

# Board's Report

## Dear Members,

The Directors of your Company have pleasure in presenting the Third Annual Report together with the audited financial statements for the year ended March 31, 2016.

## FINANCIAL RESULTS

The summary of the Company's financial performance for the financial year ("FY") 2015-16, as compared to the previous FY 2014-15 is given below:

(₹ In Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Gross Income</b>	11,407.33	5,717.13
<b>Total Expenses</b>	7,478.26	2,713.44
<b>Profit before Tax/(Loss)</b>	3,929.07	3,003.69
Provision for Tax	-	---
<b>Profit after Tax(Loss)</b>	3,929.07	3,003.69
Add: Balance brought forward from the previous year	3,658.22	1,510.13
Balance available for appropriation	7,587.29	4,513.82
Appropriation:		
Special Reserve u/s 45- IC of Reserve Bank of India Act, 1934	785.81	601.00
Redemption Premium on Cumulative Redeemable Non-convertible Preference Shares ("CRPS")	--	254.60
Dividend paid on preference shares including dividend distribution tax	603.59	---
Surplus in the Statement of Profit and Loss	6,197.89	3,658.22

## APPROPRIATIONS

The Company proposes to transfer ₹ 785.81 lakhs (Previous year: ₹ 601.00 lakhs) to Special Reserve created u/s 45 – IC of Reserve Bank of India Act, 1934 and retain ₹ 6,197.89 lakhs (Previous year: ₹ 3,658.22 lakhs) in the Statement of Profit and Loss of the Company.

## PERFORMANCE OF THE COMPANY

The policy and regulatory framework for Infrastructure Debt Funds ("IDF") announced by the Government of India ("Gol") and the Reserve Bank of India ("RBI") respectively, are targeted at providing an innovative solution to the asset-liability mismatch and group exposure issues faced by the banking system in India. It was also intended that IDFs would help channelize pension/ insurance funds to infrastructure as well as play a role in deepening the bond market in India.

In FY 2015 - 2016, the second full year of operations, the Company has been able to make significant progress towards achieving all the objectives indicated by Gol, as well as improve the viability of projects by providing long-tenor and low-cost structured refinancing solutions. The Company approved refinancing facilities of ₹ 291,100 Lakhs and disbursed ₹ 204,600 Lakhs to eligible projects, and earned a profit of ₹ 3,929 Lakhs during its second full year of operations. The net worth of the Company as at March 31, 2016 was ₹ 72,150 Lakhs as compared to ₹ 45,067 Lakhs as at March 31, 2015.

In FY 2015-16, RBI permitted IDF-NBFCs to expand the scope of operations to additional sectors. This has significantly expanded the scope of activities of the Company during the second half of the year. The Company expects increased approvals and consequently disbursements from eligible infrastructure projects in permitted sectors, resulting in an increasing and steady stream of business income from FY 2016 – 2017 onwards.

## 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 Board of Directors had declared and paid an interim dividend @ 5.00% per annum in respect of 1,003 CRPS of the face value of ₹ 10,00,000/- each of the Company for the FY 2015-16, entailing an outflow of ₹ 5.01 crore (excluding dividend distribution tax). No final dividend is proposed to be paid on CRPS.

Further, with respect to declaration of dividend on the equity shares of the Company, the Directors have

considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No dividend has therefore been recommended for the year ended March 31, 2016.

## RESOURCES

During the year under review, the authorized share capital of the Company has been increased from ₹ 60,000 lakh to ₹ 140,000 lakh. To meet the business requirements, the Company has issued 1,667 lakh Equity Shares of face value of ₹ 10/- each, for cash at premium of ₹ 5/- per share through two tranches on a rights basis aggregating to ₹ 25,000 lakh. Pursuant to the issue and allotment of equity shares, the paid up capital of the Company increased to ₹ 57,096 lakh (including Preference Share Capital of ₹ 10,030 lakh) as at March 31, 2016 from ₹ 40,430 lakh as at March 31, 2015.

In FY 2015 - 2016, the Company raised an aggregate amount of ₹ 138,000 lakh from eight separate issues of AAA rated listed long-tenor non-convertible debentures ("NCDs"). The issues found widespread acceptance from the investor community, more specifically insurance and pension/ provident funds.

The Company also expects to raise additional capital in the forthcoming year based on its requirements.

## CREDIT RATING

During the year under review, the Company's issue of debentures was rated AAA (Triple A) by CRISIL, ICRA and Credit Analysis & Research Limited ("CARE"), preference shares were rated AAA (Triple A) by CRISIL and short term bank facilities rated CARE A1+ by CARE.

The ratings indicate that the debentures and Preference Shares carry the highest degree of safety regarding timely servicing of financial obligations and carry the lowest credit risk and further indicating "stable" outlook.

## 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. Suneet K Maheshwari and Mr. N Sivaraman, Non Executive Directors resigned from the Board of the Company, Mr. Maheshwari due

to his resignation from the services of L&T Financial Services Group and Mr. Sivaraman, due to his increased commitments, and, accordingly ceased to be directors of the Company with effect from July 22, 2015 and January 20, 2016 respectively. Further, Mrs. Raji Vishwanathan has resigned from the Board of the Company from the close of business hours on April 6, 2016, due to her other professional commitments. Mr. Maheshwari and Mr. Sivaraman have been directors since inception of the Company and have considerably contributed to giving strategic direction to the Company. The Board places on record its appreciation of the valuable services rendered by them and Mrs. Vishwanathan during their tenure as directors of the Company. During the year under review, the Board of Directors has appointed Mr. G. Krishnamurthy as an Additional director of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013 ('the Act') with effect from January 19, 2016. The Board of Directors at its meeting held on April 27, 2016 has also appointed Dr. Rupa Nitsure as an Additional Director pursuant to the provisions of Sections 149(1) and 161 of the Act and Mr. Dinanath Dubhashi as an Additional Director with effect from April 29, 2016. Mr. Krishnamurthy, Dr. Nitsure and Mr. Dubhashi hold office as Directors up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a Member proposing their candidature for the office of director, liable to retire by rotation.

Currently, the Company has two Independent Directors namely Mr. Arun Ramanathan and Mr. Thomas Mathew T. both the Independent Directors have submitted the declaration of independence, as required pursuant to provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided in sub-section (6) and are not disqualified from continuing as Independent Directors.

Pursuant to the provisions of Section 152 of the Act, Mr Y. M. Deosthalee, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Further, the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

## KEY MANAGERIAL PERSONNEL (KMP)

The Company has the following Key Managerial Personnel as at March 31, 2016:

- 1) Mr. Shiva Rajaraman – Manager & Chief Executive

- 2) Mr. Ashish Ranka - Head Accounts (Discharging the functions of the Chief Financial Officer)
- 3) Ms. Radhika Parmanandka – Company Secretary

## **COMPANY’S POLICY ON DIRECTOR APPOINTMENT AND REMUNERATION**

### **A. Background and Objectives**

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

Moreover, Section 134 of the Act stipulates that the Board’s Report shall include a statement on the Company’s Policy on Directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and remuneration for Key Managerial Personnel and other employees.

The Board of Directors on March 17, 2015, has, based on the recommendation of the Nomination and Remuneration Committee, approved the Policy on Directors’ Appointment and Remuneration for Directors, Key Managerial Personnel and other Employees.

### **B. Brief Framework of the Policy**

#### **A) The objective of this Policy is**

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

### **B) Evaluation Criteria of Directors and Senior Management/Key Managerial Personnel/Employees**

#### **Non-executive Directors/Independent Directors**

Before determining the remuneration, the Nomination and Remuneration Committee (“NRC”) is required to carry out evaluation of performance of Independent Directors/Non-Executive Directors, based on the following criteria:

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

#### **Executive Directors**

With respect to evaluation of performance of Executive Directors, the evaluation shall be on the basis of Key Performance Indicators (“KPI”), which would be identified every year for Executive Directors (“EDs”) and weights assigned for each measure of performance keeping in view the distinct roles of each EDs. The identified KPI for EDs shall be approved by the Board, pursuant to the recommendations of the Nomination and Remuneration Committee.

#### **Senior Management/Key Managerial Personnel/Employees**

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

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

### **C) Criteria for Remuneration**

In determining the criteria for remuneration for Directors and Senior Management, the NRC is required to ensure that:

- 1) the relationship between remuneration and performance benchmark is clear;
- 2) there is a balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- 3) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- 4) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals' performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

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

#### **Performance Evaluation**

Pursuant to the provisions of the Act, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the Audit and Nomination & Remuneration Committee (NRC).

#### **Manner of Evaluation**

The NRC and the Board have laid down the manner in which formal annual evaluation of

the performance of the Board, Committees and individual Directors has to be made.

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

The process of the annual performance evaluation broadly comprises:

#### **a. Board Evaluation:**

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

#### **b. Audit Committee & NRC Evaluation:**

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

#### **c. Independent / Non-Executive Directors Evaluation:**

- Evaluation by the other Board members excluding the Director being evaluated, followed by individual feedback to the directors concerned by the Chairman of the Board and summary feedback to the NRC.

#### **d. Chairman's Evaluation:**

- Evaluation by the other members of the Board followed by feedback thereon by the Chairman of the NRC to the Chairman of the Board and apprising the Board.

### **CORPORATE GOVERNANCE**

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

### **STATUTORY AUDITORS**

In the Annual General Meeting ("AGM") of the Company held on September 23, 2014, M/s. Deloitte Haskins & Sell LLP, Chartered Accountants, Registration No. 117366W/W-100018, had been appointed as the

Statutory Auditors of the Company for a period of four years being the balance period of first term in accordance with the provisions of Section 139(2) of the Act, subject to ratification in every intervening AGM.

The ratification of appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants is being sought from the Members of the Company at the ensuing Annual General Meeting.

### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 of the Act read with Rule, 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, has been appended as Annexure B to this Report. As regard to particulars of the employees required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014) no disclosure is required as the Company did not have any such employees during the year.

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

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

Considering the Company's activities as an IDF-NBFC, operating substantially through leased premises, 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.

There were no Foreign Exchange earnings or outgo during the period.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Act, the Directors, to the best of their knowledge and belief, confirm 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, 2016 and of the profit of the Company for the year ended as on that date;

- 3) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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 systems, commensurate with the size, scale and complexity of its operations. Testing of such systems forms a part of review by the Internal Audit function. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee of the Board. The Internal Audit function is carried out by the Internal Audit department of L&T Financial Services Group.

