh
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	Joint Commissioner (Appeal)	2000-01	100.71	83.21
			2004-05	111.19	104.19
			2007-08	547.27	513.27
			2008-09	53.76	48.39
			2011-12	366.94	366.94
		Deputy Commissioner (Appeal)	1995-96	0.40	0.32
			1996-97	5.29	4.00
			1998-99	1.07	1.07
			2000-01	0.31	0.19
			2002-03	0.40	-
	2011-12		27.69	22.15	
	Tribunal	2012-13	4.16	3.74	
		1996-97	9.78	9.78	
		2003-04	4.78	4.27	
		2006-07	17.50	-	
	Appellate Board	2007-08	30.03	-	
2010-11		210.19	210.19		
Refusal of input tax credit (ITC)	Joint Commissioner (Appeal)	2009-10	13.25	13.25	
		2011-12	16.77	16.77	
		2012-13	47.83	47.83	
		2013-14	21.78	19.98	
			9.22	9.22	
		High Court	2006-07 to 2013-14	678.14	452.10
	Local hire purchase turnover made taxable	High Court	1999-00	7.05	7.05
Service Tax under Finance Act, 1994	Service tax levied on receipt of interest on delayed payment	Service tax levied on receipt of interest on delayed payment	2005-06 to 2011-12	90.14	90.14

There are no dues of Customs Duty, Excise Duty, and Value Added Tax as on March 31, 2017 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised any funds by way of initial public offer/ further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is

in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash

transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Sanjiv V. Pilgaonkar

Partner
(Membership No. 39826)

Mumbai, 2nd May, 2017

Balance Sheet as at March 31, 2017

(₹ in Lakh)

	Note No	As at March 31, 2017	As at March 31, 2016
A. EQUITY AND LIABILITIES:			
1. Shareholders' funds			
Share capital	2	144,004.73	20,430.96
Reserves and surplus	3	543,934.16	42,765.93
		687,938.89	63,196.89
2. Non-current liabilities			
Long-term borrowings	4	1,531,439.66	280,398.88
Other long term liabilities	5	14,792.86	2,280.13
Long-term provisions	6	8,838.26	911.97
		1,555,070.78	283,590.98
3. Current liabilities			
Short-term borrowings	7	997,051.60	114,291.66
Current maturities of long term borrowings	4	254,479.00	54,570.33
Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,529.13	1,559.13
Other current liabilities	9	91,594.75	13,702.96
Short-term provisions	10	5,018.69	4,818.44
		1,354,673.17	188,942.52
Total equity and liabilities		3,597,682.84	535,730.39
B. ASSETS:			
1. Non-current assets			
Fixed assets			
Tangible assets			
Tangible assets	11	16,025.31	295.21
Intangible assets		262,143.54	95.44
Capital work-in-progress		20.31	-
Intangible assets under development		65.42	41.50
Non-current investments	12	123,624.81	4,190.00
Deferred tax assets (net)	13	37,253.96	5,169.16
Long-term loans and advances	14	16,331.71	332.43
Long-term loans and advances towards financing activities	15	1,781,833.50	277,088.27
Other non-current assets	16	16,914.26	2,624.58
		2,254,212.82	289,836.59
2. Current assets			
Current investments	17	186,072.17	171.05
Trade receivables	18	1,491.84	-
Cash and cash equivalents	19	29,487.59	4,431.39
Short-term loans and advances	20	6,056.95	4,468.49
Short-term loans and advances towards financing activities	21	217,123.82	-
Current maturities of long term loans and advances towards financing activities	15	829,716.52	226,078.97
Other current assets	22	73,521.13	10,743.90
		1,343,470.02	245,893.80
Total assets		3,597,682.84	535,730.39
See accompanying notes forming part of the financial statements	1 to 29		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 2, 2017

**For and on behalf of board of directors of
L&T Finance Limited (Erstwhile Family Credit Limited)**

Dinanath Dubhashi
Director
(DIN : 03545900)

Amit Bhandari
Company Secretary
Place : Mumbai
Date : May 2, 2017

Prabhakar B.
Director
(DIN : 02101808)

Amol Joshi
Head Accounts
(Chief Financial Officer)

Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lakh)

	Note No	Year ended March 31, 2017	Year ended March 31, 2016
A. INCOME:			
1. Revenue from operations	23	408,205.22	77,114.56
2. Other income	24	6,292.32	170.41
3. Total Income (1+2)		414,497.54	77,284.97
B. EXPENSES:			
Finance costs	25	195,951.53	30,599.31
Employee benefits expense	26	30,087.20	5,325.85
Administration and other expenses	27	36,016.53	16,356.54
Allowances and write offs	28	78,833.74	11,304.92
Depreciation and amortisation		70,766.80	266.78
4. Total expenses		411,655.80	63,853.40
5. Profit before tax (3-4)		2,841.74	13,431.57
Tax expense:			
Current tax		13,783.40	5,542.01
Deferred tax		(12,545.83)	(849.95)
6. Tax expense		1,237.57	4,692.06
7. Profit after tax (5-6)		1,604.17	8,739.51
Earnings per equity share: 29.6			
Basic earnings per equity share (₹)		0.11	4.28
Diluted earnings per equity share (₹)		0.11	4.28
Face value per equity share (₹)		10.00	10.00
See accompanying notes forming part 1 to 29 of the financial statements			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 2, 2017

**For and on behalf of board of directors of
L&T Finance Limited (Erstwhile Family Credit Limited)**

Dinanath Dubhashi
Director
(DIN : 03545900)

Amit Bhandari
Company Secretary
Place : Mumbai
Date : May 2, 2017

Prabhakar B.
Director
(DIN : 02101808)

Amol Joshi
Head Accounts
(Chief Financial Officer)

Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
A. Cash flow from operating activities		
Profit before tax	2,841.74	13,431.57
Adjustments for:		
Depreciation and amortisation	70,766.80	266.78
(Profit)/ Loss on sale of investments (net)	(6,175.74)	(58.41)
(Profit)/ Loss on sale of fixed assets (net)	1,467.19	(2.29)
Provision for Gratuity	287.94	41.96
Provision for diminution in value of investments	2,588.18	138.74
Loss on foreclosure of loans and bad debts write offs	23,764.26	9,018.15
Provision for non-performing assets	35,900.85	2,945.29
Provision for standard assets	16,400.22	(347.39)
Provision for restructured assets	180.23	87.00
Operating profit before working capital changes	148,021.67	25,521.40
Changes in working capital		
(Increase)/ Decrease in trade and other receivables and advances	10,297.87	(4,459.41)
Increase/ (Decrease) in trade and other payables	(39,253.36)	4,934.68
Cash generated from operations	119,066.18	25,996.67
Direct taxes paid	(21,359.72)	(2,745.01)
Loans disbursed (net of repayments)	(345,637.85)	(175,318.77)
Net cash flow from/(used in) operating activities (A)	(247,931.39)	(152,067.11)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of fixed assets	2,600.75	2.91
Sale of current investments	161,782.14	135,307.99
Interest income	5,061.64	-
Sale of non current investments	810.15	-
	170,254.68	135,310.90
Less : Outflow from investing activities		
Purchase of fixed assets (including capital work in progress)	1,613.01	282.59
Purchase of non current investments	99,250.87	1,890.00
Purchase of current investments	320,279.95	120,250.00
	421,143.83	122,422.59
Net cash from/(used in) investing activities (B)	(250,889.15)	12,888.31

Cash Flow Statement for the year ended March 31, 2017

(₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from long term borrowings	6,650,681.09	1,139,658.91
Net proceeds from short term borrowings	516,454.08	-
	7,167,135.17	1,139,658.91
Less : Outflow from financing activities		
Repayments of long term borrowings	6,641,500.06	981,846.54
Net repayments of short term borrowings	-	16,575.49
Shares / Debenture issue expenses	190.23	95.87
Dividend paid (including dividend distribution tax)	16,890.02	-
	6,658,580.31	998,517.90
Net cash generated from/(used in) financing activities (C)	508,554.86	141,141.01
Net cash increase / (decrease) in cash and cash equivalents (A+B+C)	9,734.32	1,962.21
Cash and cash equivalents as at beginning of the year	4,426.51	2,464.30
Cash and cash equivalent transferred under Scheme of merger	15,321.47	-
Cash and cash equivalents as at end of the year	29,482.30	4,426.51
Reconciliation of Cash and Cash Equivalents		
Closing Balance as per Balance Sheet	29,487.59	4,431.39
Less : Deposits with original maturity for more than 3 months	5.29	4.88
Cash and cash equivalents as at end of the year	29,482.30	4,426.51
Notes:		
1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.		
2. Purchase of fixed assets includes movements of capital work in progress during the year.		
3. Cash and cash equivalents represent cash and bank balances.		
4. Previous year figures have been regrouped/reclassified wherever applicable.		
5. Net cash used in operating activities is determined after adjusting the following:		
Interest received	359,663.39	61,118.44
Dividend received	-	-
Interest paid	203,445.92	11,280.25
6. Non cash items:		
Net cash used in investing activities excludes investment aggregating ₹ 2,718.28 lakh (previous year ₹ Nil) acquired against claims.		

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : May 2, 2017

**For and on behalf of board of directors of
L&T Finance Limited (Erstwhile Family Credit Limited)**

Dinanath Dubhashi
Director
(DIN : 03545900)

Amit Bhandari
Company Secretary
Place : Mumbai
Date : May 2, 2017

Prabhakar B.
Director
(DIN : 02101808)

Amol Joshi
Head Accounts
(Chief Financial Officer)

Notes to the Financial Statements for the period ended March 31, 2017

1. Basis of accounting and preparation of financial statements and summary of significant accounting policies

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, and the provisions of the Reserve Bank of India ('RBI') as applicable to a non banking financial company. The financial statements have been prepared under historical cost convention on an accrual basis.

The accounting policies adopted in preparation of financial statements are consistent with those used in the previous year.

1.2 Summary of significant accounting policies

1.2.1 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expense during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.2.2 Cash flow Statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.2.3 Tangible and Intangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital Work in Progress: Projects under which tangible Fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets not ready for the intended use on the date of balance sheet are disclosed as "Intangible assets under development".

1.2.4 Depreciation on Tangible Fixed Assets

Depreciation on tangible fixed assets is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer software- 3 years

Notes to the Financial Statements for the period ended March 31, 2017

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Particulars	Nature	Useful Life adopted (in years)	Useful Life as per Schedule II (in years)
Plant & Equipments	Operating Lease	8.84	15
Motor car	Operating Lease	6.67	8

Fixed assets costing upto ₹ 5,000 individually are depreciated fully in the year of purchase.

1.2.5 Impairment of tangible and intangible assets

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

1.2.6 Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are valued scrip-wise and depreciation/appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for.

Long-term investments are carried at acquisition/amortised cost. Investment in debentures which are, in substance, in the nature of credit substitutes are classified as a part of Loans towards financing activities and are measured in accordance with the criteria applied for the measurement of loans towards financing activities. Provision is made for diminution other than temporary on an individual investment basis.

1.2.7 Revenue Recognition

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.
- Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.
- Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.

1.2.8 Other Income

Dividend is accounted when the right to its receipt is established.

1.2.9 Classification and provisioning of loan portfolio

Loans towards financing activities are classified under four categories i.e. (i) Standard Assets (ii) Sub- Standard Assets (iii) Doubtful Assets and (iv) Loss Assets in accordance with RBI Guidelines.

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

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

Notes to the Financial Statements for the period ended March 31, 2017

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

1.2.10 Retirement and other employee benefits

i) Defined-Contribution Plans

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

ii) Defined-Benefits Plans

The Company makes annual contributions to the Fund administered by trustees and managed by an insurance company. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the "Projected Unit Credit" method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

iii) Other Employee Benefits

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

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

1.2.11 Foreign Currency Transactions

- (i) All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.
- (ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.
- (iii) Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

1.2.12 Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

1.2.13 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

Notes to the Financial Statements for the period ended March 31, 2017

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.

1.2.14 Provisions Contingent liabilities and Contingent Assets

- (i) A provision is recognised when the company has a present obligation as a result of past event, that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Contingent Liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

1.2.15 Leases

Where the company is lessee

Operating lease:

Operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term in accordance with Accounting Standard 19 on 'Leases' as notified under the Rule 7 of the Companies (Accounts) Rules, 2014. Initial direct costs incurred specifically for operating leases are recognised as expenses in the year in which they are incurred.

Where the company is lessor

Finance Lease:

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Operating Lease:

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

1.2.16 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.2.17 Employee Stock Option Plan

The Employees Stock Options Scheme ("the Scheme") has been established by the holding company (i.e. L&T Finance Holdings Limited).

Notes to the Financial Statements for the period ended March 31, 2017

The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest in a graded manner. The options may be exercised with in specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the intrinsic value method to account for its stock based employee compensation plans. Stock options were granted to the employees of the Company during the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16. The cost incurred by the holding company, in respect of options granted to employees of the Company are being charged to the statement of profit and loss during the period and recovered by the holding Company.

1.2.18 Earnings Per Share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard ("AS") 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 is 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.

1.2.19 Debenture Issue Expenses

Expenses incurred on issue of debentures are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

1.2.20 Share Issue Expenses

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

1.2.21 Service tax input credit

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

2 Share capital

(₹ in Lakh)

(I) Share capital authorised, issued and subscribed

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
Authorised Shares				
Equity shares of ₹ 10 each	2,664,309,610	266,430.96	354,309,610	35,430.96
Preference Shares of ₹ 100 each	1,000,000	1,000.00	1,000,000	1,000.00
Issued, Subscribed & Paid up shares				
Equity shares of ₹ 10 each fully paid up	1,440,047,294	144,004.73	204,309,610	20,430.96
		144,004.73		20,430.96

(II) Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting period/year

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
At the beginning of the year	204,309,610	20,430.96	204,309,610	20,430.96
Issued during the year	1,235,737,684	123,573.77	-	-
Outstanding at the end of the year	1,440,047,294	144,004.74	204,309,610	20,430.96

Notes to the Financial Statements for the period ended March 31, 2017

(III) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Equity Shares	As at	As at
	March 31, 2017	March 31, 2016
	No. of Shares	No. of Shares
Fully paid up pursuant to contract(s) without payment being received in cash	1,235,737,684	-

(IV) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. During the year, the company has declared and paid interim dividend of ₹ 5.141 per share (previous year : ₹ Nil per equity share).