The Internal Audit department monitors and evaluates the efficacy and adequacy of 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 strengthen the controls. Significant audit observations and corrective actions, if any, are presented to the Audit Committee of the Board.

### **MEETINGS**

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

The Board of Directors of the Company met 6 (Six) times during the financial year 2015-2016 i.e. on April 22, 2015; July 21, 2015; September 22, 2015; October 19, 2015; December 28, 2015 and January 19, 2016

### **COMPOSITION OF AUDIT COMMITTEE**

The Company has constituted an Audit Committee in terms of the requirements of the Act and RBI regulations. The Members of the Audit Committee are Mr. Arun Ramanathan, Mr. Thomas Mathew T. and Mr. Y. M. Deosthalee. The Company has duly complied with the provisions of Section 177(2) of the Act i.e. majority of its members are independent.

### **VIGIL MECHANISM**

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

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

The mechanism framed by the Company is in compliance with requirement of the Act and available on website of the Company at [http://www.ltidf.com/investor\\_governance.html#](http://www.ltidf.com/investor_governance.html#).

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In accordance with the requirements of Section 135 of the Act, the Company has constituted a CSR Committee. The composition and terms of reference of the CSR committee are provided in the Corporate Governance Report.

The Company has also formulated a CSR Policy which is available on the website of the Company at [http://www.ltidf.com/pdf/LTFS\\_CSR\\_Policy.pdf](http://www.ltidf.com/pdf/LTFS_CSR_Policy.pdf). The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure C to this Report.

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

Details of loans given, investments made, guarantees given and security provided as per 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 18, 2014 has approved the Policy on Related Party Transactions ("RPT Policy"), pursuant to recommendation of the same by the Audit Committee in line with the requirements of the Act and RBI Regulations, the Company has formulated a Policy on Related Party Transactions which is also available on the Company's website - <http://www.ltidf.com/pdf/PolicyRelatedTransactions.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

Key features of the RPT Policy are as under:

- All RPT's are required to be referred to the Audit Committee of the Company for approval irrespective of its materiality. The Audit Committee, on the recommendation of the management, approves certain transactions with related parties which would occur on regular basis or at regular intervals. The Audit Committee at the end of each year appraises the position of the approved transactions to ensure that all necessary requirements are being complied with.
- All RPT's which are not at arm's length and / or which are not in the ordinary course of business are required to be presented to the Board for an appropriate decision.

All RPTs that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, Body Corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under Section 134(3) (h) of the Act in Form AOC 2 is not applicable.

### **RISK MANAGEMENT POLICY**

The Company has formulated a Risk Management Policy and has in place a framework to inform the

Board Members about risk assessment, 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.

#### **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 provisions of Section 134(3)(f) of the Act.

#### **SECRETARIAL AUDIT**

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

There are no adverse remarks, qualifications or reservations in the Secretarial Audit Report.

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

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

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

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

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

#### **RBI GUIDELINES**

The Company has complied with all the applicable regulations of RBI during the Financial Year 2015-2016

#### **OTHER DISCLOSURES**

During the year under review, the Company has not obtained any registration / license / authorisation, by whatever name called, from any other financial sector regulators.

#### **ACKNOWLEDGEMENT**

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Ministry of Corporate Affairs, Registrar of Companies, Insurance Regulatory and Development Authority, other government and regulatory authorities, lenders, financial institutions, credit rating agencies, investors 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 the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company, resulting in successful performance during the year.

#### **For and on behalf of the Board of Directors**

**Arun Ramanathan**  
Chairman  
DIN: 00308848

**Y. M. Deosthalee**  
Director  
DIN: 00001698

Place: Mumbai  
Date: April 27, 2016

# Management Discussion & Analysis

## 1. Macroeconomic Review

As per the data released by the Government of India (GoI), India's real GDP Growth rate for FY 2015-16 was estimated at 7.6%. India's sovereign rating outlook continues to be stable though rating agencies have pointed out the need for fiscal consolidation and addressing banking sector weaknesses.

In the last 12-18 months, the government has made efforts through administrative processes, to ease norms and speed up approvals for projects in specified sectors, and in general improve the ease of doing business. Bills relating to Mine & Minerals, Aadhaar, Insolvency and Bankruptcy Code, Arbitration and Conciliation, The National Waterways Act, 2015; The Insurance Amendment Act, 2015, The Coal Mines (Special Provisions) Act, 2015 have been approved by Parliament. Approval of the bill relating to land acquisition has seen some delays and is under process.

The rate of inflation (consumer) has been ~ 5.8%, partly due to higher food inflation. While policy interest rates have decreased by 1% during the period under review, bond market yields have fallen by a lower %. Capital expenditure for new projects in many sectors which had slowed down over the last 2 years has not yet picked up. Consequently growth in bank credit has been low for the last several quarters. The banking system has seen stress on account of issues faced by projects inter alia due to payment delays from off-takers and slower than expected GDP growth in the last few years.

Infrastructure sectors and consequently infrastructure financing, are closely linked to GDP growth, macroeconomic developments as well as with policy and regulatory actions.

## 2. Business

L&T Infra Debt Fund Limited (L&T IDF), sponsored by L&T Infrastructure Finance Company Ltd (L&T Infra Finance), is a systemically important non-deposit taking Non Banking Financial Company, categorised as an Infrastructure Debt Fund (IDF NBFC) under the overall regulatory supervision of the Reserve Bank of India (RBI).

L&T IDF's business is focussed on refinance of eligible infrastructure projects that have completed at least 1 year of satisfactory operations.

FY 2015-16 was the 2nd full year of operations of L&T IDF. L&T IDF has made significant progress towards achievement of the objectives set for IDF NBFCs by the Government of India (GoI) and Reserve Bank of India (RBI) i.e.,

- providing a solution to the Asset Liability Management (ALM) and Group Exposure limits issues faced by the banking system, by refinancing bank exposures to projects
- channelising long term funds raised from pension funds and insurance companies to infrastructure projects
- increased the viability of projects through structured credit enhancement solutions (longer tenors, lower interest rates, fixed rate solutions eliminating uncertainty in interest rates)
- development of the bond market (refinance through the issue of bonds which are thereafter listed)

L&T IDF's Project Finance group appraises eligible infrastructure projects and borrower groups, of varying complexities and provides innovative financial solutions and products to meet the requisite tenor and cashflow-based structuring requirements of customers.

In its 2nd full year of operations, L&T IDF has sanctioned refinance facilities to 22 infrastructure projects aggregating ~ ₹ 2911 Cr, being operated by several large and medium-sized business groups in the country. While some of the sanctioned facilities have been disbursed, the balance facilities are expected to be disbursed shortly, subject to regulatory approvals. L&T IDF earned a profit of ₹ 39 Cr in FY 2015-16, an increase of over 30% over the previous year. The asset size of L&T IDF was ₹ 2618 Cr on March 31, 2016.

While the focus of L&T IDF in FY 2014-15, was on toll-based and annuity-based road projects diversified by geography, promoter group and project type, in FY 2015-16, there was significant diversification to several sectors and sub-sectors including solar power, wind power, transmission, pipelines and other areas.

## 3. Financial Resources (Liabilities)

L&T IDF has a paid up Equity Share Capital of ₹ 471 Cr and a net worth of ₹ 721 Cr. During FY 2015-16, L&T IDF has raised ~ ₹ 1380 Cr through the issue of AAA rated, listed, secured, long term, redeemable, non

convertible debentures (NCDs). L&T IDF has demonstrated the ability to raise funds from a diverse set of high quality investors, at competitive rates.

The NCDs and Preference Shares have been issued with varying tenors extending from 5 years to 20 years. The NCDs have seen a relatively high level of trading volumes with over ₹ 900 cr being traded in the last 2 years.

L&T IDF has a well-diversified mix of bond investors including provident funds, gratuity funds, insurance companies, investment banks, commercial banks and mutual funds.

#### **4. Risk Management Practice**

L&T IDF has a robust risk management practice that enables mitigation and management of risks in its businesses. The Risk Management Framework of L&T IDF, flowing from the overall Enterprise Risk Management Framework of L&T Financial Services, encompasses credit, market as well as operational risks. The Risk Management Policies are approved by the Risk Management Committee, a sub-committee of the Board of Directors.

All proposals are evaluated by designated teams based on well-established sector specific internal frameworks, in order to identify, mitigate and allocate risks as well as to enable risk-based pricing of assets. Regulatory and process risks are identified, mitigated and managed by a separate group.

Project approvals are based on a committee-based approval process. Designated groups track the post-financing performance of projects as well as compliance of conditions / covenants and conducts regular reviews of all assets in the portfolio based on several parameters that include sector, geographical, technology and promoter based concentration risks.

Interest rate, liquidity and currency risks are monitored by a separate group. Requisite applications and models are used to support the function.

#### **5. Human Resources**

The Human Resources (HR) function focuses on structured training programmes (both in-house and external) intended to equip employees at all levels, with the necessary knowledge and experience in order to demonstrate high levels of performance. The number of people employed by the Company as at March 31, 2016 was 6.

In FY 2015-16, customised training programmes have focussed on honing the leadership skills of mid and senior level executives in order to meet future business requirements.

#### **6. Internal Controls & Adequacy**

L&T IDF has put in place internal controls to ensure that all transactions are authorised, recorded and reported correctly and in accordance with the Policies, Guidelines, Processes and Frameworks approved by the Board and / or its sub-committees.

Periodic and regular reviews by management as well as an extensive programme of audits (both internal and external) supplement the controls and provide necessary checks and balances.

#### **7. Outlook**

The current scope of operations of L&T IDF includes refinancing of eligible operating infrastructure projects which have completed at least 1 year of satisfactory operations. With RBI permitting refinance in several additional sectors / areas, there has been a significant increase in assets in H2 FY 2015-16. This momentum is expected to continue in FY 2016-17. This would also enable release of significant headroom (in Group exposures) for the banking system, which was one of the key reasons for introduction of IDF NBFCs.

#### **Cautionary Statement/Disclaimer (to this Report)**

*Certain statements in this Annual Report which describe the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document, due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business, as well as its ability to implement the strategy. The Company does not undertake to update these statements.*

# Annexure A to Board's Report

## Corporate Governance Report

### BOARD OF DIRECTORS

The Board of Directors, 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 five Directors viz. Mr. Arun Ramanathan, Mr. Thomas Mathew T., Mr. Y. M. Deosthalee, Dr. Rupa Nitsure and Mr. G Krishnamurthy. While Mr. G Krishnamurthy was appointed as an Additional Director on the Board during the year and is the Whole time Director of L&T Infrastructure Finance Company Limited, Dr. Rupa Nitsure is the Chief Economist of L&T Financial Services. Mr. Deosthalee is the Chairman & Managing Director of L&T Finance Holdings Limited (LTFH), Holding Company while Mr. Arun Ramanathan and Mr. Thomas Mathew T. are Independent Directors of the Company.

Mr. Shiva Rajaraman is the Manager & Chief Executive of the Company and functions under the supervision and control of the Board of Directors.

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

- Audit Committee
- Nomination and Remuneration Committee
- Credit Committee
- Asset-Liability Management Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Committee of Directors

The details of various Committees of the Company (as on the date of the Report) are as under:

#### 1. Audit Committee:

The Audit Committee has been set up pursuant to provisions of Section 177 of the Act as well as RBI directions for non-banking financial companies. The Committee comprises three Directors as stated below:

Mr. Arun Ramanathan – Chairman

Mr. Thomas Mathew T.

Mr. G. Krishnamurthy

### Role of the Committee

- To make recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To examine the financial statement and the auditors' report thereon;
- To approve or make any subsequent modification of transactions of the Company with related parties;
- To scrutinize inter-corporate loans and investments;
- To undertake valuation of undertakings or assets of the company, wherever it is necessary;
- To evaluate internal financial controls and risk management systems;
- To monitor the end use of funds raised through public offers and related matters;
- To investigate into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of the company;
- 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 Audit Committee met 7 times during the year.

#### 2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises three Members as stated below.

Mr. Thomas Mathew T. - Chairman

Mr. Arun Ramanathan

Mr. G. Krishnamurthy

### Role of the Committee

- To 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.

- To 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.
- To ensure 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

The Committee met 3 times during the year under review.

### 3. Credit Committee (CC)

The Credit Committee (CC) of the Company is chaired by Mr. Y.M. Deosthalee and also comprises directors and senior executives of L&T Financial Services group.

#### Role of the Committee

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

The Committee met 11 times during the year under review.

### 4. Asset – Liability Management Committee

The Committee comprises directors / senior executives of L&T Financial Services group.

#### Role of the Committee

- Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting limits and reporting systems set out by the Board of Directors and ensuring adherence to RBI Guidelines issued in this behalf from time to time;
- Deciding & reviewing the business strategy of the Company (on the liabilities side) in line with the Company's budget and decided risk management objectives;
- Review the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits;
- Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- Product pricing for liabilities, desired maturity profile and mix of liabilities in conjunction with the maturity profile of assets, prevailing interest rates offered by other peer NBFCs for the similar services/product etc;
- Articulating the current interest rate view of the Company and decide the future business strategy on this view; and
- Deciding on the source and mix of the liabilities

The ALCO met 10 times during the year under review.

### 5. Risk Management Committee:

The Risk Management Committee currently comprises 3 members chaired by a director.

#### Role of the Committee

The Risk Management Committee (RMC) approves the Risk Management Policy of the Company. The RMC also reviews measures to mitigate process, compliance, regulatory and legal risk. The RMC reviews the risk-return profile of the Company in addition to overseeing measures to mitigate portfolio and liability related risks.

The Committee met once during the year under review.

## 6. Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility Committee has been set up pursuant to Section 135 of the Act. The Committee comprises 3 Directors as stated below:

Mr. Y.M. Deosthalee – Chairman

Mr. G. Krishnamurthy

Mr. Arun Ramanathan

The functions of the CSR Committee are as follows:

- Formulation of CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommendation of the same to the Board;
- Recommending to the Board the amount to be spent on CSR from time to time.
- Monitoring the CSR Policy of the Company from time to time.

The CSR Committee met 2 times during the year.

## 7. Committee of Directors

The Committee comprises 3 Directors as stated below:\*

Mr. Dinanath Dubhashi

Mr. G. Krishnamurthy

Dr. Rupa Nitsure

*\*The aforementioned composition to take effect from April 29, 2016*

### Role of the Committee

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

The Committee met 18 times during the year.

### Separation of Offices of Chairman and Managing Director & Chief Executive

The roles and offices of the Chairman and Chief Executive are separated. Mr. Arun Ramanathan is Non-Executive Independent Chairman of the Board whereas Mr. Shiva Rajaraman is the Manager & Chief Executive of the Company.

### REMUNERATION OF DIRECTORS

The Directors on the Board who are in the services of L&T Finance Holdings Limited and/or its subsidiaries draw

remuneration from their respective companies and are not paid any remuneration from the Company. All other Directors (not in employment of L&T Financial Services group) on the Board are paid sitting fees for attending the meetings of the Board and/or any committee thereof and commission on net profits.

The details of remuneration paid/payable to Directors for the year ended March 31, 2016 are as follows:

- a) Executive Directors – None
- b) Non-Executive Directors

(Amount in ₹)

Name of the Director	Sitting Fees for Board Meetings	Sitting Fees for Committee Meetings#	Commission (up to)\$	Total
Mr. Arun Ramanathan	1,20,000	2,40,000	13,10,000	16,70,000
Mr. Thomas Mathew T.	1,20,000	2,00,000	11,95,000	15,15,000

# Includes Audit Committee, Nomination and Remuneration Committee and CSR Committee.

\$ To be decided by Board based on the recommendation of Nomination and Remuneration Committee.

### INDEPENDENT DIRECTORS

Mr. Arun Ramanathan and Mr. Thomas Mathew T. are Independent Directors of the Company.

### 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 they have confirmed compliance with the requirements.

### RESPONSIBILITIES OF THE BOARD

Presentations to the Board reflect all key areas including business prospects, budgets, business strategy & operations, asset quality and financial results. Directors are also updated about their respective roles and responsibilities.

The Company ensures provision of necessary perspective 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 all relevant information in a form and of a quality appropriate to effectively enable/discharge his duties. The Directors are given time to study the information and contribute effectively to Board discussions.

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

The systems of risk assessment and compliance with statutory requirements, are in place.

#### **Internal Auditors**

The Board of Directors at its meeting held on July 18, 2014 has appointed M/s. Aneja Associates as the Internal Auditors to conduct Internal Audit of the Company.

#### **Internal Control**

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

#### **Debenture Trustee**

The debenture trustees of the Company are:

#### GDA Trusteeship Limited

GDA House, S No 94/95, Plot No 85  
Bhusari Colony (Right), Paud Road, Pune - 411 038  
Tel: +91 20 2528 0081  
Fax: +91 20 2528 0275  
E-mail: dt@gdatrustee.com  
Website: www.gdatrustee.com

#### **Means of Communication**

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

# Annexure B

**Name of the Company – L&T Infra Debt Fund Limited**

## **PARTICULARS OF EMPLOYEES**

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

<b>Sr. No.</b>	<b>Particulars</b>	
1	*The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Not Applicable, since all the directors of the Company are Non-executive.
2	*The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Directors – Nil Chief Financial Officer – # Company Secretary – Nil@ Manager - Nil#  @Handles Group Level responsibilities. #Deputed from group company and handles Group level responsibilities and hence not measurable for this position.
3	The percentage increase in the median remuneration of employees in the financial year.	12.8%.
4	The number of permanent employees on the rolls of company.	6 employees
5	The explanation on the relationship between average increase in remuneration and company performance.	The employee remuneration is linked to the performance of the Company as per the terms of appointment.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	N.A.#
7	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than managerial personnel
		12.8%
		Managerial personnel
		N.A.#
8	The key parameters for any variable component of remuneration availed by the directors.	Not Applicable, since all the directors of the Company are Non-Executive.
9	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable, since all the directors of the Company are Non-Executive.

\* For the purpose of determining the ratio of remuneration and percentage increase in remuneration of directors as stipulated in Sr. No. 1 & 2, remuneration by way of commission paid to Independent Directors are not considered.

# Deputed from group company and handles Group level responsibilities and hence not measurable for this position.

# Annexure C 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:**

CSR Policy is based on social, economic, environment and volunteering objectives of the Company. The policy clearly states the organization's core CSR thrust areas as Quality Education and Generating Sustainable Livelihood. 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 Act.

2) **Composition of CSR Committee:**

The composition of CSR Committee is disclosed in the Corporate Governance Report.

3) Average net profit of the Company for the last three financial years is ₹ 1,784 lakhs

4) Prescribed CSR expenditure and details of CSR spend:

Particulars	₹ (In Lakhs)
Prescribed CSR Expenditure	35.68
Amount spent as CSR	35.68
Amount unspent	-

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

The manner of CSR Committee spend is provided as 'Annexure' below.

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 Infra Debt Fund Limited

### Y. M. Deosthalee

Director

DIN: 00001698

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	Contribution to Nepal Earthquake Relief Fund	viii) Contribution to the Prime Minister's National Relief Fund	Nepal	17,037.00	17,037.00	17,037.00	Direct*
2	Rural development through - Watershed Management-drought relief Project	x) Rural development	State: Maharashtra District: Beed	30,80,913.00	30,80,913.00	30,80,913.00	Indirect**
3	CSR Administration, NGO capacity building expenditure	Capacity Building	State: Maharashtra District: Mumbai	47,00,50.00	47,00,50.00	47,00,50.00	Direct*
<b>Total CSR Spend in FY 15-16 ( in INR.)</b>				<b>35,68,000.00</b>	<b>35,68,000.00</b>	<b>35,68,000.00</b>	

Direct \* = CSR Projects/Initiatives directly implemented by the Organisation

Indirect \*\* = Some CSR activities/projects have been carried out by partnering with several Non-government organisational charitable Institutions.