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

(V) Shares held by holding company

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
L&T Finance Holdings Limited(Holding company) directly or through it's nominee (Equity Shares of ₹ 10 each fully paid)	1,440,047,294	144,004.73	204,309,610	20,430.96

(VI) Details of shareholders holding more than 5% shares in the company

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% holding	No. of Shares	% holding
L&T Finance Holdings Limited(Holding company) directly or through it's nominee (Equity Shares of ₹ 10 each fully paid)	1,440,047,294	100%	204,309,610	100%

Notes to the Financial Statements for the period ended March 31, 2017

3 Reserves & Surplus

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
(I) Securities premium account		
Balance as per last financial statements	45,709.95	45,805.82
Addition during the year	518,886.25	-
Less: Debenture issue expenses adjusted during the year (net of tax ₹ 65.84 lakhs, previous year ₹ 50.87 lakhs)	124.39	95.87
Closing Balance	564,471.81	45,709.95
(II) Debenture redemption reserve		
Balance as per last financial statements	-	-
Add: Transferred from Transferrer company on Amalgamation	10,212.16	-
Less: Transferred to Amalgamation Adjustment Account	2,690.27	-
Closing Balance	7,521.89	-
(III) Reserve u/s 45-IC of RBI Act, 1934		
Balance as per last financial statements	6,872.10	5,124.20
Add: Transferred from Transferrer company on Amalgamation	45,448.80	-
Add: Transferred from surplus in the statement of Profit and Loss	320.83	1,747.90
Closing Balance	52,641.73	6,872.10
(IV) Capital redemption reserve		
Balance as per last financial statements	320.00	320.00
Closing Balance	320.00	320.00
(V) Reserve u/s 36(1)(viii) of Income tax Act		
Balance as per last financial statements	-	-
Add: Transferred from Transferrer company on Amalgamation	881.45	-
Closing Balance	881.45	-
(VI) Amalgamation Adjustment Reserve		
Balance as per last financial statements	-	-
Add : Transferred from Transferrer company on Amalgamation	(56,542.41)	-
Add : Transferred from Debenture Redemption Reserve	2,690.27	-
Closing Balance	(53,852.14)	-
(VII) Unamortised loss on sale of loans		
Balance as per last financial statements	-	-
Adjustment during the year	(2,307.78)	-
Closing Balance	(2,307.78)	-

Notes to the Financial Statements for the period ended March 31, 2017

3 Reserves & Surplus

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
(VII) Surplus in the statement of Profit and Loss		
Balance as per last financial statements	(10,136.12)	(17,127.73)
Add: Net profit for the year	1,604.17	8,739.51
Less : Appropriations		
Interim Dividend paid during the year	14,033.20	-
Dividend Distribution Tax	2,856.82	-
Transfer to reserve u/s 45-IC of RBI Act, 1934	320.83	1,747.90
Unamortised loss on sale of loans	-	-
Net surplus in the statement of profit and loss	(25,742.80)	(10,136.12)
Total reserves and surplus	543,934.16	42,765.93

4 Long term borrowings

(₹ in Lakh)

	As at March 31, 2017		As at March 31, 2016	
	Non current portion	Current maturities	Non current portion	Current maturities
(I) Secured				
Redeemable non convertible debentures (refer note 4(a))	482,072.22	215,425.00	61,400.00	50,400.00
Less : Buy Back	(1,890.23)	-	-	-
Term loans				
- From banks (refer note 4(b))	404,757.67	18,584.00	82,498.88	4,170.33
- Foreign currency loan	-	12,970.00	-	-
Working capital demand loan (refer note 4(c))	192,000.00	-	-	-
Total I	1,076,939.66	246,979.00	143,898.88	54,570.33
(II) Unsecured				
Redeemable non convertible debentures (refer note 4(a))	109,000.00	7,500.00	26,500.00	-
Working capital demand loan (refer note 4(c))	345,500.00	-	110,000.00	-
Total II	454,500.00	7,500.00	136,500.00	-
Total Long Term Borrowings (I + II)	1,531,439.66	254,479.00	280,398.88	54,570.33

4.(I).(i) Security: The Debentures are secured by way of first/second charge, having pari passu rights, as the case may be, on the company's specified immovable properties and specified Lease/Term Loan receivables.

4. (I).(ii) During the year, the Company has bought back and extinguished NIL (Previous year Nil) nos. of debentures of ₹ 1,000 each aggregating to ₹ NIL (Previous year ₹ Nil). Apart from this, the Company has bought back and is holding 45,773 nos. (Previous year 32,618 nos.) debentures of ₹ 1000 each aggregating to ₹ 457.73 Lakhs (Previous year ₹ 326.18 Lakhs) as on March 31, 2017, pending extinguishment / re-issue of the same.

4.(I).(iii) Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Notes to the Financial Statements for the period ended March 31, 2017

Note 4a

Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
SERIES A OF FY 2013-14	₹ 10 Lakh each	03/01/14	40,000.00	40,000.00	-	9.05%	05/04/18	Redeemable at par at the end of 1553 days from the date of allotment
SERIES L FY 14-15	₹ 100 Lakh each	13/03/15	10,000.00	-	10,000.00	9.10%	28/03/18	Redeemable at par at the end of 1111 days from the date of allotment
SERIES Q FY 2014-15	₹ 100 Lakh each	13/03/15	15,000.00	-	15,000.00	9.10%	28/03/18	Redeemable at par at the end of 1111 days from the date of allotment
SERIES A FY 2016-17 OPT 1	₹ 25 Lakh each	13/04/16	14,500.00	-	14,500.00	8.64%	28/03/18	Redeemable at par at the end of 714 days from the date of allotment
SERIES P FY 2014-15 Opt V	₹ 25 Lakh each	24/02/15	2,200.00	-	2,200.00	9.24%	06/03/18	Redeemable at par at the end of 1106 days from the date of allotment
SERIES P FY 2014-15 Opt II	₹ 25 Lakh each	24/02/15	500.00	-	500.00	9.24%	23/02/18	Redeemable at par at the end of 1095 days from the date of allotment
SERIES P FY 14-15 OPT I	₹ 25 Lakh each	24/02/15	500.00	-	500.00	9.15%	07/02/18	Redeemable at par at the end of 1079 days from the date of allotment
SERIES N - OPT II FY 14-15	₹ 25 Lakh each	21/01/15	12,000.00	-	12,000.00	9.20%	19/01/18	Redeemable at par at the end of 1094 days from the date of allotment
SERIES L FY 14-15 OPT III	₹ 25 Lakh each	26/12/14	900.00	-	900.00	9.06%	06/12/17	Redeemable at par at the end of 1076 days from the date of allotment
SERIES P FY 2014-15 Opt IV	₹ 25 Lakh each	24/02/15	2,500.00	2,500.00	-	9.25%	24/02/20	Redeemable at par at the end of 1826 days from the date of allotment
SERIES I FY 14-15 OPT III	₹ 25 Lakh each	07/11/14	900.00	-	900.00	9.31%	07/11/17	Redeemable at par at the end of 1096 days from the date of allotment
SERIES I FY 14-15 OPT II	₹ 25 Lakh each	28/10/14	1,000.00	-	1,000.00	9.57%	27/10/17	Redeemable at par at the end of 1095 days from the date of allotment
SERIES P FY 14-15 OPT III	₹ 25 Lakh each	24/02/15	15,000.00	15,000.00	-	9.22%	15/06/18	Redeemable at par at the end of 1207 days from the date of allotment
SERIES L FY 15-16 OPT I	₹ 25 Lakh each	29/10/15	12,500.00	-	12,500.00	8.61%	29/09/17	Redeemable at par at the end of 701 days from the date of allotment
SERIES K FY 15-16	₹ 25 Lakh each	26/10/15	10,000.00	-	10,000.00	8.61%	25/09/17	Redeemable at par at the end of 700 days from the date of allotment
SERIES L FY 15-16 OPT II	₹ 25 Lakh each	29/10/15	10,000.00	-	10,000.00	8.61%	25/09/17	Redeemable at par at the end of 697 days from the date of allotment
SERIES A FY 2015-16 OPT 7	₹ 25 Lakh each	17/04/15	11,000.00	11,000.00	-	8.85%	17/04/18	Redeemable at par at the end of 1096 days from the date of allotment
SERIES D FY 2015-16 OPT 1	₹ 25 Lakh each	31/08/15	12,500.00	-	12,500.00	8.93%	31/08/17	Redeemable at par at the end of 731 days from the date of allotment
SERIES A FY 2015-16 OPT 9	₹ 25 Lakh each	17/04/15	1,800.00	1,800.00	-	8.86%	24/04/18	Redeemable at par at the end of 1103 days from the date of allotment
SERIES A FY 2015-16 OPT 8	₹ 25 Lakh each	17/04/15	2,225.00	2,225.00	-	8.86%	19/04/18	Redeemable at par at the end of 1098 days from the date of allotment
SERIES A FY 2015-16 OPT 6	₹ 25 Lakh each	17/04/15	6,000.00	6,000.00	-	8.86%	16/04/18	Redeemable at par at the end of 1095 days from the date of allotment
SERIES A FY 2015-16 OPT 5	₹ 25 Lakh each	17/04/15	175.00	175.00	-	8.86%	12/04/18	Redeemable at par at the end of 1091 days from the date of allotment
SERIES C FY 2015-16 OPT 1	₹ 25 Lakh each	07/08/15	10,000.00	-	10,000.00	8.97%	07/08/17	Redeemable at par at the end of 731 days from the date of allotment
SERIES C FY 2015-16 OPT 2	₹ 25 Lakh each	07/08/15	4,000.00	-	4,000.00	8.98%	04/08/17	Redeemable at par at the end of 728 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2017

Note 4a

Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
SERIES F FY 15-16 OPT VI	₹ 25 Lakh each	12/06/15	2,200.00	-	2,200.00	8.80%	01/08/17	Redeemable at par at the end of 781 days from the date of allotment
SERIES A FY 2015-16 OPT 4	₹ 25 Lakh each	29/04/15	850.00	850.00	-	8.92%	23/04/18	Redeemable at par at the end of 1090 days from the date of allotment
SERIES K FY 14-15 OPT II	₹ 25 Lakh each	30/01/15	12,500.00	-	12,500.00	8.62%	28/07/17	Redeemable at par at the end of 910 days from the date of allotment
SERIES G FY 2015-16 OPT 2	₹ 25 Lakh each	26/06/15	2,925.00	-	2,925.00	8.90%	27/07/17	Redeemable at par at the end of 762 days from the date of allotment
SERIES F FY 15-16 OPT V	₹ 25 Lakh each	12/06/15	150.00	-	150.00	8.80%	24/07/17	Redeemable at par at the end of 773 days from the date of allotment
SERIES H FY 2015-16 OPT 2	₹ 25 Lakh each	21/07/15	5,000.00	-	5,000.00	8.91%	21/07/17	Redeemable at par at the end of 731 days from the date of allotment
SERIES B FY 2015-16 OPT 5	₹ 25 Lakh each	11/05/15	200.00	200.00	-	8.86%	07/05/18	Redeemable at par at the end of 1092 days from the date of allotment
SERIES B FY 2015-16 OPT 4	₹ 25 Lakh each	11/05/15	600.00	600.00	-	8.85%	30/04/18	Redeemable at par at the end of 1085 days from the date of allotment
SERIES G FY 2015-16 OPT 2	₹ 25 Lakh each	13/07/15	1,000.00	-	1,000.00	8.98%	13/07/17	Redeemable at par at the end of 731 days from the date of allotment
SERIES H FY 2015-16 OPT 1	₹ 25 Lakh each	21/07/15	1,550.00	-	1,550.00	8.92%	12/07/17	Redeemable at par at the end of 722 days from the date of allotment
SERIES G FY 2015-16 OPT 1	₹ 25 Lakh each	13/07/15	5,000.00	-	5,000.00	8.99%	06/07/17	Redeemable at par at the end of 724 days from the date of allotment
SERIES C FY 2015-16 OPT 5	₹ 25 Lakh each	20/05/15	2,600.00	2,600.00	-	8.87%	20/05/20	Redeemable at par at the end of 1827 days from the date of allotment
SERIES C FY 2015-16 OPT 3	₹ 25 Lakh each	20/05/15	1,500.00	1,500.00	-	8.91%	18/05/18	Redeemable at par at the end of 1094 days from the date of allotment
SERIES C FY 2015-16 OPT 8	₹ 25 Lakh each	20/05/15	3,200.00	3,200.00	-	8.91%	22/05/18	Redeemable at par at the end of 1098 days from the date of allotment
SERIES G FY 2015-16 OPT 1	₹ 25 Lakh each	26/06/15	17,500.00	-	17,500.00	8.90%	26/06/17	Redeemable at par at the end of 731 days from the date of allotment
SERIES C FY 2015-16 OPT 4	₹ 25 Lakh each	20/05/15	4,700.00	4,700.00	-	8.90%	11/06/18	Redeemable at par at the end of 1118 days from the date of allotment
SERIES C FY 2015-16 OPT 2	₹ 25 Lakh each	20/05/15	3,000.00	3,000.00	-	8.91%	15/05/18	Redeemable at par at the end of 1091 days from the date of allotment
SERIES C FY 2015-16 OPT 1	₹ 25 Lakh each	20/05/15	625.00	625.00	-	8.91%	14/05/18	Redeemable at par at the end of 1090 days from the date of allotment
SERIES F 15-16	₹ 25 Lakh each	30/06/15	1,800.00	-	1,800.00	8.96%	26/06/17	Redeemable at par at the end of 727 days from the date of allotment
SERIES D FY 2015-16 OPT 3	₹ 25 Lakh each	27/05/15	4,050.00	4,050.00	-	8.88%	27/05/19	Redeemable at par at the end of 1461 days from the date of allotment
SERIES E FY 2015-16 OPT 2	₹ 25 Lakh each	04/06/15	300.00	-	300.00	8.80%	20/06/17	Redeemable at par at the end of 747 days from the date of allotment
SERIES C F.Y.14-15 - III	₹ 25 Lakh each	25/06/14	2,400.00	-	2,400.00	9.76%	19/06/17	Redeemable at par at the end of 1090 days from the date of allotment
SERIES F FY 15-16 OPT IV	₹ 25 Lakh each	12/06/15	225.00	-	225.00	8.82%	19/06/17	Redeemable at par at the end of 738 days from the date of allotment
SERIES E FY 2015-16 OPT 2	₹ 25 Lakh each	23/06/15	2,800.00	-	2,800.00	8.96%	19/06/17	Redeemable at par at the end of 727 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2017

Note 4a

Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
SERIES F FY 15-16 OPT III	₹ 25 Lakh each	12/06/15	300.00	-	300.00	8.82%	12/06/17	Redeemable at par at the end of 731 days from the date of allotment
SERIES E FY 2015-16 OPT 4	₹ 25 Lakh each	04/06/15	500.00	500.00	-	8.85%	04/06/18	Redeemable at par at the end of 1096 days from the date of allotment
SERIES E FY 2015-16 OPT 7	₹ 25 Lakh each	04/06/15	2,500.00	2,500.00	-	8.88%	04/06/19	Redeemable at par at the end of 1461 days from the date of allotment
SERIES E FY 2015-16 OPT 6	₹ 25 Lakh each	04/06/15	2,000.00	2,000.00	-	8.85%	24/12/18	Redeemable at par at the end of 1299 days from the date of allotment
SERIES E FY 2015-16 OPT 5	₹ 25 Lakh each	04/06/15	1,700.00	1,700.00	-	8.85%	22/11/18	Redeemable at par at the end of 1267 days from the date of allotment
SERIES E FY 2015-16 OPT 3	₹ 25 Lakh each	04/06/15	3,700.00	3,700.00	-	8.85%	04/06/18	Redeemable at par at the end of 1096 days from the date of allotment
SERIES D FY 2015-16 OPT 4	₹ 25 Lakh each	12/06/15	600.00	-	600.00	8.91%	12/06/17	Redeemable at par at the end of 731 days from the date of allotment
SERIES D FY 2015-16 OPT 3	₹ 25 Lakh each	12/06/15	2,500.00	-	2,500.00	8.91%	07/06/17	Redeemable at par at the end of 726 days from the date of allotment
SERIES E FY 2015-16 OPT 1	₹ 25 Lakh each	23/06/15	200.00	-	200.00	8.95%	06/06/17	Redeemable at par at the end of 714 days from the date of allotment
SERIES D FY 2015-16 OPT 2	₹ 25 Lakh each	12/06/15	400.00	-	400.00	8.91%	05/06/17	Redeemable at par at the end of 724 days from the date of allotment
SERIES F FY 15-16 OPT II	₹ 25 Lakh each	12/06/15	250.00	-	250.00	8.82%	31/05/17	Redeemable at par at the end of 719 days from the date of allotment
SERIES C FY 2015-16 OPT 4	₹ 25 Lakh each	27/05/15	1,500.00	-	1,500.00	8.91%	29/05/17	Redeemable at par at the end of 733 days from the date of allotment
SERIES D FY 2015-16 OPT 2	₹ 25 Lakh each	27/05/15	500.00	-	500.00	8.80%	26/05/17	Redeemable at par at the end of 730 days from the date of allotment
SERIES C FY 2015-16 OPT 2	₹ 25 Lakh each	27/05/15	500.00	-	500.00	8.91%	24/05/17	Redeemable at par at the end of 728 days from the date of allotment
SERIES C FY 2015-16 OPT 2	₹ 25 Lakh each	27/05/15	1,650.00	-	1,650.00	8.91%	22/05/17	Redeemable at par at the end of 726 days from the date of allotment
SERIES E FY 2015-16 OPT 3	₹ 25 Lakh each	23/06/15	500.00	500.00	-	8.95%	07/01/19	Redeemable at par at the end of 1294 days from the date of allotment
SERIES B FY 2015-16 OPT 3	₹ 25 Lakh each	11/05/15	1,050.00	-	1,050.00	8.86%	15/05/17	Redeemable at par at the end of 735 days from the date of allotment
SERIES C FY 2015-16 OPT 7	₹ 25 Lakh each	20/05/15	1,225.00	-	1,225.00	8.81%	15/05/17	Redeemable at par at the end of 726 days from the date of allotment
SERIES G FY 2015-16 OPT 4	₹ 25 Lakh each	26/06/15	500.00	500.00	-	8.90%	26/06/18	Redeemable at par at the end of 1096 days from the date of allotment
SERIES C FY 2015-16 OPT 1	₹ 25 Lakh each	27/05/15	250.00	-	250.00	8.90%	09/05/17	Redeemable at par at the end of 713 days from the date of allotment
SERIES G FY 2015-16 OPT 3	₹ 25 Lakh each	26/06/15	1,000.00	1,000.00	-	8.91%	20/06/18	Redeemable at par at the end of 1090 days from the date of allotment
SERIES A FY 2015-16 OPT 3	₹ 25 Lakh each	29/04/15	1,825.00	-	1,825.00	8.87%	04/05/17	Redeemable at par at the end of 736 days from the date of allotment
SERIES B FY 2015-16 OPT 2	₹ 25 Lakh each	11/05/15	4,900.00	-	4,900.00	8.80%	02/05/17	Redeemable at par at the end of 722 days from the date of allotment
SERIES H FY 2015-16 OPT 3	₹ 25 Lakh each	08/07/15	6,000.00	6,000.00	-	8.92%	06/07/18	Redeemable at par at the end of 1094 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2017

Note 4a

Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
SERIES H FY 2015-16 OPT 4	₹ 25 Lakh each	08/07/15	2,600.00	2,600.00	-	8.93%	17/07/18	Redeemable at par at the end of 1105 days from the date of allotment
SERIES H FY 2015-16 OPT 2	₹ 25 Lakh each	08/07/15	3,500.00	3,500.00	-	8.93%	05/07/18	Redeemable at par at the end of 1093 days from the date of allotment
SERIES H FY 2015-16 OPT 1	₹ 25 Lakh each	08/07/15	3,500.00	3,500.00	-	8.93%	02/07/18	Redeemable at par at the end of 1090 days from the date of allotment
SERIES A FY 2015-16 OPT 4	₹ 25 Lakh each	17/04/15	2,200.00	-	2,200.00	8.81%	27/04/17	Redeemable at par at the end of 741 days from the date of allotment
SERIES D FY 2015-16 OPT 1	₹ 25 Lakh each	27/05/15	1,500.00	-	1,500.00	8.80%	27/04/17	Redeemable at par at the end of 701 days from the date of allotment
SERIES A FY 2015-16 OPT 1	₹ 25 Lakh each	29/04/15	1,700.00	-	1,700.00	8.87%	26/04/17	Redeemable at par at the end of 728 days from the date of allotment
SERIES A FY 2015-16 OPT 1	₹ 25 Lakh each	29/04/15	2,450.00	-	2,450.00	8.87%	25/04/17	Redeemable at par at the end of 727 days from the date of allotment
SERIES L FY 14-15 OPT IV	₹ 25 Lakh each	13/02/15	1,025.00	-	1,025.00	9.02%	17/04/17	Redeemable at par at the end of 794 days from the date of allotment
SERIES A FY 2015-16 OPT 3	₹ 25 Lakh each	17/04/15	5,500.00	-	5,500.00	8.80%	17/04/17	Redeemable at par at the end of 731 days from the date of allotment
SERIES I FY 2015-16 OPT 2	₹ 25 Lakh each	19/08/15	2,500.00	2,500.00	-	8.80%	17/08/18	Redeemable at par at the end of 1094 days from the date of allotment
SERIES I FY 2015-16 OPT 3	₹ 25 Lakh each	19/08/15	1,800.00	1,800.00	-	8.80%	03/09/18	Redeemable at par at the end of 1111 days from the date of allotment
SERIES I FY 2015-16 OPT 1	₹ 25 Lakh each	19/08/15	3,000.00	3,000.00	-	8.80%	16/08/18	Redeemable at par at the end of 1093 days from the date of allotment
SERIES J FY 15-16 OPT I	₹ 25 Lakh each	27/08/15	3,000.00	3,000.00	-	8.81%	20/08/18	Redeemable at par at the end of 1089 days from the date of allotment
SERIES A FY 2015-16 OPT 2	₹ 25 Lakh each	17/04/15	3,575.00	-	3,575.00	8.81%	06/04/17	Redeemable at par at the end of 720 days from the date of allotment
SERIES L FY 14-15 OPT III	₹ 25 Lakh each	13/02/15	500.00	-	500.00	9.03%	04/04/17	Redeemable at par at the end of 781 days from the date of allotment
SERIES A FY 2015-16 OPT 1	₹ 25 Lakh each	17/04/15	475.00	-	475.00	8.81%	04/04/17	Redeemable at par at the end of 718 days from the date of allotment
SERIES B FY 2015-16 OPT 6	₹ 25 Lakh each	11/05/15	4,000.00	-	4,000.00	8.85%	04/04/17	Redeemable at par at the end of 694 days from the date of allotment
SERIES N OF FY 15-16	₹ 25 Lakh each	29/03/16	18,500.00	18,500.00	-	8.90%	29/04/19	Redeemable at par at the end of 1126 days from the date of allotment
SERIES A FY 2016-17 OPT 7	₹ 25 Lakh each	13/04/16	400.00	400.00	-	8.68%	30/09/19	Redeemable at par at the end of 1265 days from the date of allotment
SERIES A FY 2016-17 OPT 6	₹ 25 Lakh each	13/04/16	7,500.00	7,500.00	-	8.68%	12/09/19	Redeemable at par at the end of 1247 days from the date of allotment
SERIES A FY 2016-17 OPT 5	₹ 25 Lakh each	13/04/16	27,500.00	27,500.00	-	8.69%	13/06/19	Redeemable at par at the end of 1156 days from the date of allotment
SERIES A FY 2016-17 OPT 4	₹ 25 Lakh each	13/04/16	2,500.00	2,500.00	-	8.69%	31/05/19	Redeemable at par at the end of 1143 days from the date of allotment
SERIES A FY 2016-17 OPT 3	₹ 25 Lakh each	13/04/16	1,000.00	1,000.00	-	8.70%	12/04/19	Redeemable at par at the end of 1094 days from the date of allotment
SERIES A FY 2016-17 OPT 2	₹ 25 Lakh each	13/04/16	17,000.00	17,000.00	-	8.69%	12/03/19	Redeemable at par at the end of 1063 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2017

Note 4a

Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
SERIES B FY 2015-16 OPT 1	₹ 25 Lakh each	11/05/15	3,000.00	-	3,000.00	8.78%	03/04/17	Redeemable at par at the end of 693 days from the date of allotment
SERIES A FY 16-17	₹ 25 Lakh each	20/04/16	1,000.00	1,000.00	-	8.80%	19/04/19	Redeemable at par at the end of 1094 days from the date of allotment
SERIES B FY 2016-17	₹ 25 Lakh each	20/04/16	30,000.00	30,000.00	-	8.65%	20/08/19	Redeemable at par at the end of 1217 days from the date of allotment
SERIES B FY 16-17 OPT 2	₹ 25 Lakh each	20/05/16	2,000.00	2,000.00	-	8.80%	20/05/19	Redeemable at par at the end of 1095 days from the date of allotment
SERIES B FY 16-17 OPT 1	₹ 25 Lakh each	20/05/16	5,000.00	5,000.00	-	8.80%	18/05/18	Redeemable at par at the end of 728 days from the date of allotment
SERIES A FY 2016-17 OPT 1	₹ 25 Lakh each	20/05/16	12,500.00	12,500.00	-	8.80%	21/06/19	Redeemable at par at the end of 1127 days from the date of allotment
SERIES C FY 16-17 OPT 2	₹ 25 Lakh each	24/05/16	300.00	300.00	-	8.64%	28/06/19	Redeemable at par at the end of 1130 days from the date of allotment
SERIES C FY 2016-17 OPT 1	₹ 25 Lakh each	24/05/16	5,000.00	5,000.00	-	8.65%	24/05/19	Redeemable at par at the end of 1095 days from the date of allotment
SERIES C FY 16-17 OPT 2	₹ 25 Lakh each	13/06/16	1,000.00	1,000.00	-	8.80%	11/06/21	Redeemable at par at the end of 1824 days from the date of allotment
SERIES C FY 2016-17 OPT 1	₹ 25 Lakh each	13/06/16	1,000.00	1,000.00	-	8.80%	13/06/19	Redeemable at par at the end of 1095 days from the date of allotment
SERIES D OF FY 2016-17 OPT 1	₹ 25 Lakh each	14/06/16	5,000.00	5,000.00	-	8.72%	14/06/19	Redeemable at par at the end of 1095 days from the date of allotment
SERIES E OF FY 2016-17 OPT 2	₹ 25 Lakh each	29/06/16	250.00	250.00	-	8.71%	22/07/19	Redeemable at par at the end of 1118 days from the date of allotment
SERIES E OF FY 2016-17 OPT 1	₹ 25 Lakh each	29/06/16	13,000.00	13,000.00	-	8.72%	28/06/19	Redeemable at par at the end of 1094 days from the date of allotment
SERIES F OF FY 2016-17 OPT 1	₹ 25 Lakh each	22/07/16	20,000.00	20,000.00	-	8.70%	20/07/18	Redeemable at par at the end of 728 days from the date of allotment
SERIES G FY 16-17 OPT II	₹ 25 Lakh each	03/08/16	7,500.00	7,500.00	-	8.45%	02/08/19	Redeemable at par at the end of 1094 days from the date of allotment
SERIES G FY 16-17 OPT I	₹ 25 Lakh each	03/08/16	5,000.00	5,000.00	-	8.40%	03/08/18	Redeemable at par at the end of 730 days from the date of allotment
SERIES H OF FY 2016-17 OPT 1	₹ 25 Lakh each	05/08/16	7,500.00	7,500.00	-	7.37%	05/08/19	Redeemable at par at the end of 1095 days from the date of allotment
SERIES B FY 16-17 OPT 2	₹ 25 Lakh each	05/08/16	500.00	500.00	-	8.65%	05/08/19	Redeemable at par at the end of 1095 days from the date of allotment
SERIES B FY 16-17 OPT 1	₹ 25 Lakh each	05/08/16	1,000.00	1,000.00	-	8.65%	03/08/18	Redeemable at par at the end of 728 days from the date of allotment
SERIES I FY 16-17	₹ 25 Lakh each	09/08/16	5,000.00	5,000.00	-	8.40%	09/08/19	Redeemable at par at the end of 1095 days from the date of allotment
SERIES D OF FY 2016-17 OPT 1	₹ 25 Lakh each	18/08/16	250.00	250.00	-	8.55%	05/08/19	Redeemable at par at the end of 1082 days from the date of allotment
SERIES E OF FY 2016-17 OPT 1	₹ 25 Lakh each	23/08/16	1,175.00	1,175.00	-	8.54%	30/09/19	Redeemable at par at the end of 1133 days from the date of allotment
SERIES F OF FY 16-17	₹ 25 Lakh each	08/09/16	5,000.00	5,000.00	-	8.31%	06/09/19	Redeemable at par at the end of 1093 days from the date of allotment
SERIES G 16-17	₹ 25 Lakh each	12/09/16	20,000.00	20,000.00	-	8.31%	12/09/19	Redeemable at par at the end of 1095 days from the date of allotment
SERIES J FY 16-17 OPT II	₹ 25 Lakh each	19/01/17	15,000.00	15,000.00	-	7.83%	20/01/20	Redeemable at par at the end of 1096 days from the date of allotment

Notes to the Financial Statements for the period ended March 31, 2017

Note 4a

Secured Redeemable Non Convertible Debentures as on March 31,2017 (Contd.)