# Annexure D To Board's Report

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2016

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

To,

The Members,

**L&T INFRA DEBT FUND LIMITED**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), **as applicable:-**
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **presently, (Prohibition of Insider Trading) Regulations, 2015;**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **presently, (Share Based Employee Benefits) Regulations, 2014;**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Other specific business/industry related laws are applicable to the company, viz.:

- NBFC-Infrastructure Debt Fund – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Guidelines, Notifications, etc.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. **The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** and the Listing Agreements entered into by the Company with Stock Exchange(s), if applicable. - **Debt Listing Agreement with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).**

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

- **Independent Director (ID) meeting should be held once in each calendar year. The first ID meeting was held in March, 2015, the second meeting shall be held any time during the period April 1, 2016 to December 31, 2016, without necessitating the holding an ID meeting during the financial year 2015-16.**

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

(i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.–

**(a) Issue Of Secured, Redeemable, Non-Convertible Bonds/Debentures, on private placement basis, as under:**

Sr. No.	Series	Issue Size (₹crores)	Date of Allotment	Issued in Demat on
1	Series A FY 2015-16	25.00	11.09.2015	11.09.2015
2	Series B FY 2015-16	150.00	09.11.2015	09.11.2015
3.	Series C FY 2015-16	150.00	04.12.2015	04.12.2015
4.	Series D FY 2015-16	255.00	07.01.2016	07.01.2016
5.	Series E FY 2015-16	300.00	24.02.2016	24.02.2016
6.	Series F FY 2015-16	50.00	26.02.2016	26.02.2016
7.	Series G FY 15-16	150	22.03.2016	22.03.2016
8.	Series H FY 15-16	300	29.03.2016	29.03.2016

**(b) Issue on Equity Shares on Rights basis –**

- **96,000,000 Equity shares of ₹15/-each (including premium of ₹5/- per share) for cash aggregating to ₹144,00,00,000/-;**
- **7,06,66,666 equity shares of ₹15/- each (including premium of ₹5/- per share) for cash aggregating to ₹1,05,99,99,990**
- (ii) Redemption / buy-back of securities. – **NIL.**
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013 -
  - **Increase of Borrowing limits of the Company from ₹2,000 crore to ₹4,000 crore.**
- (iv) Merger / amalgamation / reconstruction, etc.–**NIL.**
- (v) Foreign technical collaborations – **NIL.**
- (vi) Other Events –
  - Increase in Authorised Share Capital from existing ₹600,00,00,000 to ₹1400,00,00,000 divided into 4000 Preference Shares of Face Value ₹10,00,000 each aggregating ₹400,00,00,000 and Equity shares of 100,00,00,000 of Face value ₹10 each aggregating ₹1000,00,00,000;

**NAINA R DESAI**

Practising Company Secretary

Membership No. 1351

Certificate of Practice No.13365

Place: Mumbai  
Date: April 21, 2016

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To,

The Members

**L&T INFRA DEBT FUND LIMITED**

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

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

**NAINA R DESAI**

Practising Company Secretary

Membership No. 1351

Certificate of Practice No.13365

Place: Mumbai  
Date: April 21, 2016

# Annexure E To Board's Report

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on financial year ended on 31.03.2016**

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	U67100MH2013PLC241104
ii	Registration Date	19.03.2013
iii	Name of the Company	L&T Infra Debt Fund Limited
iv	Category/Sub-category of the Company	Company limited by shares
v	Address of the Registered office & contact details	3B, Laxmi Towers, C-25, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
vi	Whether listed company	Yes (Debt & Preference Shares Listed)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharepro Services (India) Private Limited 13 A B, Samhita Warehousing Complex, 2nd floor, Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072 Ph: 022-61915400 / 022-61915412

## II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

S. No.	Name & Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Non-Banking Finance Company – Infra Debt Fund (IDF-NBFC)	64910	100

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	L&T Finance Holdings Limited	L67120MH2008PLC181833	Holding Company	23.36	2(46)
2	L&T Infrastructure Finance Company Limited	U67190TN2006PLC059527	Associate Company	48.36	2(6)

## 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		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	-----				-----				-----	-----
b) Central Govt. or State Govt.	-----				-----				-----	-----
c) Bodies Corporates	30,39,99,996	4*	30,40,00,000	100.00	4,70,666,662	4*	4,70,666,666	100.00	-----	-----
d) Bank/Fl	-----				-----				-----	-----
e) Any other	-----				-----				-----	-----
<b>SUB TOTAL:(A) (1)</b>	30,39,99,996	4*	30,40,00,000	100	4,70,666,662	4*	4,70,666,666	100	-----	-----
<b>(2) Foreign</b>										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/Fl										
e) Any other...										
<b>SUB TOTAL (A) (2)</b>										
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	30,39,99,996	4*	30,40,00,000	100	4,70,666,662	4*	4,70,666,666	100	-----	-----

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		
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds										
b) Banks/Fl										
C) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FII										
h) Foreign Venture Capital Funds										
i) Others (specify)										
<b>SUB TOTAL (B)(1):</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>(2) Non Institutions</b>										
a) Bodies corporates										
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)										
<b>SUB TOTAL (B)(2):</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	30,39,99,996	4*	30,40,00,000	100	4,70,666,662	4*	4,70,666,666	100	-----	-----

\*Jointly holding with L&T Infrastructure Finance Company 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	7,10,00,000	23.36%	-----	10,99,33,333	23.36%	-----	0
	-----	-----	-----	-----	-----	-----	-----	-----
	<b>Total</b>	<b>7,10,00,000</b>	<b>23.36%</b>	<b>-----</b>	<b>10,99,33,333</b>	<b>23.36%</b>	<b>-----</b>	<b>0</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING**

Sl. No.	Date	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
	At the beginning of the year	7,10,00,000	23.36%	7,10,00,000	23.36%
	Allotment of Right Issue	December 31, 2015	2,24,25,600	9,34,25,600	-----
	Allotment of Right Issue	February 12, 2016	1,65,07,733	10,99,33,333	
	At the end of the year		10,99,33,333	10,99,33,333	23.36%

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

Sl. No	Date	Shareholding at the end 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
<b>1.</b>	<b>L&amp;T Infrastructure Finance Company Limited</b>				
	At the beginning of the year	14,70,00,000	48.36%	14,70,00,000	48.36%
	Allotment of Right Issue	December 31,2015	4,64,25,600	19,34,25,600	---
	Allotment of Right Issue	February 12,2016	3,41,74,400	22,76,00,000	---
	At the end of the year (or on the date of separation, if separated during the year)		22,76,00,000	22,76,00,000	48.36%
<b>2.</b>	<b>L&amp;T Finance Limited</b>				
	At the beginning of the year	2,00,00,000	6.58%	2,00,00,000	6.58%
	Allotment of Right Issue	December 31,2015	63,16,800	2,63,16,800	---
	Allotment of Right Issue	February 12,2016	46,49,867	3,09,66,667	---
	At the end of the year (or on the date of separation, if separated during the year)		3,09,66,667	3,09,66,667	6.58%
<b>3.</b>	<b>L&amp;T FinCorp Limited</b>				
	At the beginning of the year	4,30,00,000	14.14%	4,30,00,000	14.14%
	Allotment of Right Issue	December 31,2015	1,35,74,400	5,65,74,400	---
	Allotment of Right Issue	February 12,2016	99,92,266	6,65,66,666	---
	At the end of the year (or on the date of separation, if separated during the year)		6,65,66,666	6,65,66,666	14.14%
<b>4.</b>	<b>Family Credit Limited</b>				
	At the beginning of the year	2,29,99,996	7.56%	2,29,99,996	7.56%
	Allotment of Right Issue	December 31,2015	72,57,600	3,02,57,596	---
	Allotment of Right Issue	February 12,2016	53,42,400	3,55,99,996	---
	At the end of the year (or on the date of separation, if separated during the year)		3,55,99,996	3,55,99,996	7.56%

**(v) Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the end 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	3*	0.00	3*	0.00
	Date wise increase / decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	---	---	---	---
	At the end of the year	2*	0.00	2*	0.00

\* 1 share each held by Mr. Y. M. Deosthalee, Mr. N. Sivaraman and transfer of One share held by Mr. Suneet K. Maheshwari(Director) to Mr. Sunil Prabhune jointly holding with L&T Infrastructure Finance Company Limited

**V. INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year	4,500,000,000.00			4,500,000,000.00
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	224,729,452.00	-	-	224,729,452.00
Total (i+ii+iii)	4,724,729,452.00	-	-	4,724,729,452.00
Change in Indebtedness during the financial year				
Additions	1380,000,000.00	-	-	1380,000,000.00
Reduction	-	-	-	-
Net Change	1380,000,000.00			1380,000,000.00
Indebtedness at the end of the financial year				
i) Principal Amount	18,300,000,000.00	-	-	18,300,000,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	417982019	-	-	417982019
Total (i+ii+iii)	18,717,982,019.00	-	-	18,717,982,019.00

**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
1	<b>Gross salary</b>	Mr. Shiva Rajaraman	Nil#
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission		
--	as % of profit		
--	others (specify)		
5	Others, please specify		
	<b>Total (A)</b>		Nil#
	<b>Ceiling as per the Act</b>		

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

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr. Arun Ramanathan	Mr. Thomas Mathew T.	
1	Independent Directors			
	(a) Fee for attending board and Committee meetings	3,60,000	3,20,000	6,80,000
	(b) Commission	13,10,000	11,95,000	25,05,000
	(c) Others, please specify	-	-	
	<b>Total (1)</b>	<b>16,70,000</b>	<b>15,15,000</b>	<b>31,85,000</b>
2	Other Non Executive Directors	-----		-----
	(a) Fee for attending board committee meetings	-----		-----
	(b) Commission	-----		-----
	(c) Others, please specify.	-----		-----
	<b>Total (2)</b>	-----		-----
	<b>Total (B)=(1+2)</b>	-----		<b>31,85,000</b>
	<b>Total Managerial Remuneration</b>	-----		<b>31,85,000</b>
	Overall Ceiling as per the Act	-----		39,61,360 (1% of the Net Profit)

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Nil@

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

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

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

NONE

# Independent Auditors' Report

## TO THE MEMBERS OF

### L&T INFRA DEBT FUND LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **L&T INFRA DEBT FUND LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under section 133 of the Act, as applicable.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the 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, April 27, 2016.

# 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 INFRA DEBT FUND LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 Act.

### 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 Act, 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, 2016, 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 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, April 27, 2016.

# 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) The Company does not have any fixed assets and hence reporting under clause 3(i) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the 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 provision of section 185 and 186 of the Companies Act, 2013 is not applicable to the Company. Consequently reporting under clause 3(iv) of the 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 been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service 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 Employees' State Insurance, Sales Tax, Custom Duty, Excise Duty, Value Added Tax and corresponding cess during the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable
- (c) There were no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 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 dues to debenture holders. The Company has not taken any loans or borrowings from financial institutions, bank and government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to information and explanations given to us, no fraud by the Company and no 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 3(xii) of the 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 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 3(xiv) of 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-I 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, April 27, 2016.

# Balance Sheet as at March 31, 2016

(₹ in Lakhs)

	Note no.	As at 31-03-2016	As at 31-03-2015
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2	57,096.67	40,430.00
Reserves and surplus	3	15,053.24	4,637.22
		<b>72,149.91</b>	<b>45,067.22</b>
<b>2. Non - current liabilities</b>			
Long - term borrowings	4	1,83,000.00	45,000.00
Other Long -term liabilities	5	193.47	-
Long - term provisions	6	1,269.97	357.03
		<b>1,84,463.44</b>	<b>45,357.03</b>
<b>3. Current liabilities</b>			
Trade payables	7	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		742.49	45.01
Other current liabilities	8	4,372.46	2,307.71
Short - term provisions	9	24.36	8.20
		<b>5,139.31</b>	<b>2,360.92</b>
<b>Total equity and liabilities</b>		<b>2,61,752.66</b>	<b>92,785.17</b>
<b>B. ASSETS</b>			
<b>1. Non - current assets</b>			
Long - term loans towards financing activities	10	2,30,028.27	32,921.00
Long - term loans and advances	11	888.64	259.50
Other non - current assets	12	3,245.54	116.57
		<b>2,34,162.45</b>	<b>33,297.07</b>
<b>2. Current assets</b>			
Current investments	13	18,175.00	20,358.65
Cash and cash equivalents	14	2,125.94	36,362.50
Current maturities of long - term loans towards financing activities	15	6,557.81	2,144.25
Short term loans and advances	16	80.32	31.90
Other current assets	17	651.14	590.80
		<b>27,590.21</b>	<b>59,488.10</b>
<b>Total assets</b>		<b>2,61,752.66</b>	<b>92,785.17</b>
<b>See accompanying notes forming part of the financial statements. 1 to 37</b>			

In terms of our report attached.

## For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

**Sanjiv V. Pilgaonkar**

Partner

## For and on behalf of the board

**Y. M. Deosthalee**

Director  
DIN 00001698

**Ashish Ranka**

Head Accounts (CFO)

**G. Krishnamurthy**

Director  
DIN 06560170

**Radhika Parmanandka**

Company Secretary

Place : Mumbai

Date : April 27, 2016

Place : Mumbai

Date : April 27, 2016

# Statement of Profit and Loss for the year ended March 31, 2016

(₹ in Lakhs)

	Note no.	Year ended 31-03-2016	Year ended 31-03-2015
<b>A. INCOME:</b>			
1. Revenue from operations	18	8,146.90	1,434.10
2. Other income	19	3,260.43	4,283.03
<b>3. Total income (1+2)</b>		<b>11,407.33</b>	<b>5,717.13</b>
<b>B. EXPENSES:</b>			
Employee benefits expense	20	85.94	66.17
Finance costs	21	6,104.17	2,326.21
Other expenses	22	682.28	215.86
Provisions for contingencies	23	605.87	105.20
<b>4. Total expenses</b>		<b>7,478.26</b>	<b>2,713.44</b>
<b>5. Profit before tax (3-4)</b>		<b>3,929.07</b>	<b>3,003.69</b>
<b>6. Tax expenses:</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total provision for tax</b>		<b>-</b>	<b>-</b>
<b>7. Profit after tax / balance carried to Balance Sheet (5-6)</b>		<b>3,929.07</b>	<b>3,003.69</b>
<b>Earnings per equity share</b>			
Basic earnings per equity share (₹)	28	0.99	0.80
Diluted earnings per equity share (₹)	28	0.99	0.80
Face value per equity share (₹)		10.00	10.00
<b>See accompanying notes forming part of the financial statements. 1 to 37</b>			

In terms of our report attached.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**Sanjiv V. Pilgaonkar**

Partner

Place : Mumbai

Date : April 27, 2016

**For and on behalf of the board**

**Y. M. Deosthalee**

Director  
DIN 00001698

**Ashish Ranka**

Head Accounts (CFO)

Place : Mumbai

Date : April 27, 2016

**G. Krishnamurthy**

Director  
DIN 06560170

**Radhika Parmanandka**

Company Secretary

# Cash Flow statement for the year ended March 31, 2016

(₹ in Lakhs)

	Year ended 31-03-2016	Year ended 31-03-2015
<b>A Cash flow from operating activities:</b>		
Profit Before Taxation	3,929.07	3,003.69
<b>Adjustment for:</b>		
Provision for standard assets	605.87	105.20
Gratuity	0.76	1.19
Leave encashment	1.61	-
Gain on sale of current investments	(1,218.08)	(1,972.57)
<b>Operating profit before working capital changes:</b>	<b>3,319.23</b>	<b>1,137.51</b>
<b>Adjustment for increase/(decrease) in operating liabilities:</b>		
Other short- term and long-term liabilities	193.47	-
Short term and long-term provisions	-	4.24
Trade payables	697.48	29.79
Other current liabilities	2,064.75	2302.57
<b>Adjustment for (increase)/decrease in operating Assets:</b>		
long term loans and advances	(42.45)	(11.86)
other current assets	(60.34)	(499.22)
short term loans and advances	(48.43)	2.81
other non current assets	(3,128.98)	(116.57)
loans towards financing activities	(2,01,520.83)	(35,065.25)
<b>Cash generated from/(used in) operations</b>	<b>(1,98,526.10)</b>	<b>(32,215.98)</b>
Net Income Tax (Paid)	(586.69)	(186.64)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(1,99,112.79)</b>	<b>(32,402.62)</b>
<b>B Cash flows from investing activities:</b>		
Current investments not considered as Cash and cash equivalents		
- Purchased	(7,42,964.04)	(1,99,692.29)
- Proceeds from sale	7,46,365.77	1,81,306.21
<b>Net cash from/(used in) investing activities (B)</b>	<b>3,401.73</b>	<b>(18,386.08)</b>
<b>C Cash flows from financing activities:</b>		
Proceeds from issue of equity shares	25,000.00	10,030.00
Proceeds from long-term borrowings	1,38,000.00	45,000.00
Dividend paid on preference share	(501.49)	-
Dividend distribution tax on preference share	(102.10)	-
Debenture issue expenses	(921.87)	-
<b>Net cash generated from financing activities (C)</b>	<b>1,61,474.54</b>	<b>55,030.00</b>

# Cash Flow statement for the year ended March 31, 2016

(₹ in Lakhs)

	Year ended 31-03-2016	Year ended 31-03-2015
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(34,236.56)</b>	<b>4,241.30</b>
Cash and cash equivalents as at beginning of the year	36,362.50	32,121.20
Cash and cash equivalents as at end of the year (refer note below)	2,125.94	36,362.50
<b>Net (Decrease)/Increase in cash and cash equivalents</b>	<b>(34,236.56)</b>	<b>4,241.30</b>
See accompanying notes forming part of the financial statements <b>1 to 37</b>		
<b>Foot notes:</b>		
<b>1. Cash and cash equivalents reconciliation</b>		
Cash and cash equivalents at the end of the year	2,125.94	36,362.50
Less: Term deposits with original maturity greater than 3 months	-	-
Cash and cash equivalents at the end of the year	<b>2,125.94</b>	<b>36,362.50</b>
<b>2. Net cash used in operating activity is determined after adjusting the following</b>		
Interest received	7,506.81	2,977.37
Dividend received	34.14	97.08
Interest paid	4,125.78	22.50

In terms of our report attached.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**Sanjiv V. Pilgaonkar**

Partner

Place : Mumbai

Date : April 27, 2016

**For and on behalf of the board**

**Y. M. Deosthalee**

Director

DIN 00001698

**Ashish Ranka**

Head Accounts (CFO)

Place : Mumbai

Date : April 27, 2016

**G. Krishnamurthy**

Director

DIN 06560170

**Radhika Parmanandka**

Company Secretary

# Notes forming part of the financial statements as at March 31, 2016

## **Note1: Brief Profile and Significant accounting policies.**

### **A. Brief Profile :**

L&T Infra Debt Fund Limited (the “Company”) has been incorporated under the Companies Act, 1956 on 19th March, 2013 to carry out the business of a specialized financial institution classified as an Infrastructure Debt Fund – Non - Banking Financial Company (IDF-NBFC) under the Infrastructure Debt Fund – Non-Banking Financial Companies (Reserve Bank) Directions, 2011 of the Reserve Bank of India (“RBI”). The Company received Certificate of Registration (“CoR”) from RBI as an IDF -NBFC on 21st October, 2013.

### **B. Significant Accounting Policies:**

#### **I. Basis of Accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and along with the applicable guidelines issued by Reserve Bank of India (“RBI”). The financial statements have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **II. Use of Estimates**

The preparation of the 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 expenses 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.

#### **III. Revenue Recognition**

(a) Revenue is recognised to the extent that it is probable that the economic benefits will

flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any. 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.

(c) Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.

#### **IV. Other Income**

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

#### **V. Operating Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### **VI. Taxes on Income**

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

As no income tax is payable on the company's income from the financial year 2014-15, no deferred tax asset / liabilities has been recognised.

#### **VII. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation as a result of past events and

# Notes forming part of the financial statements as at March 31, 2016

it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. 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 are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

## VIII. Cash Flow Statement

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.

## IX. 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.

## X. Earnings per share

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 are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## XI. Share Issue Expenses

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

## XII. Investment

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

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

## XIII. Loans towards Financing Activities:

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 the RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of an advance, where interest is not serviced or where repayments on account of principal are in arrears, provision for diminution is made as per the parameters applicable to Non-Performing Advances.

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

## XIV. Employee Benefit

### I. Employee Benefits

#### Defined-Contribution Plans

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

# Notes forming part of the financial statements as at March 31, 2016

into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary.