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
SERIES J FY 16-17 OPT I	₹ 25 Lakh each	19/01/17	5,000.00	5,000.00	-	7.66%	18/01/19	Redeemable at par at the end of 729 days from the date of allotment
SERIES C FY 2016-17 OPT 1	₹ 25 Lakh each	22/03/17	5,000.00	5,000.00	-	7.71%	22/06/18	Redeemable at par at the end of 457 days from the date of allotment
SERIES D OPT II 16-17	₹ 25 Lakh each	27/03/17	2,500.00	2,500.00	-	7.90%	27/03/20	Redeemable at par at the end of 1096 days from the date of allotment
SERIES D OPT I 16-17	₹ 25 Lakh each	27/03/17	5,000.00	5,000.00	-	7.75%	26/04/19	Redeemable at par at the end of 760 days from the date of allotment
SERIES E FY 16-17	₹ 25 Lakh each	29/03/17	10,000.00	10,000.00	-	7.90%	29/06/20	Redeemable at par at the end of 1188 days from the date of allotment
SERIES F FY 16-17	₹ 25 Lakh each	31/03/17	30,000.00	30,000.00	-	8.07%	29/05/20	Redeemable at par at the end of 1155 days from the date of allotment
NCD 2009 SERIES 4	₹ 1000 each	17/09/09	45,981.99	45,981.99	-	10.24%	17/09/19	Redeemable at par at the end of 3652 days from the date of allotment
			695,606.99	480,181.99	215,425.00			

Unsecured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	Interest Rate % p.a.	Date of redemption	Redeemable Terms
Series F of FY 2011-12	₹ 10 Lakh each	30/12/11	20,000.00	20,000.00	-	11.50%	30/12/21	Redeemable at par at the end of 3653 days from the date of allotment
SERIES I - PD	₹ 10 Lakh each	30/03/16	5,000.00	5,000.00	-	10.10%	30/03/26	Redeemable at par at the end of 3652 days from the date of allotment
Series H of FY 2007-08	₹ 10 Lakh each	20/02/08	7,500.00	-	7,500.00	10.50%	20/02/18	Redeemable at par at the end of 3653 days from the date of allotment
Series J of FY 2012-13	₹ 10 Lakh each	21/12/12	27,500.00	27,500.00	-	9.80%	21/12/22	Redeemable at par at the end of 3652 days from the date of allotment
SERIES C OF FY 2013-14	₹ 10 Lakh each	28/02/14	2,500.00	2,500.00	-	10.90%	28/04/24	Redeemable at par at the end of 3712 days from the date of allotment
SERIES F FY 2013-14	₹ 10 Lakh each	27/03/14	5,000.00	5,000.00	-	10.90%	27/03/24	Redeemable at par at the end of 3653 days from the date of allotment
SERIES I FY 13-14	₹ 10 Lakh each	27/03/14	5,000.00	5,000.00	-	10.35%	27/03/24	Redeemable at par at the end of 3653 days from the date of allotment
SERIES E FY 14-15	₹ 10 Lakh each	30/06/14	4,000.00	4,000.00	-	10.40%	28/06/24	Redeemable at par at the end of 3651 days from the date of allotment
SERIES M FY 14-15	₹ 10 Lakh each	31/12/14	5,000.00	5,000.00	-	9.95%	31/12/24	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 14-15	₹ 10 Lakh each	30/03/15	5,000.00	5,000.00	-	9.95%	28/03/25	Redeemable at par at the end of 3651 days from the date of allotment
SERIES J FY 15-16	₹ 10 Lakh each	09/09/15	10,000.00	10,000.00	-	9.25%	09/09/25	Redeemable at par at the end of 3653 days from the date of allotment
SERIES F 15-16	₹ 10 Lakh each	29/01/16	3,200.00	3,200.00	-	9.35%	29/01/27	Redeemable at par at the end of 4018 days from the date of allotment
Series G FY 2015-16	₹ 10 Lakh each	09/02/16	1,800.00	1,800.00	-	9.35%	09/02/26	Redeemable at par at the end of 3653 days from the date of allotment
SERIES H FY 15-16	₹ 10 Lakh each	04/03/16	5,000.00	5,000.00	-	9.48%	04/03/26	Redeemable at par at the end of 3652 days from the date of allotment
SERIES M OF FY 15-16	₹ 10 Lakh each	23/03/16	10,000.00	10,000.00	-	9.30%	23/03/26	Redeemable at par at the end of 3652 days from the date of allotment
			116,500.00	109,000.00	7,500.00			

Notes to the Financial Statements for the period ended March 31, 2017

Note 4a

Secured Redeemable Non Convertible Debentures as on March 31,2016

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Bullet repayment schedule										
1-3 Yrs	8.01% - 9.00%	1	10,000.00			-	-	-	-	10,000.00
	9.01% - 10.00%	4	39,500.00	-	-	-	-	-	-	39,500.00
	10.01% - 11.00%	1	900.00			-	-	-	-	900
Above 3 years	8.01%-9.00%	-	-			-	-	4	39,000.00	39,000.00
	9.01% - 10.00%	-	-			-	-	3	22,400	22,400
			50,400.00						61,400.00	111,800.00

Unsecured Redeemable Non Convertible Debentures as on March 31,2016

(₹ in Lakh)

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Bullet repayment schedule										
Above 3 years	10%-11%	-	-	-	-	-	-	3	26,500.00	26,500.00
									26,500.00	26,500.00

Note 4 (b)

Term loans from bank (Secured) as on March 31, 2017

Repayment Term Tenure	Interest Range	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	
Bullet	Above 5 Years	8.00% - 9.00%	225,000.00	225,000.00	-
	Above 5 Years	9.00% - 10.00%	40,000.00	40,000.00	-
Half Yearly	Up to 5 Years	8.00% - 9.00%	250.00	-	250.00
	Up to 5 Years	9.00% - 10.00%	12,709.00	-	12,709.00
	Above 5 Years	8.00% - 9.00%	58,300.00	58,300.00	-
	Above 5 Years	9.00% - 10.00%	62,291.00	62,291.00	-
Quartely	Up to 5 Years	8.00% - 9.00%	1,666.67	-	1,666.67
	Up to 5 Years	9.00% - 10.00%	3,958.33	-	3,958.33
	Above 5 Years	8.00% - 9.00%	17,500.00	17,500.00	-
	Above 5 Years	9.00% - 10.00%	1,666.67	1,666.67	-
Total		423,341.67	404,757.67	18,584.00	

Notes to the Financial Statements for the period ended March 31, 2017

Note 4 (b)

Term loan from bank (Secured) as on March 31,2016

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Quarterly repayment schedule										
1-3 Yrs	10.01%-11%	6	4,170.33	6	20,949.55	12.00	61,549.33	-	-	86,669.21
			4,170.33		20,949.55	-	61,549.33	-	-	86,669.21

Note 4 (c)

Line of Credit (Secured) as on March 31, 2017

Repayment Term Tenure	Interest Range	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	
Bullet	Up to 5 Years	8.00% - 9.00%	192,000.00	192,000.00	-
Total			192,000.00	192,000.00	-

Line of Credit (Unsecured) as on March 31,2017

Repayment Term Tenure	Interest Range	Balance as at March 31,2017 (₹ lakhs)	Non-Current Portion (₹ lakhs)	Current Maturities (₹ lakhs)	
Bullet	Up to 5 Years	8.00% - 9.00%	295,500.00	295,500.00	-
		9.00% - 10.00%	50,000.00	50,000.00	-
Total			345,500.00	345,500.00	-

Note 4 (c)

Line of Credit (Secured) as on March 31,2016

(₹ in Lakh)

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Above 3 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Bullet repayment schedule										
1-3 Yrs	10%-11%	-	-	-	110,000.00	-	-	-	-	110,000.00
			-		110,000.00	-	-	-	-	110,000.00

Notes to the Financial Statements for the period ended March 31, 2017

5 Other long term liabilities (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Others		
Interest accrued but not due on debentures	12,588.39	2,246.79
Security deposits and margin money received	1,348.50	-
Construction finance - Debt Service Reserve amount and interest payable thereon	452.78	33.34
Others	403.19	-
Total other long term liabilities	14,792.86	2,280.13

6 Long term provisions (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Others		
Contingent provision against standard assets	6,428.29	911.97
Interest capitalised on restructured assets	2,409.97	-
Total long term provisions	8,838.26	911.97

7 Short term borrowings (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
(I) Secured *		
Bank overdraft/ Cash Credit	7,658.42	11,259.37
Total I	7,658.42	11,259.37
(II) Unsecured		
Commercial papers	985,050.00	104,500.00
Less: Unexpired discounting charge	20,007.82	1,467.98
Loans and advances from related parties (ICDs)	24,351.00	0.27
Total II	989,393.18	103,032.29
Total short term borrowings Total (I + II)	997,051.60	114,291.66

* Secured by first exclusive charge on specific receivables.

Notes to the Financial Statements for the period ended March 31, 2017

8 Trade payable (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
- Dues to Micro and Small Enterprises (see note below)	-	-
- Others	6,529.13	1,559.13
Total trade payable	6,529.13	1,559.13

Note : On the basis of replies received by the company in response to enquiries made, there are no dues payable at the year end to Micro, Small and Medium Enterprises nor are there other particulars that are required to be disclosed under the Companies Act, 2013 or the Micro, Small and Medium Enterprises Development Act, 2006.

9 Other current liabilities (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on borrowings	42,327.78	9,485.50
Deferred income on loan processing and assignments	530.22	-
Security deposits and cash margin money received	1,106.19	-
Short term obligations	1,307.55	-
Statutory dues	3,405.20	374.14
Advance from customers	22,957.81	1,210.25
Trade payable for capital goods	11.79	-
Bank book credit balance	1,852.38	-
Accrued expenses	11,158.48	2,441.38
Gratuity payable to fund	319.33	56.66
Other liabilities	6,618.02	135.03
Total other current liabilities	91,594.75	13,702.96

Note : No amount was due for transfer to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

10 Short term provisions (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
For employee benefits :		
Leave Encashment	831.33	260.08
Others :		
Contingent provision against standard assets	4,187.36	797.75
Provision for tax (net of advance tax)	-	3,760.61
Total short term provisions	5,018.69	4,818.44

Notes to the Financial Statements for the period ended March 31, 2017

11 Fixed Assets

Particulars	Gross Block				Accumulated Depreciation		Net Block		
	As at 1-Apr-16	Acquisition through business combination*	Gross Block Additions	Sale / Adjustment	As at 31-Mar-17	Upto 1-Apr-16	Upto 31-Mar-17	As at 1-Apr-16	As at 31-Mar-17
Tangible Assets									
Owned Assets									
Buildings	-	2,663.44	-	-	2,663.44	-	52.81	-	2,610.63
Office Equipment	304.70 (297.18)	422.81	100.72 (15.42)	182.78 (7.90)	645.45 (304.70)	244.45 (225.11)	174.92 (26.89)	391.90 (60.25)	60.25 (72.07)
Furniture and fixtures	165.12 (167.62)	677.02	123.85 (5.57)	116.20 (8.07)	849.79 (165.12)	163.16 (166.22)	205.21 (4.96)	566.05 (1.96)	1.96 (1.40)
Leasehold Renovation	632.53 (596.91)	1,295.10	432.63 (90.94)	281.05 (55.32)	2,079.21 (632.53)	555.86 (588.68)	560.32 (22.28)	1,200.42 (76.67)	76.67 (8.23)
Computers	1,272.24 (1,203.30)	1,322.12	388.57 (73.86)	671.24 (4.92)	2,311.69 (1,272.24)	1,115.92 (1,027.26)	749.24 (93.58)	1,119.25 (156.32)	156.32 (176.04)
Motor car	10.13 (10.13)	-	-	-	10.13 (10.13)	10.13 (10.13)	-	-	-
Owned Assets Leased out									
Plant and Machinery	-	5,298.85	-	1,247.62	4,051.23	-	795.77	-	3,255.46
Office Equipment	-	81.03	-	3.97	77.06	-	35.17	-	45.46
Furniture and fixtures	-	1,032.24	-	44.44	987.80	-	212.20	-	795.24
Motor car	-	10,200.25	182.68	2,590.46	7,792.47	-	1,901.01	-	5,891.46
Vehicles	-	140.26	-	89.92	50.34	-	50.34	-	-
Computers	-	243.08	-	24.03	219.05	-	69.61	-	149.44
(A)	2,384.72	23,376.20	1,228.45	5,251.71	21,737.66	2,089.52	4,806.60	1,183.77	16,025.31
	(2,275.14)	-	(185.79)	(76.21)	(2,384.72)	(2,017.40)	(147.71)	(75.59)	(295.20)
Intangible Assets									
Specialised software	1,380.74 (1,307.47)	421.31	855.89 (73.27)	5.38	2,652.56 (1,380.74)	1,285.30 (1,166.23)	613.98 (119.07)	758.66 (95.44)	95.44 (141.24)
Distribution and Customer Network Rights	-	43,880.00	-	-	43,880.00	-	8,776.00	-	35,104.00
Goodwill	-	282,851.10	-	-	282,851.10	-	56,570.22	-	226,280.88
(B)	1,380.74	327,152.41	855.89	5.38	329,383.66	1,285.30	65,960.20	5.38	262,143.54
	(1,307.47)	-	(73.27)	-	(1,380.74)	(1,166.23)	(119.07)	-	(95.44)
Total (A) + (B)	3,765.46	350,528.61	2,084.34	5,257.09	351,121.32	3,374.82	70,766.80	1,189.15	278,168.85
	(3,582.61)	-	(259.06)	(76.21)	(3,765.46)	(3,183.63)	(266.78)	(75.59)	(390.64)
									(398.98)

Note : Previous year figures are shown in brackets

* Transfer on account of amalgamation (refer note 29.15)

Notes to the Financial Statements for the period ended March 31, 2017

12 Non current investments

	Face Value	As at March 31, 2017		As at March 31, 2016	
		₹ No. of shares / Debentures	₹ in Lakh	No. of shares / Debentures	₹ in Lakh
12.(I) Trade Investments (valued at cost unless stated otherwise)					
Unquoted equity instruments					
Investment in Associates					
L&T Infra Debt Fund Limited	10	133,133,329	15,670.00	35,599,996	4,190.00
Grameen Capital India Limited	10	2,126,000	212.60	-	-
Total (A)			15,882.60		4,190.00
12.(II) Other Investments (valued at cost unless stated otherwise)					
A) Quoted instruments					
Investment in equity					
Integrated Digital Info Services Limited	10	383,334	11.73	-	-
Elque Polyesters Limited	10	194,300	19.43	-	-
Monnet Industries Limited	10	5,640	2.26	-	-
Monnet Ispat And Energy Limited	10	3,008	0.75	-	-
Monnet Project Developers Limited	10	11,280	4.51	-	-
Jaypee Infratech Limited	10	3,785,221	1,331.01	-	-
B) Unquoted instruments					
Investment in equity					
Invent Assets Securitisation & Reconstruction Private Limited	10	7,100,000	1,597.50	-	-
Alpha Micro Finance Consultants Private Limited	10	200,000	20.00	-	-
Metropoli Overseas Limited	10	99,400	14.91	-	-
Anil Chemicals and Industries Limited	10	40,000	8.00	-	-
Investments in Debentures					
Indian Overseas Bank	1,000,000	3,399	33,966.92	-	-
Punjab National Bank	1,000,000	5,000	50,000.00	-	-
Compulsory Convertible Debentures					
Bhoruka Power Corporation Limited	100,000	3,800	3,800.00	-	-
Investments in Preference Shares					
3I Infotech Limited	5	3,896,954	194.85	-	-
Grameen Capital India Limited	10	3,874,000	387.40	-	-
Investment in Units					
KKR India debt Opportunities Fund II	1,000	875,000	8,750.00	-	-
KKR India debt Opportunities Fund III	1,000	178,249	1,782.49	-	-
Security Receipt					
Phoenix ARF Scheme 6	1,000	9,843	98.43	-	-

Notes to the Financial Statements for the period ended March 31, 2017

12 Non current investments (Contd.)

	Face Value	As at March 31, 2017		As at March 31, 2016	
		₹ No. of shares / Debentures	₹ in Lakh	No. of shares / Debentures	₹ in Lakh
Phoenix ARF Scheme 9	62	6,612	4.10		
Phoenix ARF Scheme 10	982	18,889	185.49		
Phoenix ARF Scheme 11	1	44,208	0.44		
Phoenix ARF Scheme 13	1,000	27,404	274.04		
Phoenix ARF Scheme 14	1,000	34,882	348.82		
JM Financial Asset Reconstruction Company Private Limited (Series I - JMFARC-IRIS December 2016 - Trust)	1,000	6,885	68.85		
EARC Trust SC - 258 - Series I	1,000	646,510	6,465.10		
LTFL Securitisation Trust 2002			0.01		-
12% National Saving Certificate 2002 (Deposited as security with sales tax authorities)			0.04		-
Total (B)			109,337.08		-
(A + B)			125,219.68		4,190.00
Less : Provision for diminution in the value of Investments			1,594.87		-
Total non current investments			123,624.81		4,190.00
Note:					
Aggregate amount of unquoted investments			39,883.07		4,190.00
Aggregate amount of listed and quoted investments			1,369.69		-
Aggregate market value of listed and quoted investments			397.45		-
Aggregate amount of listed but not quoted investments			83,966.92		-

13 Deferred tax assets (net)

(₹ in Lakh)

Component	As at March 31, 2017	As at March 31, 2016
Deferred tax liability		
Difference between book depreciation and tax depreciation	568.49	-
Amount transferred to Special Reserve	-	-
Other item giving rise to timing difference	771.00	-
	1,339.49	-
Deferred tax assets		
Provision for NPA/interest receivable	27,148.98	4,715.76
Provision on Standard Assets	9,669.41	-
Difference between book depreciation and tax depreciation	-	226.99
Provision for gratuity and leave encashment	398.22	109.62
Other item giving rise to timing difference	1,376.84	116.79
	38,593.45	5,169.16
Net deferred tax assets	37,253.96	5,169.16

Notes to the Financial Statements for the period ended March 31, 2017

14 Long term loans and advances

(₹ in Lakh)

	As at March 31, 2017		As at March 31, 2016	
Unsecured (Considered good)				
Security Deposit		5,256.08		265.23
Capital Advances		290.38		67.20
Advance taxes (net of provision for tax ₹ 152,934.86 lakhs)		10,472.54		-
Advances recoverable in cash or in kind or for value to be received	345.26		32.55	
Less : Provision for other doubtful loans and advances	(32.55)	312.71	(32.55)	-
Total long term loans and advances		16,331.71		332.43

15 Long term loans and advances towards financing activities

(₹ in Lakh)

	As at March 31, 2017		As at March 31, 2016	
	Non current portion	Current maturities	Non current portion	Current maturities
(I) Secured				
Considered good				
Term loans	1,555,533.42	514,551.56	222,941.79	183,934.72
Finance Lease	4,436.09	2,513.17	-	-
Debentures	68,123.50	18,882.16	13,000.00	-
Less : Allowances for non-performing assets	73,780.81	-	9,492.12	-
Less: Provision on Restructured Assets	1,690.53	-	-	-
Less : Allowances for standard assets	17,324.15	-	-	-
Total I	1,535,297.52	535,946.89	226,449.67	183,934.72
(II) Unsecured				
Term loans	196,011.77	293,139.63	36,963.26	42,144.25
Debentures	53,500.00	630.00	14,000.00	-
	249,511.77	293,769.63	50,963.26	42,144.25
Less : Allowances for non-performing assets	2,975.79	-	324.66	-
Total II	246,535.98	293,769.63	50,638.60	42,144.25
Total long term loans and advances towards financing activities (I + II)	1,781,833.50	829,716.52	277,088.27	226,078.97

Notes to the Financial Statements for the period ended March 31, 2017

16 Other non current assets

(₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Accrued interest/premium on debentures and loans	14,651.52	2,233.60
Unamortised premium	10.27	390.98
Margin money deposits	2,252.47	-
Total other non current assets	16,914.26	2,624.58

17 Current investments

Non-trade Investments (valued at cost unless stated otherwise)	Face Value	As at March 31, 2017		As at March 31, 2016	
		₹ shares / units	₹ in Lakh	No. of shares / units	₹ in Lakh
Investment in Equity shares					
Quoted instruments					
SVOGL Oil Gas and Energy Limited	10	1,940,514	460.87	-	-
Bhushan Steel Limited	2	1,023,392	700.00	475,146	325.00
Glodyne Technoserve Limited	6	319,262	22.67	-	-
Jaihind Projects Limited	10	150,000	8.63	-	-
Diamond Power Infrastructure Limited	10	2,889,921	1,192.96	-	-
3I Infotech Limited	10	2,426,383	242.64	-	-
Gol Offshore Limited	10	1,552,907	680.32	-	-
Investment in Debenture/Bonds:					
IDFC Bank Limited	1,000,000	400	4,683.98	-	-
IFMR Capital Mosec Azeroth	1	598,664,559	2,920.85	-	-
Zlatan IFMR Capital 2016	1	1,233,958,721	8,345.61	-	-
Bajaj Finance Limited	1,000,000	1,000	10,082.36	-	-
Madhya Pradesh Uday Bond	100	1,413,000	1,413.00	-	-
Tamil Nadu Uday Bond	100	10,000,000	10,090.16	-	-
Telangana Uday Bond	100	13,019,000	13,032.22	-	-
Piramal Finance Limited	1,000,000	3,900	39,000.00	-	-
TATA AIG General Insurance Co Ltd	1,000,000	1,530	15,300.00	-	-
U. P. Power Corporation Ltd	1,000,000	2,940	29,400.00	-	-
Frey IFMR capital	1	16,674,322	172.35	-	-
Zion IFMR capital	3	19,237,467	599.35	-	-
Goldstein IFMR Capital	43	857,170	384.04	-	-
Libertas IFMR Capital	1	3,519,752	36.03	-	-
Martell IFMR Capital	2	35,504,403	725.86	-	-
Mjolnir IFMR Capital	2	7,330,422	152.26	-	-
Napoleon IFMR Capital	1	52,118,415	543.53	-	-

Notes to the Financial Statements for the period ended March 31, 2017

17 Current investments (Contd.)

Non-trade Investments (valued at cost unless stated otherwise)	Face Value	As at March 31, 2017		As at March 31, 2016	
	₹	No. of shares / units	₹ in Lakh	No. of shares / units	₹ in Lakh
Smith IFMR Capital	4	12,096,782	507.60	-	-
Syme IFMR Capital	1	14,210,515	148.24	-	-
Fubelt IFMR Capital	1	80,878,031	842.84	-	-
Moses IFMR Capital	1	2,250,000	23.77	-	-
Oracle IFMR Capital	194	261,793	528.81	-	-
Sentinel IFMR capital	19	887,538	174.79	-	-
10% Sew Vizag Coal Terminal Private Limited	10	4,091,423	407.51	-	-
Unquoted instruments					
Investment in Equity shares					
VMC Systems Limited	10	733,611	1,529.44	-	-
Saumya Mining Limited	10	1,077,986	517.64	-	-
Investment in Mutual Funds			44,000.00		-
			188,870.33		325.00
Less : Provision for diminution in the value of Investments			2,798.16		153.95
Total current investments			186,072.17		171.05
Note:					
Aggregate amount of unquoted investments			46,454.59		-
Aggregate amount of quoted investments			3,308.09		325.00
Aggregate market value of quoted investments			2,261.13		171.05
Aggregate amount of listed but not quoted investments			139,107.65		-

18 Trade receivable

(₹ in Lakh)

	As at March 31, 2017		As at March 31, 2016	
Secured				
Considered good				
Debts outstanding for a period exceeding six months	-		-	
Other	951.21	951.21	-	-
Unsecured				
Considered good				
Debts outstanding for a period exceeding six months	-		-	
Other	540.63	540.63	-	-
Total trade receivable		1,491.84		-

Notes to the Financial Statements for the period ended March 31, 2017

19 Cash and cash equivalents (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Balance with Banks		
In Current Account	23,130.15	2,628.87
In Deposit account (Deposits with original maturity of less than three months)	361.29	-
Cash on hand	5,990.86	1,797.64
Deposits with original maturity for more than 12 months	4.84	4.43
Margin money deposits*	0.45	0.45
Total cash and cash equivalents	29,487.59	4,431.39

* Margin money deposit includes margin money against bank guarantee ₹ 0.04 lakhs (previous year ₹ 0.04 lakhs)

20 Short term loans and advances (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Advances recoverable in cash or in kind or for value to be received (net of provision)	6,056.95	4,468.49
	6,056.95	4,468.49

21 Short term loans and advances towards financing activities (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
(I) Secured		
Term loans	816.40	-
Total I	816.40	Total I -
(II) Unsecured		
Term loans	216,307.42	-
Total II	216,307.42	Total II -
Total short term loans and advances towards financing activities	Total (I + II) 217,123.82	Total (I + II) -

22 Other current assets (₹ in Lakh)

	As at March 31, 2017	As at March 31, 2016
Accrued interest on loan towards financing activities (Net of provision on interest receivable ₹ 36,264.45 lakhs previous year ₹ 3,709.85 lakhs)	72,230.42	8,915.63
Unamortised loss on sale of NPAs	2,307.78	-
Less : Reserve created	(2,307.78)	-
Assets acquired in settlement of claims	477.98	-
Others	812.73	1,828.27
Total other current assets	73,521.13	10,743.90

Notes to the Financial Statements for the period ended March 31, 2017

23 Revenue from operations (₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
Term Loans and other financing activity (net of reversal)	380,282.18	77,197.28
Less : Provision made / (reversal) for interest receivables	3,575.95	441.24
	376,706.23	76,756.04
Lease	6,240.64	-
Bill Discounting	12,654.97	-
Financial Advisory Fees	9,469.69	-
Other operational income	3,133.69	358.52
Total revenue from operations	408,205.22	77,114.56

24 Other Income (₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
Income from investments (Trade)		
- Interest and dividend on investments	4,877.52	-
- Profit on sale / redemption of investments	1,114.10	57.99
Profit on sale of fixed assets	-	2.29
Interest on fixed deposits	184.12	0.31
Others	116.58	109.82
Total other Income	6,292.32	170.41

25 Finance cost (₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expenses	194,126.28	30,401.21
Other borrowing cost	1,425.28	198.10
Total finance cost	195,951.53	30,599.31

26 Employee benefits expense (₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and bonus	27,421.32	4,781.01
Contribution to and provision for:		
Provident fund and Pension fund	1,202.19	298.50
Gratuity fund	287.94	41.96
Superannuation fund	36.35	-
Expenses on Employee Stock Option Plans (refer note 29.9)	8.92	0.02
Staff welfare expense	1,130.48	204.36
Total employee benefits expense	30,087.20	5,325.85

Notes to the Financial Statements for the period ended March 31, 2017

27 Administration and other expenses

(₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
Travelling and conveyance	1,870.94	206.12
Printing and stationery	728.29	270.07
Telephone and postage	1,262.07	402.58
Directors' Sitting fees	34.98	7.60
Non Executive Directors Remunerations	134.41	-
Brokerage and service charges	2,418.18	3,808.05
Stamping charges	2,642.89	-
Advertising and publicity	136.65	208.41
Repairs and maintenance	4,160.43	852.56
Rent	4,188.91	959.06
Rates and taxes	739.78	531.72
Electricity charges	501.69	132.76
Insurance	129.67	14.53
Auditors remuneration		
Audit fees	40.00	6.00
Tax audit fees	5.00	1.80
Limited Review	22.50	4.50
Certification	24.00	2.32
Expenses reimbursed	3.30	7.60
	94.80	22.22
Professional fees	6,132.55	826.12
Loan processing charges	822.10	853.39
Collection charges	6,624.05	5,098.77
Bank Charges	832.80	908.76
Filling fees	0.41	0.28
Loss on sale of fixed assets	1,467.19	-
Brand license fees	103.77	-
Corporate social responsibilities	212.57	150.96
Corporate support Charges	532.06	507.82
Miscellaneous expenses	245.34	594.76
Total administration and other expenses	36,016.53	16,356.54

28 Allowances and write offs

(₹ in Lakh)

	Year ended March 31, 2017	Year ended March 31, 2016
Provision for standard assets	16,400.22	(347.39)
Provision for non-performing assets	35,900.85	3,032.29
Provision for restructured assets	180.23	-
Provision for diminution in value of investments	2,588.18	138.74
Loss on foreclosure of loans (net)	23,764.26	8,481.28
Total allowances and write offs	78,833.74	11,304.92

Notes to the Financial Statements for the period ended March 31, 2017

29 Other notes forming part of financial statements

29.1 Employee Benefits:

i) Defined Contribution Plans :

The company recognised charges of ₹ 990.40 lakh (previous year ₹ 172.43 lakh) for Provident fund contributions, ₹ 40.88 lakh (previous year ₹ Nil) for Superannuation fund contributions and ₹ 202.16 lakh (previous year ₹ 126.07 lakh) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

ii) Defined Benefit Gratuity Plans :

a) The amounts recognised in Balance Sheet are as follows:

(₹ in Lakh)

Particulars	Gratuity Plan	
	As at March 31, 2017	As at March 31, 2016
Present Value of Defined Benefit Obligation		
- Wholly Funded	908.80	134.87
Less: Fair value of Plan Assets	(589.47)	(78.20)
Unrecognised Past Service Costs	-	-
Amount to be recognised as liability or (asset)	319.33	56.67
Amounts reflected in the Balance Sheet		
Liability	319.33	56.67
Assets	-	-
Net liability bifurcated as follows:		
Current	-	-
Non Current	319.33	56.67

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

(₹ in Lakh)

Particulars	Gratuity Plan	
	2016-2017	2015-2016
1 Current Service Cost	284.23	30.04
2 Interest on Defined Benefit Obligation	98.31	11.55
3 Expected Return on Plan Assets	(51.75)	(6.90)
4 Actuarial Losses/(Gains)	(42.85)	7.27
5 Past Service Cost	-	-
Total included in Employee Benefit Expenses	287.94	41.96
Actual Return on Plan Assets	65.99	7.00

Notes to the Financial Statements for the period ended March 31, 2017

c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

(₹ in Lakh)

Particulars	Gratuity Plan	
	As at March 31, 2017	As at March 31, 2016
Opening balance of the present value of Defined Benefit Obligation	134.86	117.80
Add: Current Service Cost	284.24	30.04
Add: Interest Cost	98.31	11.55
Add/(less): Actuarial Losses/(Gain)	(28.61)	6.99
Liability Assume on acquisition / (Settled on Divestitures)	791.74	(1.54)
Less: Benefits paid	(371.74)	(29.98)
Closing balance of the present value of Defined Benefit Obligation	908.80	134.86

d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in Lakh)

Particulars	Gratuity Plan	
	As at March 31, 2017	As at March 31, 2016
Opening balance of the fair value of the plan assets	78.20	93.55
Add: Expected Return on plan assets	51.75	6.90
Add/(less): Actuarial gains/(losses)	14.24	(0.27)
Add: Contributions by Employer	257.65	8.00
Add: Assets acquired on acquisition	559.37	-
Less: Benefits Paid	(371.74)	(29.98)
Closing balance of the plan assets	589.47	78.20

e) Asset Information:

Particulars	Gratuity Plan				
	As at March 31, 2017			As at March 31, 2016	
		%	₹ lakh	%	₹ lakh
1 Government of India Securities	32%	190.43	0%	-	
2 Corporate Bonds	35%	207.33	0%	-	
3 Special Deposit Scheme	5%	28.85	0%	-	
4 Equity Shares of Listed Companies	0%	-	0%	-	
5 Property	0%	-	0%	-	
6 Insurer Managed Funds	6%	36.66	100%	78.20	
7 Others	22%	126.20	0%	-	

Notes to the Financial Statements for the period ended March 31, 2017

f) Financial assumptions at the valuation date :