## **Defined-Benefits Plans**

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

## **Other Employee Benefits**

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

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

## **XV. Borrowing Cost**

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.

## **XVI. Employee Stock Option Plan (ESOP)**

The Employees Stock Options Scheme ("the Scheme") has established by the holding company (i.e. L&T Finance Holdings Limited). The Scheme provides that employees are granted an option to subscribe to equity share of the holding company that vest in a graded manner. The options may be exercised within a 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 2014-15. 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.

## **XVII. 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.

## **XVIII. Debenture Issue Expenses**

Expenses incurred on issue of debentures after receipt of share premium have been charged off against the Securities Premium Account in accordance with the provisions of Section 52 of the Companies Act, 2013 with effect from 1st January 2016. The unamortised portion of such expense in respect of debenture issued prior to receipt of share premium, is being amortised over the balance term of the corresponding debenture by way of a charge to the Statement of Profit and Loss.

## **XIX. Premium payable on Redemption of Preference Shares**

Premium payable on redemption of preference shares is calculated based on effective interest rate and charged off against the Securities Premium Account in accordance with the provisions of section 55 (2) (d) (ii) of Companies Act, 2013.

# Notes forming part of the financial statements as at March 31, 2016

## Note 2: Share capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹ lakh	Number	₹ lakh
<b>Authorised</b>				
Equity shares of ₹ 10 each	1,00,00,00,000	1,00,000	40,00,00,000	40,000.00
Preference shares of ₹ 1,000,000 each	4,000	40,000	2,000	20,000.00
<b>Issued, Subscribed &amp; Paid up shares</b>				
Equity shares of ₹ 10 each	47,06,66,666	47,066.67	30,40,00,000	30,400.00
Preference shares of ₹ 1,000,000 each	1,003	10,030.00	1,003	10,030.00
<b>Total Issued, Subscribed &amp; Paid up shares capital</b>	<b>47,06,67,669</b>	<b>57,096.67</b>	<b>30,40,01,003</b>	<b>40,430.00</b>

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

Equity Shares of ₹ 10 each	As at March 31, 2016		As at March 31, 2015	
	Number	₹ lakh	Number	₹ lakh
Shares outstanding at the beginning of the year	30,40,00,000	30,400.00	30,40,00,000	30,400.00
Shares issued during the year	16,66,66,666	16,666.67	-	-
<b>Shares outstanding at the end of the year</b>	<b>47,06,66,666</b>	<b>47,066.67</b>	<b>30,40,00,000</b>	<b>30,400.00</b>

Preference Shares of ₹ 1,000,000 each	As at March 31, 2016		As at March 31, 2015	
	Number	₹ lakh	Number	₹ lakh
<b>Cumulative Non Convertible Redeemable Preference Shares ("CRPS")</b>				
Shares outstanding at the beginning of the year	1,003	10,030.00	-	-
Shares issued during the year	-	-	1,003	10,030.00
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,003</b>	<b>10,030.00</b>	<b>1,003</b>	<b>10,030.00</b>

### (II) Terms/rights attached to shares

#### Equity Shares

The Company has 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.

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.

# Notes forming part of the financial statements as at March 31, 2016

## Cumulative Non Convertible Redeemable Preference Shares (“CRPS”)

The CRPS do not have voting rights other than in respect of matters directly affecting the rights attached to the CRPS. In the event of any due and payable dividends remain unpaid for an aggregate period of at least 2 years prior to the start of any general meeting of the equity shareholders, CRPS holders shall have voting rights in line with the voting rights of the equity shareholders. The CRPS are redeemable in three annual tranches beginning from 01-Oct-2020 and the payment of dividend would be in accordance with the terms agreed at the time of issuance of Preference Shares. The CRPS will be repaid in annual tranches of ₹ 3309.09 lakh each commencing from 01-Oct-2020. The holders of CRPS will be entitled to an annual dividend of 5% subject to the provisions of the applicable laws and regulations.

On winding up or repayment of capital, CRPS holders enjoy preferential rights vis-à-vis equity shareholders, for repayment of capital paid up and shall include any unpaid Dividends and any fixed premium (if applicable).

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	47,06,66,666	47,066.67	30,40,00,000	30,400.00

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	% Holdings	Number	% Holdings
<u>Equity Shares of ₹ 10 each fully paid held by</u>				
L&T Infrastructure Finance Company Limited	22,76,00,000	48.36	14,70,00,000	48.36
L&T Finance Holdings Limited	10,99,33,333	23.36	7,10,00,000	23.36
L&T Finance Limited	3,09,66,667	6.58	2,00,00,000	6.58
L&T FinCorp Limited	6,65,66,666	14.14	4,30,00,000	14.14
Family Credit Limited	3,55,99,996	7.56	2,29,99,996	7.56
<u>CRPS of ₹ 1,000,000 each fully paid held by</u>				
Pioneer Independent Trust	750	75.00	750	75.00
L&T Employees Welfare Foundation	160	16.00	160	16.00
L&T Welfare Company Limited	90	9.00	90	9.00

# Notes forming part of the financial statements as at March 31, 2016

## Note 3: Reserves and surplus

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>(I) Securities Premium Account</b>		
Opening balance	-	-
Add : Addition during the year	8,333.33	-
Less: Redemption premium on CRPS (Refer Note 34)	320.92	-
Less: Debenture issue expense adjusted during the year	921.87	-
<b>Closing balance</b>	<b>7,090.54</b>	<b>-</b>
<b>(II) Reserve u/s 45-IC of Reserve Bank of India Act, 1934</b>		
Opening balance	979.00	378.00
Add : Transferred from surplus in the Statement of Profit and Loss	785.81	601.00
<b>Closing balance</b>	<b>1,764.81</b>	<b>979.00</b>
<b>(III) Surplus in the Statement of Profit and Loss</b>		
Opening balance	3,658.22	1,510.13
Add : Profit for the year	3,929.07	3,003.69
Less: Appropriations		
Redemption premium on CRPS (Refer Note 34)	-	254.60
Transfer to reserve u/s. 45-IC of Reserve Bank of India Act, 1934	785.81	601.00
Dividend paid on Preference shares including dividend distribution tax.	603.59	-
<b>Closing balance</b>	<b>6,197.89</b>	<b>3,658.22</b>
<b>Total reserves and surplus</b>	<b>15,053.24</b>	<b>4,637.22</b>

## Note 4: Long-term borrowings

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>(I) Secured</b>		
Redeemable non convertible debentures [Refer Footnote 4 (i)]	1,83,000.00	45,000.00
<b>Total Long-term borrowings</b>	<b>1,83,000.00</b>	<b>45,000.00</b>

### Note 4(i)

As at 31-03-2016

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

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ lakh)	Current Maturities (₹ lakh)	Non Current Portion (₹ lakh)	Interest Rate (% per annum)	Date of redemption	Redeemable term
Series "A" of 2014-15 - OPT I	25.00	10-Jun-14	7,500.00	-	7,500.00	9.60%	10-Jun-19	Bullet payment on redemption date
Series "A" of 2014-15 - OPT II	25.00	10-Jun-14	8,000.00	-	8,000.00	9.70%	10-Jun-21	Bullet payment on redemption date
Series "A" of 2014-15 - OPT III	25.00	10-Jun-14	9,500.00	-	9,500.00	9.70%	10-Jun-24	Bullet payment on redemption date

# Notes forming part of the financial statements as at March 31, 2016

## Note 4(i)

As at 31-03-2016

### A) Secured, Redeemable, Non Convertible Debentures (privately placed) (Contd.)

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ lakh)	Current Maturities (₹ lakh)	Non Current Portion (₹ lakh)	Interest Rate (% per annum)	Date of redemption	Redeemable term
Series "B" of 2014-15 - OPT I	25.00	28-Jan-15	10,000.00	-	10,000.00	8.49%	28-Jan-25	Bullet payment on redemption date
Series "B" of 2014-15 - OPT II	25.00	28-Jan-15	10,000.00	-	10,000.00	8.51%	28-Jan-30	Bullet payment on redemption date
Series "A" of 2015-16	25.00	11-Sep-15	2,500.00	-	2,500.00	8.67%	9-Sep-22	Bullet payment on redemption date
Series "B" of 2015-16	25.00	9-Nov-15	15,000.00	-	15,000.00	8.65%	9-Nov-22	Bullet payment on redemption date
Series "C" of 2015-16 - OPT I	25.00	4-Dec-15	13,500.00	-	13,500.00	8.55%	4-Dec-20	Bullet payment on redemption date
Series "C" of 2015-16 - OPT III	25.00	4-Dec-15	1,500.00	-	1,500.00	8.55%	4-Dec-25	Bullet payment on redemption date
Series "D" of 2015-16 - OPT I	25.00	7-Jan-16	3,000.00	-	3,000.00	8.55%	7-Jan-21	Bullet payment on redemption date
Series "D" of 2015-16 - OPT II	25.00	7-Jan-16	4,700.00	-	4,700.00	8.60%	6-Jan-23	Bullet payment on redemption date
Series "D" of 2015-16 - OPT III	25.00	7-Jan-16	15,300.00	-	15,300.00	8.63%	7-Jan-26	Bullet payment on redemption date
Series "D" of 2015-16 - OPT IV	25.00	7-Jan-16	1,500.00	-	1,500.00	8.63%	7-Jan-31	Bullet payment on redemption date
Series "D" of 2015-16 - OPT V	25.00	7-Jan-16	1,000.00	-	1,000.00	8.63%	7-Jan-36	Bullet payment on redemption date
Series "E" of 2015-16 - OPT I	25.00	24-Feb-16	10,000.00	-	10,000.00	8.70%	24-Feb-21	Bullet payment on redemption date
Series "E" of 2015-16 - OPT II	25.00	24-Feb-16	5,500.00	-	5,500.00	8.70%	24-Feb-23	Bullet payment on redemption date
Series "E" of 2015-16 - OPT III	25.00	24-Feb-16	13,500.00	-	13,500.00	8.73%	24-Feb-26	Bullet payment on redemption date
Series "E" of 2015-16 - OPT IV	25.00	24-Feb-16	500.00	-	500.00	8.73%	24-Feb-31	Bullet payment on redemption date
Series "E" of 2015-16 - OPT V	25.00	24-Feb-16	500.00	-	500.00	8.73%	22-Feb-36	Bullet payment on redemption date
Series "F" of 2015-16	25.00	26-Feb-16	5,000.00	-	5,000.00	8.70%	26-Feb-21	Bullet payment on redemption date
Series "G" of 2015-16 - OPT I	25.00	22-Mar-16	4,000.00	-	4,000.00	8.75%	22-Apr-21	Bullet payment on redemption date
Series "G" of 2015-16 - OPT II	25.00	22-Mar-16	2,000.00	-	2,000.00	8.75%	22-Mar-23	Bullet payment on redemption date
Series "G" of 2015-16 - OPT III	25.00	22-Mar-16	9,000.00	-	9,000.00	8.75%	20-Mar-26	Bullet payment on redemption date
Series "H" of 2015-16	25.00	29-Mar-16	30,000.00	-	30,000.00	8.72%	27-Mar-26	Bullet payment on redemption date
<b>Total (A)</b>			<b>1,83,000.00</b>	<b>-</b>	<b>1,83,000.00</b>			

The debentures mentioned above are secured by mortgage of a certain immovable property created under the terms of its operating lease arrangement and hypothecation of specific receivables.

# Notes forming part of the financial statements as at March 31, 2016

## Note 4(i)

As at 31-03-2015

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

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2015 (₹ lakh)	Current Maturities (₹ lakh)	Non Current Portion (₹ lakh)	Interest Rate (% per annum)	Date of redemption	Redeemable term
Series "A" of 2014-15 - OPT I	25.00	10-Jun-14	7,500.00	-	7,500.00	9.60%	10-Jun-19	Bullet payment on redemption date
Series "A" of 2014-15 - OPT II	25.00	10-Jun-14	8,000.00	-	8,000.00	9.70%	10-Jun-21	Bullet payment on redemption date
Series "A" of 2014-15 - OPT III	25.00	10-Jun-14	9,500.00	-	9,500.00	9.70%	10-Jun-24	Bullet payment on redemption date
Series "B" of 2014-15 - OPT I	25.00	28-Jan-15	10,000.00	-	10,000.00	8.49%	28-Jan-25	Bullet payment on redemption date
Series "B" of 2014-15 - OPT II	25.00	28-Jan-15	10,000.00	-	10,000.00	8.51%	28-Jan-30	Bullet payment on redemption date
<b>Total (A)</b>			<b>45,000.00</b>	<b>-</b>	<b>45,000.00</b>			

The debentures mentioned above are secured by mortgage of a certain immovable property created under the terms of its operating lease arrangement and hypothecation of specific receivables.

### Note 5: Other Long-term liabilities

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>Others:</b>		
Deferred Income on Loan processing	193.47	-
<b>Total Long-term provisions</b>	<b>193.47</b>	<b>-</b>

### Note 6: Long-term provisions

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
For employee benefits:		
Gratuity	4.38	3.66
Others:		
Redemption Premium payable on redemption of Preference Shares	575.51	254.60
For contingent provisions against standard assets	690.08	98.77
<b>Total Long-term provisions</b>	<b>1,269.97</b>	<b>357.03</b>

### Note 7 : Trade payables

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
For services		
Sundry Creditors for expenses (Other than Micro and Small Enterprises)	742.49	45.01
<b>Total Trade payables</b>	<b>742.49</b>	<b>45.01</b>

Note: On the basis of response 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.

# Notes forming part of the financial statements as at March 31, 2016

## Note 8: Other current liabilities

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
Interest accrued but not due on debentures	4,179.82	2,247.29
Deferred Income on Loan processing	24.11	-
Statutory liabilities	112.02	19.56
Accrued expenses	56.51	40.86
<b>Total other current liabilities</b>	<b>4,372.46</b>	<b>2,307.71</b>

## Note 9: Short - term provisions

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
For employee benefits:		
Compensated absences	3.38	1.77
Others		
For contingent provisions against standard assets	20.98	6.43
<b>Total Short-term provisions</b>	<b>24.36</b>	<b>8.20</b>

## Note 10: Long - term loans towards financing activities

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
(Secured - considered good)		
Debentures [Refer Footnote 10 (i)]	1,50,903.88	32,921.00
Term Loan	79,124.39	-
<b>Total Long - term loans towards financing activities</b>	<b>2,30,028.27</b>	<b>32,921.00</b>

### Note 10(i)

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

Name of Company	As at 31.03.2016					As at 31.03.2015				
	Nos.	Face value (₹)	(₹ lakh)	Current	Non Current	Nos.	Face value (₹)	(₹ lakh)	Current	Non Current
<b>Secured</b>										
<b>Non Convertible Debentures</b>										
Patel KNR Heavy Infrastructures Limited	15,330	1,00,000	15,330.00	900.00	14,430.00	16,280	1,00,000	16,280.00	950.00	15,330.00
OB Infrastructure Limited	12,656	1,00,000	12,656.00	1,408.00	11,248.00	13,824	1,00,000	13,824.00	1,168.00	12,656.00
West Gujarat Expressway Limited	5,250	94,000	4,935.00	315.00	4,620.00	5,250	94,500	4,961.25	26.25	4,935.00
Ulundurpet Expressways Private Limited	26,470	99,000	26,205.30	264.70	25,940.60	-	-	-	-	-
Navayuga Devanahalli Tollway Private Limited	22,000	99,900	21,978.00	55.00	21,923.00	-	-	-	-	-
Renew Wind Energy (Jath) Limited	1,250	9,77,827	12,222.84	277.16	11,945.68	-	-	-	-	-
HPCL-Mittal Pipelines Limited	930	10,00,000	9,300.00	-	9,300.00	-	-	-	-	-
East-North Interconnection Company Limited	1,500	10,00,000	15,000.00	-	15,000.00	-	-	-	-	-
Dewas Bhopal Corridor Limited	17,000	99,996	16,999.31	2.71	16,996.60	-	-	-	-	-
Dhule Palesner Tollway Limited	2,00,000	10,000	20,000.00	500.00	19,500.00	-	-	-	-	-
<b>Total</b>			<b>1,54,626.45</b>	<b>3,722.57</b>	<b>1,50,903.88</b>			<b>35,065.25</b>	<b>2,144.25</b>	<b>32,921.00</b>

**Footnote : The above debenture being, in substance, in the nature of credit substitutes, are classified as a part of "Loans towards Financing Activities" and are measured as such.**

# Notes forming part of the financial statements as at March 31, 2016

## Note 11: Long-term loans and advances

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
(Unsecured, considered good)		
Security deposit	2.41	2.41
Others:		
Advance income taxes (net of provision ₹ 460.00 lakhs, Previous Year ₹ 460 lakhs)	824.29	237.60
Service tax credit receivable	56.52	0.91
Prepaid expenses	5.42	5.94
Others	-	12.64
<b>Total other long term loans and advances - others</b>	<b>888.64</b>	<b>259.50</b>

## Note 12: Other non - current assets

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
Unamortised expenses		
Ancillary borrowing costs	96.52	116.57
Unamortised Premium on Debentures	546.53	-
(Secured, considered good)		
Accrued interest on debentures	2,602.49	-
<b>Total Other non - current assets</b>	<b>3,245.54</b>	<b>116.57</b>

## Note 13: Current investments

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>Non Trade investment, valued at lower of cost or market value, fully paid:</b>		
<b>(I) Investment in mutual funds</b>		
Investments in Mutual Funds [Refer Footnote 13(i)]	18,175.00	20,358.65
<b>Total Current investments</b>	<b>18,175.00</b>	<b>20,358.65</b>

### Note 13 (i)

#### Details of Mutual Fund Investment:

Scheme Name	As at 31-03-2016			As at 31-03-2015		
	NAV	No. of Units	₹ lakh	NAV	No. of Units	₹ lakh
HDFC Floating Rate Income Fund Short Term Plan -Growth	-	-	-	23.98	2,11,68,643.59	5,068.96
Birla Sun life Saving Fund - Growth	-	-	-	269.62	18,82,436.63	5,068.24
ICICI Prudential Flexible Income Plan - Direct - Growth	-	-	-	263.54	13,22,757.20	3,481.42
Reliance Money Manager Fund -Growth	-	-	-	1,930.58	2,63,106.36	5,069.55
L&T Liquid Fund Direct Plan - Growth	2,077.90	1,52,934.06	3,175.00	1,918.64	87,116.74	1,670.48
Reliance Liquid Fund - Treasury Plan- Direct- Growth	3,695.02	1,35,442.61	5,000.00	-	-	-
Uti-Money Market Fund-Institutional Plan-Direct - Growth	1,698.77	2,94,612.81	5,000.00	-	-	-
SBI Premier Liquid Fund - Direct - Growth	2,380.96	2,10,274.28	5,000.00	-	-	-
<b>Total</b>			<b>18,175.00</b>			<b>20,358.65</b>

# Notes forming part of the financial statements as at March 31, 2016

## Note 14: Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
Cash and cash equivalents as defined in AS - 3		
Cash on hand	0.14	0.04
Balances with Banks		
In Current Account	1,125.80	2.42
In Other deposits accounts (with original maturity of less than 3 months)	1,000.00	36,360.04
<b>Total cash and cash equivalents</b>	<b>2,125.94</b>	<b>36,362.50</b>

## Note 15: Current maturities of long - term loans towards financing activities

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
(Secured - considered good)		
Debentures [Refer Footnote 10 (i)]	3,722.57	2,144.25
Term Loan	2,835.24	-
	<b>6,557.81</b>	<b>2,144.25</b>

## Note 16: Short term loans and advances

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
(Unsecured, considered good)		
Prepaid expenses	80.32	29.93
Others	-	1.97
<b>Total Short term loans and advances</b>	<b>80.32</b>	<b>31.90</b>

## Note 17: Other current assets

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
(Unsecured, considered good)		
Unamortised Ancillary borrowing costs	20.05	20.16
Unamortised Premium on Debentures	112.64	-
(Secured, considered good)		
Accrued interest on debentures	482.36	70.18
Accrued interest on fixed deposits	0.22	500.46
Accrued interest on Loans and advances	35.87	-
<b>Total other current assets</b>	<b>651.14</b>	<b>590.80</b>

# Notes forming part of the financial statements as at March 31, 2016

## Note 18: Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Interest on debentures	6,815.13	1,248.75
Interest on Term Loan	1,233.77	-
Financial advisory fees	98.00	185.35
<b>Total Revenue from operation</b>	<b>8,146.90</b>	<b>1,434.10</b>