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
1 Discount rate (per annum)	7.20%	8.00%
2 Expected rate of return on assets (per annum)	8.00%	7.50%
3 Salary escalation rate (per annum)	6.00%	6.00%
4 Mortality rate	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

g) Experience Adjustments:

(₹ in Lakh)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Defined Benefit Obligation	908.80	134.87	117.80	103.34	100.97
Plan Assets	589.47	78.20	93.56	128.16	122.82
Surplus/(Deficit)	(319.33)	(56.67)	(24.24)	24.82	21.86
Experience Adjustments on Plan Liabilities	(117.91)	8.86	9.88	(6.11)	10.57
Experience Adjustments on Plan Assets	14.24	(0.27)	(1.38)	2.35	0.52

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The contributions expected to be made by the company during the financial year 2017-18 amounts to ₹ 300.00 lakhs (Previous year ₹ Nil)

iii) Defined Benefit Provident Fund Plan:

a) The amounts recognised in Balance Sheet are as follows:

(₹ in Lakh)

Particulars	Provident Fund Plan	
	As at March 31, 2017	As at March 31, 2016
A. Net (Liability) / Asset recognized in the Balance Sheet		
Present Value of Funded Obligation	-	-
Present Value of Unfunded obligation	-	-
Add: Assets acquired on acquisition	(5,152.12)	-
Less: Fair value of Plan Assets	5,182.88	-
Amount to be recognised in the Balance Sheet as (liability) or asset	30.76	-
B. Amounts to be recognised in the Balance Sheet		
Liability	-	-
Assets	30.76	-

Notes to the Financial Statements for the period ended March 31, 2017

b) Expenses recognised in the statement of Profit & Loss:

(₹ in Lakh)

Particulars	Provident Fund Plan	
	2016-2017	2015-2016
1 Current Service Cost	394.97	-
2 PF Transfer In	-	-
3 Interest on Defined Benefit Obligation	425.74	-
4 Expected Return on Plan Assets	(425.74)	-
5 Net Actuarial Losses/(Gains)	62.62	-
6 Actuarial gain/(loss) not recognized in books	(62.62)	-
7 Expenses recognized in the statement of Profit & Loss Account	394.97	-
8 Actual Return of Plan Asset	363.12	-

c) The changes in value of defined benefit Obligation representing reconciliation of opening and closing balance thereof are as follows:

(₹ in Lakh)

Particulars	Provident Fund Plan	
	As at March 31, 2017	As at March 31, 2016
Opening balance of the present value of Defined Benefit Obligation	-	-
Add: Assets acquired on acquisition	5,311.22	-
Transfer in/out	(316.46)	-
Add: Current Service Cost	394.97	-
Add: Interest Cost	425.74	-
Add: Contribution by Plan Participants	780.81	-
Add: Actuarial Losses / (Gain)	-	-
Less: Benefits paid	(1,444.16)	-
Closing balance of the present value of Defined Benefit Obligation	5,152.12	-

Notes to the Financial Statements for the period ended March 31, 2017

d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

(₹ in Lakh)

Particulars	Provident Fund Plan	
	As at March 31, 2017	As at March 31, 2016
Opening balance of the fair value of the plan assets	-	-
Add: Assets acquired on acquisition	5,325.47	-
Transfer in/out	(316.46)	-
Add: Expected Return on plan assets	425.74	-
Add/(less): Actuarial gains/(losses)	(62.62)	-
Add: Contributions by Employer	431.23	-
Add: Contribution by Plant participants	823.68	-
Less: Benefits Paid	(1,444.16)	-
Closing balance of the plan assets	5,182.88	-

e) The major categories of plan assets as a percentage of total plan assets, are as follows:

(₹ in Lakh)

Particulars	Provident Fund Plan	
	As at March 31, 2017	As at March 31, 2016
1 Government of India Securities	20%	0%
2 State Government Scheme	21%	0%
3 Special Deposit Scheme	8%	0%
4 Public Sector Unit Bond	33%	0%
5 Corporate Bonds	15%	0%
6 Others (cheques on hand)	3%	0%
	100%	0%

29.2 Segment Reporting : Accounting Standard (AS) 17

(i) The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Rural, Housing, Wholesale and Defocused Business. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. As the operations of the Company are carried out within India, there are no geographical segments.

(ii) Information about Business Segment composition :

Segment composition :

Rural Business comprises of Farm Equipments, Micro Finance and Two Wheeler Finance.

Housing Business comprises of Loan against Property and Real Estate Finance.

Wholesale Business comprises of Infrastructure Finance, Structured Corporate Loans and Supply Chain Finance.

Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

Unallocated represents tax assets and tax liabilities

Notes to the Financial Statements for the period ended March 31, 2017

(ii) Information about Business Segment composition : (Contd.) (₹ in Lakh)

Sr. No.	Particulars	Rural Business		Housing Business		Wholesale Business		Defocused Business		TOTAL	
		For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2016	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2016	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2016	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2016		
1	Revenue	180,098.97	42,464.83	41,103.41	3,402.23	139,269.69	12,731.63	47,733.16	18,515.87	408,205.22	77,114.56
2	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-
3	Total revenue (1) - (2)	180,098.97	42,464.83	41,103.41	3,402.23	139,269.69	12,731.63	47,733.16	18,515.87	408,205.22	77,114.56
4	Segment result	30,638.77	9,917.79	18,787.83	1,755.34	40,211.07	3,036.10	(21,344.65)	(1,277.65)	68,293.01	13,431.57
5	Unallocated expenses	-	-	-	-	-	-	-	-	65,451.27	-
6	Operating profit (4)-(5)	30,638.77	9,917.79	18,787.83	1,755.34	40,211.07	3,036.10	(21,344.65)	(1,277.65)	2,841.74	13,431.57
7	Income tax expenses (including deferred tax)	-	-	-	-	-	-	-	-	-	-
8	Net profit (6)-(7)	30,638.77	9,917.79	18,787.83	1,755.34	40,211.07	3,036.10	(21,344.65)	(1,277.65)	2,841.74	13,431.57
9	Segment assets	1,026,167.14	222,779.22	372,908.66	49,159.47	1,640,346.43	144,979.06	248,912.76	113,643.49	3,288,335.00	530,561.23
10	Unallocable assets ¹	-	-	-	-	-	-	-	-	309,347.84	5,169.16
11	Total assets (9) + (10)	1,026,167.14	222,779.22	372,908.66	49,159.47	1,640,346.43	144,979.06	248,912.76	113,643.49	3,597,682.84	535,730.39
12	Segment liabilities	908,022.92	196,834.66	329,975.11	43,434.43	1,451,490.78	128,095.02	220,255.15	100,403.77	2,909,743.95	468,767.88
13	Unallocable liabilities ²	-	-	-	-	-	-	-	-	-	3,765.61
14	Total liabilities (12)+(13)	908,022.92	196,834.66	329,975.11	43,434.43	1,451,490.78	128,095.02	220,255.15	100,403.77	2,909,743.95	472,533.50
15	Capital Expenditure (tangible and intangible fixed assets)	2,104.27	164.75	738.88	35.54	3,302.51	105.08	10,638.31	85.28	16,783.97	390.65
16	Depreciation & amortisation expenses (included in segment expense)	1,477.16	112.51	44.81	24.27	373.41	71.76	3,525.21	58.24	5,420.58	266.78

Note :

- 1 Includes tax paid in advance/tax deducted at source (net) and deferred tax asset (net)
- 2 Includes provision for tax (net) and deferred tax liabilities (net)

Notes to the Financial Statements for the period ended March 31, 2017

29.3 Related Party Disclosures: Accounting Standard - 18

(a) List of Related Parties (with whom transactions were carried out during current or previous year)

A. Ultimate Holding Company

1 Larsen & Toubro Limited

B. Holding Company

2 L&T Finance Holdings Limited

C. Fellow Subsidiary Companies

3 L&T Infrastructure Finance Company Limited

4 Larsen & Toubro Infotech Limited

5 L&T Capital Company Limited

6 L&T Capital Markets Limited

7 L&T General Insurance Company Limited

8 L&T Housing Finance Limited

9 L&T Access Distribution Services Limited

10 L&T Investment Management Limited

11 L&T Vrindavan Properties Limited

12 L&T Infra Investment Partners Advisory Private Limited

13 Ewac Alloys Limited

D. Associates

14 L&T Infra Debt Fund Limited

E. Fellow Associates

15 Feedback Infrastructure Services Private Limited

16 Metro Tunneling Group

17 Salzer Electronics Limited

18 Magtorq Private Limited

19 JSK Electricals Private Limited

F. Key Management Personnel

20 Mr. Vamsidhar Chevendra - upto April 28, 2016

21 Mr. Muralidharan Rajamani - April 29, 2016 to February 12, 2017

22 Mr. Sunil Prabhune - W.e.f February 13, 2017

Notes to the Financial Statements for the period ended March 31, 2017

(b) Disclosure of related party transactions :-

(₹ in Lakh)

Sr. No.	Nature of Transaction	2016-17	2015-16
	Transactions		
1	Inter corporate deposits borrowed		
	L&T Finance Holdings Limited	765,606.10	216,650.00
	L&T Infrastructure Finance Company Limited	81,350.00	-
	L&T Housing Finance Limited	42,915.00	-
	L&T Capital Company Limited	760.00	-
	L&T Investment Management Limited	1,435.00	-
	L&T Finance Limited	-	27,700.00
2	Inter corporate deposits repaid		
	L&T Finance Holdings Limited	754,590.10	216,650.00
	L&T Infrastructure Finance Company Limited	77,850.00	-
	L&T Housing Finance Limited	42,915.00	-
	L&T Capital Company Limited	557.00	-
	L&T Investment Management Limited	1,435.00	-
	L&T Finance Limited	-	27,700.00
	Metro Tunneling Group	3,000.00	-
3	Interest expense on inter corporate deposits		
	L&T Finance Holdings Limited	2,149.46	438.00
	L&T Infrastructure Finance Company Limited	78.34	-
	L&T Capital Company Limited	55.51	-
	L&T Housing Finance Limited	80.70	-
	Metro Tunneling Group	20.83	-
	L&T Investment Management Limited	2.03	-
	L&T Finance Limited	-	22.00
4	Inter corporate deposits given		
	L&T Infrastructure Finance Company Limited	67,752.00	1,000.00
	L&T Housing Finance Limited	33,800.00	19,900.00
	L&T Finance Limited	-	2,400.00
	L&T Fincorp Limited	-	3,100.00
5	Inter corporate deposits received back		
	L&T Infrastructure Finance Company Limited	67,752.00	1,000.00
	L&T Housing Finance Limited	33,800.00	19,900.00
	L&T Finance Limited	-	2,400.00
	L&T Fincorp Limited	-	3,100.00
6	Interest received on inter corporate deposits		
	L&T Infrastructure Finance Company Limited	34.32	0.65
	L&T Housing Finance Limited	29.98	23.00
	L&T Finance Limited	-	3.00
	L&T Fincorp Limited	-	2.00

Notes to the Financial Statements for the period ended March 31, 2017

(b) Disclosure of related party transactions :- (₹ in Lakh)

Sr. No.	Nature of Transaction	2016-17	2015-16
7	Interest paid on NCD		
	L&T Finance Holdings Limited	-	378.00
	Interest received on loan given		
	Magtorq Private Limited	2.06	-
	JSK Electricals Private Limited	10.29	-
	Feedback Infra Private Limited	850.83	-
8	Portfolio related transaction		
	L&T Housing Finance Limited	62.89	66.00
	L&T Finance Limited	-	46,761.00
9	Investment		
	L&T Infra debt fund	-	1,890.00
10	Corporate support charges paid		
	L&T Finance Holdings Limited	497.00	6.00
	L&T Finance Limited	-	500.00
11	Branch sharing cost paid to		
	L&T Housing Finance Limited	52.03	13.00
	L&T Financial Consultants Limited	1,769.97	16.00
	L&T Finance Limited	-	224.00
12	Branch sharing cost recovered from		
	L&T Infrastructure Finance Company Limited	23.60	-
	L&T Finance Holdings Limited	7.53	-
	L&T Infra Investment Partners Advisory Private Limited	3.43	-
	L&T Investment Management Limited	163.85	-
	L&T Capital Market Limited	70.84	-
	L&T Housing Finance Limited	346.75	30.00
	L&T Finance Limited	-	80.00
13	Managerial Remuneration		
	Vamsidhar Chevendra	4.63	72.00
	Muralidharan Rajamani	87.70	-
	Sunil Prabhune	16.87	-
14	IT/Professional fees		
	Larsen & Toubro Limited	602.35	120.00
	Larsen & Toubro Infotech Limited	71.34	33.00
15	Sale/Assignment of Loan Portfolio		
	L&T Infra Debt Fund Limited	27,474.29	-
16	Brand License Fees		
	Larsen & Toubro Limited	96.31	-
17	ESOP Cost		
	L&T Finance Holdings Limited	8.29	0.02

Notes to the Financial Statements for the period ended March 31, 2017

(₹ in Lakh)

Sr. No.	Nature of Transaction	As at March 31,2017	As at March 31,2016
	Balances		
1	Equity Share Capital		
	L&T Finance Holdings Limited	144,004.73	20,431.00
2	Inter Corporate Borrowings		
	L&T Finance Holdings Limited	20,091.00	-
	L&T Infrastructure Finance Company Limited	3,500.00	-
	L&T Capital Company Limited	760.00	-
3	Interest accrued but not due on Inter Corporate Borrowings		
	L&T Finance Holdings Limited	27.43	-
	L&T Infrastructure Finance Company Limited	0.78	-
	L&T Capital Company Limited	0.02	-
4	Investment		
	L&T Infra Debt Fund Limited	15,670.00	4,190.00
5	Rent Deposit		
	L&T Financial Consultant Limited	381.44	2.00
6	Account payable		
	Larsen & Toubro Limited	-	38.00
	L&T Finance Holdings Limited	24.94	-
	L&T Investment Management Limited	-	0.10
	Larsen & Toubro Infotech Limited	-	5.00
	L&T Capital Market Limited	69.61	-
	L&T Housing Finance Limited	-	38.00
	L&T Finance Limited	-	392.00
7	Account receivable		
	L&T Finance Holdings Limited	27.83	-
	L&T Infrastructure Finance Company Limited	44.38	-
	L&T Investment Management Limited	9.71	-
	L&T Housing Finance Limited	24.27	15.00
8	Security Deposit Payable		
	L&T Investment Management Limited	22.05	-
9	Portfolio		
	L&T Finance Limited	-	2,681.00
10	Reimbursement of expenses		
	Larsen & Toubro Limited	292.43	123.00
11	Outstanding Balance of Term Loan Given		
	Feedback Infra Private Limited	7,500.00	-
	Magtorq Private Limited	35.67	-
12	Other Receivables		
	L&T Access Distribution Services Ltd	-	0.07

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

Notes to the Financial Statements for the period ended March 31, 2017

29.4 Finance Lease:

In accordance with Accounting Standard 19 on 'Leases' as notified under Rule 7 of the Companies (Accounts) Rules, 2014, the following disclosures in respect of Finance Leases are made:

Assets given on lease:

The Company has given assets on finance lease to its customers with respective underlying assets as security. The details of gross investments, unearned finance income and present value of rentals As at March 31, 2017 in respect of these assets are as under:

	(₹ in Lakh)	
Particulars	2016-2017	2015-2016
Gross Investments :		
- Within one year	2827.26	-
- Later than one year and not later than five years	5,039.97	-
- Later than five years	-	-
Total	7,867.23	-
Unearned Finance Income :		
- Within one year	649.75	-
- Later than one year and not later than five years	864.56	-
- Later than five years	-	-
Total	1,514.31	-
Present Value of Rentals :		
- Within one year	2,177.27	-
- Later than one year and not later than five years	4,175.32	-
- Later than five years	-	-
Total	6,352.59	-

29.5 Operating Lease :

- (i) The Company has taken vehicles under operating leases. Gross rental expenses of ₹ 31.56 lakh recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

	(₹ in Lakh)	
Particulars	2016-2017	2015-2016
- Within one year	26.75	-
- Later than one year and not later than five years	37.23	-
- Later than five years	-	-
Total	63.98	-

- (ii) The Company has taken IT assets under operating lease. Lease Payments includes ₹ 563.53 lakhs (previous year ₹ Nil lakh) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

	(₹ in Lakh)	
Particulars	2016-2017	2015-2016
- Within one year	108.98	-
- Later than one year and not later than five years	-	-
- Later than five years	-	-
Total	108.98	-

Notes to the Financial Statements for the period ended March 31, 2017

- (iii) The Company has taken premises under operating lease. Lease Payments includes ₹ 1208.35 lakhs (previous year ₹ 508 lakh) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

(₹ in Lakh)		
Particulars	2016-2017	2015-2016
- Within one year	2,025.48	406.00
- Later than one year and not later than five years	1,407.54	1,305.00
- Later than five years	-	200.00
Total	3,433.02	1,911.00

Assets given on lease:

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

(₹ in Lakh)		
Particulars	2016-2017	2015-2016
- Within one year	3,404.30	-
- Later than one year and not later than five years	4,006.49	-
- Later than five years	145.43	-
Total	7,556.22	-

29.6

Earnings Per Share:

Particulars		2016-2017	2015-2016
Basic			
Profit after tax as per statement of profit and loss (₹ lakh)	A	1,604.17	8,739.51
Weighted average number of equity shares outstanding during the year (Nos.)	B	1,440,047,294	204,309,610
Basic Earning Per Share (₹)	A/B	0.11	4.28
Diluted			
Profit after tax as per statement of profit and loss (₹ lakh)	A	1,604.17	8,739.51
Weighted average number of equity shares outstanding (Nos.)	B	1,440,047,294	204,309,610
Diluted Earning Per Share (₹)	A/B	0.11	4.28
Nominal value of shares (₹)		10	10

29.7 Contingent Liabilities and commitments:

(₹ in Lakh)		
Particulars	As at March 31, 2017	As at March 31, 2016
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt:		
- Income Tax matter in dispute*	71.49	-
- Sales tax/ VAT / Service Tax matter in dispute*	2,380.45	167.55
- Legal matter in dispute*	106.00	-
b) Bank Guarantees;	2,120.00	0.26

Notes to the Financial Statements for the period ended March 31, 2017

29.7 Contingent Liabilities and commitments: (Contd.)

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
c) Other money for which the Company is contingently liable; Liability towards Letter of Credit(net of margin money)	5,259.00	-
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	698.67	115.00
b) Undisbursed Commitment	4,100.00	-

* In respect of disputes, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

29.8 Sale and Assignment of Receivables :

- a) The Company has sold receivables amounting to ₹ 24,069.74 lakh (previous year ₹ Nil). This sale are without recourse to the Company.

(₹ in Lakh)

Particulars	2016-2017	2015-2016
Loans & receivables Assigned		
Total Number of Loan	12,037	-
Book Value of Loan	20,476.51	-
Sale Consideration Received	20,476.51	-
Gain / (Loss) on Sale	-	-
Gain / (Loss) Amortised to P&L *	-	-
Form and Quantum (outstanding value) of services provided by way of		
Credit Enhancement	2,252.47	-
Liquidity Support	-	-
Post-Securitisation Asset Servicing	-	-

* Gain / (Loss) includes profit amortisation of earlier transaction

- b) The Company has assigned receivables amounting to ₹ 15,713.41 lakh (previous year ₹ NIL). This assignment are without recourse to the Company.

(₹ in Lakh)

Particulars	2016-2017	2015-2016
Loans & receivables Sold		
Total Number of Loan	7,388	-
Book Value of Loan	12,252.14	-
Sale Consideration Received	12,720.38	-
Gain / (Loss) on Sale	468.24	-
Gain / (Loss) Amortised to P&L *	31.55	-
Form and Quantum (outstanding value) of services provided by way of		
Credit Enhancement	-	-
Liquidity Support	-	-

Notes to the Financial Statements for the period ended March 31, 2017

Post-Securitisation Asset Servicing

-

-

* Gain / (Loss) includes profit amortisation of earlier transaction

29.9 Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts, recovery of the same and future period expense details are following:

(₹ in Lakh)

Financial Year	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged/ (Reversed) to statement of profit and loss for the year	Remaining expenses to be recovered in future year / period
(A)	(B)	(C)	(D)	(E = B-C)
2016-17	86.36	8.29	8.29	78.07
2015-16	1.77	1.77	0.02	-

29.10 Expenditure in foreign currency:

(₹ in Lakh)

Particulars	2016-2017	2015-2016
Professional Fees	15.02	3.00
License Fees	1.08	1.00

29.11 Frauds committed against the company:

Particulars	2016-2017	2015-2016
No. of fraud occurred during the year	20	7
Amount involved	59.21	24.84
Amount recovered	11.23	6.48
Amount provided/loss	0.72	15.45

29.12 The Company has entered into currency swap transactions with a view to hedge the currency risk of its USD borrowings. The foreign currency amounts are tabulated as below:

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Liability – External Commercial Borrowings	USD 2,00,00,000	-
Assets – Currency Swap Contracts	USD 2,00,00,000	-

- 29.13** i) Appropriations to the Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 are carried out of the distributable profits of the company. Further during the year, the company has not appropriated any profits towards Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961.
- ii) During the year, appropriations to the Debenture Redemption Reserve has not been created in absence of distributable profits of the company in terms of Section 71 (4) of the Companies Act, 2013.

Notes to the Financial Statements for the period ended March 31, 2017

- iii) During the year, the company has charged off debenture issue expenses net of tax of ₹ 124.39 lakh (Previous year ₹ 95.87 lakh) to the Securities Premium Account in accordance with Section 52 of the companies Act,2013.

29.14 Disclosure required by notification dated 30th March, 2017 issued by Ministry of Company Affairs.

(₹ in Lakh)

Particulars	SBNs (refer foot note)	Other denomination notes (refer foot note)	Total
Closing cash in hand as on November 8,2016	6,014.23	17.86	6,032.09
(+) Permitted receipts	4,171.75	36,494.48	40,666.26
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	(10,185.98)	(35,882.95)	(46,068.93)
Closing cash in hand as on December 30, 2016	-	629.39	629.39

Includes amounts directly deposited by the borrowers into the bank accounts.

L & T Finance Ltd is a Non-Banking Finance Company ("NBFC"). The Company offers a wide range of products such as micro finance, tractor loans, two-wheeler loans and other rural lending products to a large number of customers. The operations are geographically wide-spread with significant volume of transactions including cash collections. The above information covers cash received at the Company's offices as well as direct deposits in Company's bank accounts by the borrowers and is based on information and records available in the Company.

As the Company took steps not to accept Specified Bank Notes at its offices after November 8, 2016 and there were amount deposited into Company's bank accounts by the borrowers, all amounts directly deposited into the Company bank accounts by borrowers have been classified as "permitted receipts" and were details of denomination were not available, the same have been shown as "other denomination notes".

29.15 Amalgamation of L&T Finance Ltd and L&T Fincorp Ltd with Family Credit Limited

- The board of the directors of L&T Fincorp Limited (LTFC) in July 19, 2016 and the board of Directors of erstwhile L&T Finance Limited Credit Limited (FCL) on July 21, 2016 had approved the Scheme of Amalgamation (Scheme) of erstwhile L&T Finance Limited and L&T FinCorp Limited (together referred as Transferor Companies) with Family Credit Limited (Transferee Company) effective from April 01,2016 (Appointed date). The Honourable High Court of Calcutta at his hearing held on November 28,2016 and the National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on January 24,2017,have sanctioned the Scheme of Amalgamation of L&T Finance Ltd and L&T FinCorp Limited with Family Credit Limited. The certified copies of the Orders of the Court and NCLT,sanctioning the Scheme were filed with the Registrar of Companies, Kolkata on February 13, 2017 (the "Effective Date").

The purchase consideration of Rs 6,42,460.02 lakhs for acquisition of Transferor Companies was through issue of 123,57,37,684 equity shares of Rs 10/- each at a price of Rs 51.99 per share to the shareholder of erstwhile L&T Finance Limited and L&T FinCorp Limited as per following share exchange ratio

- 350 equity shares of face value of ₹ 10 each for every 100 equity shares of face value of ₹ 10 each held in L&T Finance pre merger
- 147 equity shares of face value of ₹ 10 each for every 100 equity shares of face value of ₹ 10 each held in L&T FinCorp pre merger

Notes to the Financial Statements for the period ended March 31, 2017

The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements and all assets and liabilities and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company. Accordingly, the financial statements have been recast for the year ended on March 31, 2017.

2. Consequent to the Scheme becoming effective, net assets of Transferor Companies aggregating to ₹ 315,728.92 lakh as at the appointed Date have been transferred to the Transferee Company at their respective fair values and the fair value of Distribution and Customer Network Rights ("DCNR") as determined by an independent Valuer, have been recognised as an intangible asset at a valuation of ₹ 43,880.00 lakhs. The balance amount of Rs 282,851.10 lakhs has been recorded as goodwill on amalgamation. These intangible assets, i.e. the DCNR and goodwill on amalgamation, are being amortised on a straight line basis over a period of 5 years with effect from April 01, 2016.

Break down of the purchase consideration into net assets and goodwill is as under:

	(₹ in Lakh)		
Particulars	LTF	LTFC	Total
I. Consideration paid for acquisition	433,845.07	208,614.95	642,460.02
II. Assets acquired on appointed date			
Tangible assets	22,817.12	559.07	23,376.19
Intangible assets (including DCNR)	44,301.31	-	44,301.31
Non-current investments	14,050.49	12,966.01	27,016.50
Deferred tax assets (net)	14,829.50	4,709.47	19,538.97
Long-term loans and advances	9,758.62	5,170.16	14,928.78
Long-term loans and advances towards financing activities	786,245.11	469,640.11	1,255,885.22
Other non-current assets	7,337.49	8,215.84	15,553.33
Current investments	256.75	19,559.55	19,816.30
Trade receivables	743.84	88.35	832.19
Cash and bank balances	15,562.22	80.06	15,642.28
Short-term loans and advances	7,316.08	-	7,316.08
Current maturities of long-term loans and advances towards financing activities	368,747.75	123,303.87	492,051.62
Short-term Loans and advances towards financing activities	233,882.83	77,453.52	311,336.35
Other current assets	42,501.17	19,795.02	62,296.19
Total (A)	1,568,350.28	741,541.03	2,309,891.31

Notes to the Financial Statements for the period ended March 31, 2017

(₹ in Lakh)

Particulars	LTF	LTFC	Total
Long-term borrowings	630,438.29	430,327.67	1,060,765.96
Other long term liabilities	10,265.10	11,576.96	21,842.06
Long-term provisions	3,225.23	2,077.25	5,302.48
Short-term borrowings	235,709.69	130,596.17	366,305.86
Current maturities of long term borrowings	329,290.10	53,844.33	383,134.43
Trade payables	12,727.68	1,028.70	13,756.38
Other current liabilities	82,962.98	8,511.12	91,474.10
Short-term provisions	6,101.12	1,600.00	7,701.12
Total (B)	1,310,720.19	639,562.20	1,950,282.39
Net Assets (A - B)	257,630.09	101,978.83	359,608.92
III. Goodwill (I - II)	176,214.98	106,636.12	282,851.10

- 3 Statutory reserves created by Transferor Companies prior to appointed date pursuant to the requirements of applicable statute and are required to be maintained for specified period, are transferred to Transferee Company in the same form in which they appeared in the financial statements of the Transferor Companies so long as their identity is required to be maintained to comply with the relevant statute. The statutory reserves are recorded in the financial statements of the transferee company by a corresponding debit to 'Amalgamation Adjustment Account' which is disclosed as a part of 'Reserve and Surplus' in the balance sheet.

Details of Statutory Reserves of Transferor Company recorded in Transferee Company is as under:

(₹ in Lakh)

Particulars	LTF	LTFC	Total
Debenture redemption reserve under Section 71(4) of the Companies Act	10,212.16	-	10,212.16
Reserve under section 45-IC of Reserve Bank of India Act	37,133.87	8,314.93	45,448.80
Reserve under section 36(1)(viii) of Income Tax Act	20.45	861.00	881.45
Total	47,366.48	9,175.93	56,542.41

- 4 Due to the amalgamation of Transferor Company with the Transferee Company from appointed date of April 01, 2016, the figures of the current year will not be comparable to the corresponding figures of the previous year.
- 5 L&T Fincorp Limited, one of the amalgamating company had declared and paid an interim dividend of ₹ 14,003.20 lakhs prior to the effective date of amalgamation and the Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2017.

Notes to the Financial Statements for the period ended March 31, 2017

Note 29.16: Details of accounts restructured during the year ended March 31, 2017. (₹ in Lakh)

Type of Restructuring Asset Classification	Under CDR Mechanism				Others				Total				
	Standard	SubStandard	Doubtful	Loss	Standard	SubStandard	Doubtful	Loss	Standard	SubStandard	Doubtful	Loss	Total
1 "Restructured Accounts as on April 1, 2016"	-	-	-	-	-	1,443.58	-	-	-	1,443.58	-	-	1,443.58
No. of borrowers	-	-	-	-	-	1	-	-	-	1	-	-	1
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Restructured Accounts transfer on account of amalgamation	1.00	1,590.46	-	-	6	12,402.07	-	-	7	13,993	-	-	13,992.53
Amount outstanding Restructured facility only	1,590.46	-	-	-	12,402.07	-	-	-	7	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Movement in balance for accounts appearing under opening balance	410.51	-	-	-	2,351.11	-	-	-	2,762	-	-	-	2,761.62
No. of borrowers	1.00	-	-	-	6	-	-	-	7	-	-	-	8
Amount outstanding Restructured facility only	(89.11)	-	-	-	(1,019.92)	-	-	-	(1,047.62)	-	-	-	(1,137)
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Fresh restructuring during the year	1,203.84	-	-	-	1,525.22	3,883	-	-	1,875.96	2,729.07	3,507.24	-	3,080
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	13,559.53	-	-	-	13,560	13,560	-	-	13,560
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	677.98	-	-	-	678	678	-	-	678
5 Upgradations to restructured standard category during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	(1)	-	1	-	(2.00)	-	3	-	(3)	(1)	4	-	-
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	(1,501.35)	-	1,501.35	-	(3,600.86)	(1,415.87)	5,016.73	-	(5,102.21)	(1,415.87)	6,518.09	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	(1,614.35)	-	1,614.35	-	(1,337.73)	(729.62)	2,067.35	-	(2,952.08)	(729.62)	3,681.70	-	-
7 Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-
9 "Restructured Accounts as on March 31, 2017"	-	-	1.00	-	3,887	-	3	-	3,890	3,887	-	-	3,891
Amount outstanding Restructured facility only	-	-	1,501.35	-	21,341	-	5,017	-	26,358	21,341	-	-	27,859
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	1,614.35	-	1,614.35	3,217	2,067	-	5,284	3,217	-	-	6,898

Foot note:

1. Amount outstanding includes RTL created for each account.
2. Provision includes provision towards diminution in fair value and provision for standard assets
3. There are no restructuring under SME Debt Restructuring Mechanism.
4. The above disclosure includes accounts restructured under aegis of the extant RBI guidelines issued on January 23, 2014, whereby special regulatory treatment for asset classification was availed by the Company

Notes to the Financial Statements for the period ended March 31, 2017

29.17 Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Master Direction Non Banking Financial Company-Systematically Important Non-Deposit taking Company and Deposit taking Company(Reserve Bank) Directions,2016 by the non banking financial company) issued vide Master Direction DNBR P.D 008/03.10.119/2016-17 dated September 01,2016 as amended.

Liability Side:

1 Loans and advances availed inclusive of interest accrued thereon but not paid:

(₹ in Lakh)

Particular	Amount Outstanding		Amount Overdue	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(a) Debentures :				
- Secured	747,823.06	122,864.59	-	-
- Unsecured (Other than falling within the meaning of Public Deposits)*	119,042.34	27,059.64	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	958,967.94	196,777.27	36.52	-
(d) Inter-Corporate Loans and borrowings	24,379.23	0.27	-	-
(e) Commercial Paper (Net off unexpired discounting charges)	965,042.18	103,032.02	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans	-	-	-	-
i) Foreign Currency Loan	12,973.26	-	-	-
ii) Bank Overdraft,Cash credit & Working Capital Demand Loan	9,658.42	11,259.37	-	-

* Refer footnote 1 below

2 Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

- In the form of unsecured debentures
- In the form of partly secured debentures i.e debenture where there is a shortfall in the value of security
- Other Public deposits

ASSETS SIDE:

3 Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]

(₹ in Lakh)

Particulars	Amount Outstanding	
	As at March 31, 2017	As at March 31, 2016
(a) Secured (net of provision)	2,072,060.81	410,515.85
(b) Unsecured (net of provision)	756,613.03	94,870.64

Notes to the Financial Statements for the period ended March 31, 2017

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

(₹ in Lakh)

Particulars	Amount Outstanding	
	As at March 31, 2017	As at March 31, 2016
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

5 Break-up of Investments (net off diminution)

(₹ in Lakh)

Particulars	Amount Outstanding	
	As at March 31, 2017	As at March 31, 2016
CURRENT INVESTMENTS		
1 Quoted		
(i) Shares :		
(a) Equity	2,262.18	171.05
(b) Preference	-	-
2 Unquoted		
(i) Shares :		
(a) Equity	294.83	-
(b) Preference	407.51	-
(ii) Debentures and Bonds	139,107.65	-
(iii) Units of Mutual Funds	44,000.00	-
LONG TERM INVESTMENTS		
1 Quoted		
(i) Shares :		
(a) Equity	397.45	-
(b) Preference	-	-
(ii) Debentures and Bonds	87,766.92	-

Notes to the Financial Statements for the period ended March 31, 2017

2 Unquoted

(i) Shares :		
(a) Equity	16,969.23	4,190.00
(b) Preference	582.25	-
(ii) Government Securities	0.05	-
(iii) Others :		
(a) Security receipts	7,376.42	-
(b) Investment in Units	10,532.49	-

6 Borrower group-wise classification of assets financed as in (2) and (3) above: (see footnote 2 below)

(₹ in Lakh)

Category	Secured		Unsecured	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
1 Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	7,500.00	-	35.67	-
2 Other than related parties	2,064,560.81	410,384.39	756,577.36	92,782.85
Total	2,072,060.81	410,384.39	756,613.03	92,782.85

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

(₹ in Lakh)

Category	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
1 Related Parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	16,270.00	4,190.00	16,270.00	4,190.00
2 Other than related parties	297,820.01	325.00	293,426.98	171.05
Total	314,090.01	4,515.00	309,696.98	4,361.05

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

8 Other Information

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	190,521.56	26,735.95
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	113,764.96	16,919.17
(iii) Assets acquired in satisfaction of debt (Gross)	6,435.51	325.00

Notes to the Financial Statements for the period ended March 31, 2017

Footnotes:

1. As defined in point xix of paragraph 3 of chapter-2 of the Directions.
2. Provisioning norms shall be applicable as prescribed in the Directions.
3. All Accounting Standards represents to Companies Act,2013 and Companies Rules and Guidance Notes issued by the Institute of Chartered Accountants of India are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/Net Asset Value in respect of unquoted investments have been disclosed irrespective of whether they are classified as long term or current in (4) above.

29.18 The Company has invoked pledge of equity shares in the following borrower companies, pledged with it as collateral by the borrowers and these shares are being held by the Company as bailee. As and when the shares are sold, the proceeds would be adjusted against the overdue portion of the loan then remaining outstanding.

Borrower name	No. of shares held as bailee	
	As at March 31, 2017	As at March 31, 2016
i) Saumya Mining Limited	513,012	-
ii) Sew Vizag Coal Terminal Private Limited	703,833*	-
iii) Bhushan Steel Limited	7,189,089	3,022,354
iv) Sterling International Enterprises Limited	217,309	-
v) Tulip Telecom Limited	1,401,762	-
vi) Punj Lloyed Limited	5	-
vii) Golden Tobacco Limited	10,000	-
viii) Gujurat Highway Corporation Limited	70,000	-

* Share held on behalf of L&T Infrastructure finance Company Limited

29.19 The following additional information (other than what is already disclosed elsewhere) is disclosed in the terms of Master Direction DNBR P.D 008/03.10.119/2016-17 dated September 01,2016 as amended.

1 Capital Risk Adequacy Ratio (CRAR) :

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
i) CRAR (%)	16.42%	16.36%
ii) CRAR – Tier I Capital (%)	13.36%	11.95%
iii) CRAR – Tier II Capital (%)	3.06%	4.41%
iv) Amount of subordinated debt raised during the year as Tier-II capital	-	10,000.00
v) Amount raised during the year by issue of Perpetual Debt Instruments	-	5,000.00

Notes to the Financial Statements for the period ended March 31, 2017

2 Investments

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	314,090.01	4,514.99
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	4,393.03	153.94
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	309,696.98	4,361.05
(b) Outside India	-	-

2 Investments (Contd.)

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
2 Movement of provisions held towards depreciation on investments.		
(i) Opening balance	153.95	15.20
(ii) Add: Transfer on account of Amalgamation(Refer Note 29.15)	1,650.91	-
(iii) Add : Provisions made during the year	2,827.01	138.74
(iv) Less : Write-off / write-back of excess provisions during the year	238.83	-
(v) Closing balance	4,393.04	153.95

3 Derivatives

I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

(₹ in Lakh)

Particulars	2016-17	2015-16
(i) The notional principal of swap agreements	12,970.00	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	266.00	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	266.00	-

II) Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2017(Previous year:NIL)

Notes to the Financial Statements for the period ended March 31, 2017

III) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI.

4 Securitisation:

- I) No transactions for Special Purpose Vehicle during the financial year. (Previous year: NIL)
- II) Refer note no. 29.8 for details of assignment transactions.
- III) Details of Non performing financial assets purchased/sold: During the current and previous year, no Non performing financial assets has been purchased/sold from/to other NBFCs.

Financial asset sold to securitisation/Reconstruction company for asset reconstruction:

Particulars	2016-17	2015-16
1 No. of accounts sold	2	-
2 Aggregate value (net of provision) of accounts sold to SC/RC (₹ lakh)	10,683.04	-
3 Aggregate consideration (₹ lakh)	7,687.00	-
4 Additional consideration realized in respect of accounts transferred in earlier years (₹ lakh)	-	-
5 Aggregate Gain/(Loss) over net book Value (₹ lakh)	(2,996.04)	-

During the year, the Company sold certain Non Performing Assets (NPA) to Reconstruction Company. In term of notification RBI/2015-16/423/DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016, any shortfall of sale value over the net book value has been spread over a period of four quarters.

5 Exposures

I) Exposure to Real Estate Sector

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	304,486.38	6,544.00

Notes to the Financial Statements for the period ended March 31, 2017

(ii) Commercial Real Estate -	136,021.14	21,271.00
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	440,507.52	27,815.00

II) Exposure to Capital Market

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	28,047.87	325.00
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	255,450.11	39,540.00
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	6000.00
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	10,532.49	-
Total Exposure to Capital Market	294,030.47	45,865.00

Notes to the Financial Statements for the period ended March 31, 2017

III) Details of financing of parent company products: Nil (Previous year Nil)

IV) The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as defined in RBI.

V) The particulars of Unsecured Advances net off provision are given below:

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Term loans	702,483.03	26,140.94
Debentures	54,130.00	14,000.00
Personal Loans	-	52,641.91

6 Miscellaneous

I) Registration obtained from other financial sector regulators : No registration has been obtained from other financial sector regulators.

II) Penalties imposed by RBI and other regulators : No penalties has been imposed by RBI or other regulators during the year. (Previous Year: NIL)

IV) Ratings assigned by credit rating agencies and migration of ratings during the Year

Particular	2016-2017		2015-2016	
	CARE	ICRA	CARE	ICRA
(i) Commercial Paper	CARE A1+	Not Rated	CARE A1+	Not Rated
(ii) Non-Convertible Debentures	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+	ICRA AA+ (Stable)
(iii) Bank Loans :				
Long Term	CARE AA+ (Stable)	Not Rated	CARE AA+	Not Rated
Short Term	CARE AA+ (Stable)	Not Rated	CARE AA+	Not Rated
(iv) Subordinate Debts	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+	ICRA AA+ (Stable)
(v) Perpetual Debt	CARE AA (Stable)	ICRA AA (Stable)	CARE AA	ICRA AA (Stable)
(vi) Non-Convertible Debentures(Public Issue)	CARE AA+ (Stable)	ICRA AA+ (Stable)	-	-

V) Postponements of revenue recognition: Current year:NIL (Previous year: NIL)

VI) Note:In respect of Non performing assets, the revenue is recognised in terms of requirement of Master Direction DNBR P.D 008/03.10.119/2016-17 dated September 01,2016 as amended.

Notes to the Financial Statements for the period ended March 31, 2017

7 Provisions and Contingencies

I) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(₹ in Lakh)

Particulars	2016-2017	2015-2016
Provisions for depreciation on Investment	2,588.18	138.74
Provision towards Non Performing Assets	35,900.85	3,032.29
Provision made towards Income tax		
- Current Tax	13,783.44	5,542.01
- Deferred Tax	(12,545.87)	(849.95)
Other Provision and Contingencies (with details)		
Provision for Standard Assets	16,400.22	(347.39)
Provision of Restructured Assets	180.23	-
Loss on foreclosure of loans (net)	23,764.26	8,481.28

II) **Drawn down from reserve:** No draw down from reserve during the year (Previous year:NIL)

8 Concentration of Advances, Exposures and NPAs

I) Concentration of Advances

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Total Advances to twenty largest borrowers	587,747.03	118,536.56
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	20.10%	23.01%

II) Concentration of Exposures

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Total Exposure to twenty largest borrowers / customers	683,746.03	118,625.00
Percentage to Total Exposure to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers #	20.06%	22.96%

Undisbursed commitments are considered as NIL on account of conditions precedent to disbursements

III) Concentration of NPA

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Total Exposure to top four NPA accounts	23,212.41	5,449.00

Notes to the Financial Statements for the period ended March 31, 2017

IV) Sector-wise NPAs

(₹ in Lakh)

Particulars	Percentage to Total Advances in that Sector	
	As at March 31, 2017	As at March 31, 2016
1 Agriculture & allied activities	13.35%	-
2 MSME	4.61%	69.78%
3 Corporate borrowers	3.85%	0.97%
4 Services	17.68%	-
5 Unsecured personal loans	0.59%	0.79%
6 Auto loans	3.30%	7.57%
7 Other personal loans	6.32%	0.34%

9 Movement of NPAs

(₹ in Lakh)

Particulars	2016-17	2015-16
(i) Net NPAs to Net Advances (%)	3.99%	3.36%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	26,735.95	10,548.57
(b) Transfer on account of amalgamation	91,162.68	-
(c) Additions during the year	213,534.35	23,824.85
(d) Reductions during the year	140,911.42	7,637.48
(e) Closing balance	190,521.56	26,735.95
(iii) Movement of Net NPAs		
(a) Opening balance	16,919.17	3,927.75
(b) Transfer on account of amalgamation	60,453.12	-
(c) Additions during the year	146,599.02	15,327.62
(d) Reductions during the year	110,206.35	2,336.20
(e) Closing balance	113,764.97	16,919.17
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	9,816.78	6,620.82
(b) Transfer on account of amalgamation	30,709.56	-
(c) Additions during the year	66,935.33	8,497.24
(d) Reductions during the year	30,705.07	5,301.28
(e) Closing balance	76,756.60	9,816.78

Notes to the Financial Statements for the period ended March 31, 2017

10 Disclosure of Customer Complaints

Particulars	2016-17	2015-16
(i) No. of complaints pending at the beginning of the year	-	3
(ii) No. of complaints transferred from Transferor company	1	-
(iii) No. of complaints received during the year	3,964	1,788
(iv) No. of complaints redressed during the year	3,965	1,791
(v) No. of complaints pending at the end of the year	-	-

29.20 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(₹ in Lakh)

March 31, 2017	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	122,097.51	166,272.90	129,050.04	222,023.10	407,396.80	973,266.35	385,499.45	518,838.97	2,924,445.12
Investments	46,557.01	-	-	-	139,515.16	34,878.24	53,994.85	34,751.72	309,696.98
Borrowings*	80,925.00	311,150.00	333,853.67	261,072.67	277,144.67	1,279,340.21	163,600.00	89,000.00	2,796,086.21
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities*	-	-	-	13,635.97	-	-	-	-	13,635.97

March 31, 2016	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	21,312.00	18,697.00	21,218.00	67,443.00	106,969.00	207,424.00	58,078.00	3,974.00	505,115.00
Investments	-	-	-	-	171.00	-	-	4,190.00	4,361.00
Borrowings*	3,000.00	48,337.00	100,333.00	5,833.00	4,567.00	262,159.00	-	26,500.00	450,729.00
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

* Including ECB loan

29.21 Previous year figures have been regrouped/ reclassified wherever necessary.

**For and on behalf of board of directors of
L&T Finance Limited (Erstwhile Family Credit Limited)**

Dinanath Dubhashi
Director
(DIN : 03545900)

Prabhakar B.
Director
(DIN : 02101808)

Amit Bhandari
Company Secretary

Amol Joshi
Head Accounts
(Chief Financial Officer)

Place : Mumbai
Date : May 2, 2017