## Note 19: Other income

(₹ in Lakhs)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Interest on bank deposits	2,008.21	2,207.68
Income from current investment	34.14	97.08
Gain on sale of current investments	1,218.08	1,972.57
Others	-	5.70
<b>Total other income</b>	<b>3,260.43</b>	<b>4,283.03</b>

## Note 20: Employee benefit expenses

(₹ in Lakhs)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Salaries	81.64	62.49
Contribution to provident and other funds	3.54	2.28
Gratuity	0.76	1.19
Staff Welfare	-	0.11
Expenses on Employees Stock Option Plans	-	0.10
<b>Total Employee benefit expenses</b>	<b>85.94</b>	<b>66.17</b>

## Note 21: Finance cost

(₹ in Lakhs)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Interest expenses	6,058.31	2,269.79
Other borrowing cost	45.86	56.42
<b>Total Finance cost</b>	<b>6,104.17</b>	<b>2,326.21</b>

# Notes forming part of the financial statements as at March 31, 2016

## Note 22: Other expenses

(₹ in Lakhs)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Directors Sitting fees	7.27	4.03
Commission to non executive director	25.02	21.34
Professional fees	17.14	14.09
Guarantee fees	35.38	9.42
Listing and custodian fees	5.68	3.40
Travelling and conveyance	9.72	4.21
Rent	5.16	5.12
Corporate support service charges	349.36	73.85
Auditors' remuneration (Refer note below)	17.77	9.14
Brand license fee	133.86	45.74
Stamp duty	25.06	10.03
Rates and Taxes	0.08	-
Corporate Social Responsibility	36.03	12.63
Miscellaneous expenses	14.75	2.86
<b>Total other expenses</b>	<b>682.28</b>	<b>215.86</b>

Note: Auditors' remuneration comprises the following

(₹ in Lakhs)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
As auditors	12.25	7.00
For tax audit	0.50	0.38
Other service	4.16	1.45
Service tax on above	0.86	0.31
	<b>17.77</b>	<b>9.14</b>

## Note 23: Provisions and contingencies

(₹ in Lakhs)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Provision for standard assets	605.87	105.20
<b>Total provision and contingencies</b>	<b>605.87</b>	<b>105.20</b>

# Notes forming part of the financial statements as at March 31, 2016

## Note 24: Contingent liabilities and commitments to the extent not provided for:

(₹ in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(I) Contingent Liabilities:		
Claims against the Company not acknowledged as debt:	-	-
(II) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
b) Other Commitments:		
Undisbursed Commitments	-	-

**Note 25: Segments Reporting (AS 17):** The Company's main business is to provide finance for infrastructure projects. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of Accounting Standard (AS) 17 on 'Segment Reporting'.

**Note 26:** As per the Accounting Standard (AS) 18 on 'Related Party Disclosures', the related parties, nature and volume of transactions carried out with them in the ordinary course of business are as follows:

### (a) List of related parties and relationship

- A. Ultimate holding company:
  1. Larsen & Toubro Limited
- B. Holding company :
  1. L&T Finance Holdings Limited
- C. Fellow subsidiary company :
  1. L&T Infrastructure Finance Company Limited
  2. L&T Finance Limited
  3. L&T Fin Corp Limited
  4. Family Credit Limited
  5. L&T Vrindavan Properties Limited

**Note: The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.**

### (b) Related party transactions

(₹ in Lakhs)

Sr. No.	Nature of Transactions	2015-2016	2014-2015
1	Equity capital infused by (including share premium):-		
	• L&T Infrastructure Finance Company Limited	12,090.00	-
	• L&T Finance Holdings Limited	5,840.00	-
	• L&T Finance Limited	1,645.00	-
	• L&T Fin Corp Limited	3,535.00	-
	• Family Credit Limited	1,890.00	-
2	Rent		
	• L&T Vrindavan Properties Limited	4.82	4.82

## Notes forming part of the financial statements as at March 31, 2016

Sr. No.	Nature of Transactions	2015-2016	2014-2015
3.	Other Expenses Paid		
	• Larsen & Toubro Limited	0.14	-
	• L&T Finance Holdings	4.70	-
5.	Brand License Fee		
	Larsen & Toubro Limited	121.89	45.74
6.	Corporate Support Charges		
	• L&T Infrastructure Finance Company Limited	304.64	69.54
	• L&T FinCorp Limited	8.99	-
7.	ESOP charges		
	L&T Finance Holdings Limited	-	0.10
8.	Purchase of Loan Assets		
	• L&T Infrastructure Finance Company Limited	1,36,206.41	31,344.71
	• L&T FinCorp Limited	11,890.24	-
9.	Trade Payable		
	• L&T Infrastructure Finance Company Limited	152.00	-
	• L&T Fin Corp Limited	0.08	-
	• Larsen & Toubro Limited	111.70	-

**Note 27:** The Company holds certain premises under operating leases. Rent includes net expenses of ₹ 4.82 lakh (previous year ₹ 4.82/- lakh). The committed lease rentals in the future are:

(₹ in Lakhs)

Particulars	2015-16	2014-15
Not later than one year	4.82	4.82
Later than one year and not later than five years	7.63	12.45
Later than five years	-	-

**Note 28:** Earnings per share computed as per the Accounting Standard (AS) 20 'Earnings Per Share ("EPS")' issued by the Institute of Chartered Accountants of India, is as follows:

Basic & Diluted	FY 2015-16	FY 2014-15
Profit after tax as per Statement of Profit and Loss (₹ lakh)	3929.07	3,003.69
Less: Premium payable on redemption of preference shares (₹ lakh)	-	254.60
Less: preference share dividend (including dividend distribution Tax) (₹ lakh)	603.59	320.82
Net profit attributable to equity shareholders (₹ lakh)	3,325.48	2,428.27
Weighted average number of equity shares for computation of Basic earnings per share	337,591,985	304,000,000
Weighted average number of equity shares for computation of diluted earnings per share	337,591,985	304,000,000
Number of equity shares outstanding	470,666,666	304,000,000
Basic earnings per share (₹)	0.99	0.80
Diluted earnings per share (₹)	0.99	0.80
Nominal Value of Shares (₹)	10	10

# Notes forming part of the financial statements as at March 31, 2016

## Note 29: Employee Benefits

### I. Defined-Contribution Plans

The Company offers its employee defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain 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. The Company recognised charges of ₹ 3.54 lakh (previous year ₹ 2.28 lakh) for provident fund contribution in the Statement of Profit and Loss.

### II. Defined-Benefit Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. The gratuity scheme is not funded. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits", actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to Statement of Profit and Loss. The following tables set out the amounts recognised in the Company's financial statements as at March 31, 2016 in respect of Gratuity benefits:

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

	(₹ in Lakhs)	
Particulars	As at 31-03-2016	As at 31-03-2015
Present Value of Funded Obligations	-	-
Fair Value of Plan Assets	-	-
Present Value of Unfunded Obligations	4.38	3.66
Unrecognised Past Service Cost	-	-
Amount not Recognised as an Asset (limit in Para 59 (b))	-	-
Net Liability	4.38	3.66
<b>Amounts in Balance Sheet</b>		
Liability	4.38	3.66
Assets	-	-

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

	(₹ in Lakhs)	
Particulars	As at 31-03-2016	As at 31-03-2015
Current Service Cost	0.87	0.60
Interest on Defined Benefit Obligation	0.35	0.25
Expected Return on Plan Assets	-	-
Net Actuarial Losses/(Gains) recognised in the Year	(0.46)	0.34
Past Service Cost	-	-
Losses/(Gains) on "Curtailements & Settlements"	-	-
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Effects of the limit in Para 59(b)	-	-
Total, included in "Employee Benefit Expense"	0.76	1.19
Actual Return on Plan Assets	-	-

# Notes forming part of the financial statements as at March 31, 2016

## c) Reconciliation of Benefit Obligation & Plan Assets for the year

(₹ in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	3.66	-
Current Service Cost	0.87	0.60
Interest Cost on Defined Benefit Obligation	0.35	0.25
Actuarial Losses/(Gain) recognized	(0.46)	0.34
Past Service Cost	-	-
Actuarial Losses/(Gain) due to "Curtailment & Settlements"	-	-
Liabilities Extinguished on "Settlements"	-	-
Liabilities assumed on Acquisition/(Settled on Divestiture)	(0.04)	2.47
Exchange Difference on Foreign Plans	-	-
Benefits Paid	-	-
<b>Closing Defined Benefit Obligation</b>	<b>4.38</b>	<b>3.66</b>

## d) Experience Adjustment

(₹ in Lakhs)

Particulars	2015-16	2014-15
Defined Benefit Obligation	4.38	3.66
Plan Assets	-	-
Surplus / (Deficit)	(4.38)	(3.66)
Experience. Adjustments on Plan Liabilities	(0.39)	-
Experience. Adjustments on Plan Assets	-	-

## e) Financial assumptions at the valuation date

Particulars	2015-16	2014-15
Discount Rate (per annum)	8.05%	7.95%
Expected Rate of Return on Assets (per annum)	Not applicable	Not applicable
Salary Escalation Rate (per annum)	7.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

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 2016 - 17 amounts to ₹ 0.33 Lakh (previous year ₹ 0.23 Lakh).

**Note 30:** Appropriations to the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

# Notes forming part of the financial statements as at March 31, 2016

**Note 31:** Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options were granted to the employees of the Company. Total cost incurred by the holding company, in respect of options granted to employees of the Company and other details are tabulated below:

(₹ in Lakhs)

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 to statement of profit and loss for the year	Remaining expenses to be recovered in future period
(A)	(B)	(C)	(D)	(E = B-C)
2015-16	-	-	-	-
2014-15	0.10	0.10	0.10	-

**Note 32:** During the period the Company has charged-off debenture issue expenses of ₹ 921.87 lakh (previous year ₹ Nil) to the Securities Premium Account in accordance with Section 52 of the Companies Act, 2013.

**Note 33:** The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of Non-Banking Financial Companies- Corporate Governance (Reserve Bank) Directions, 2015.

### Note 33 (1): Capital

(₹ in Lakhs)

Capital to Risk Assets Ratio (CRAR)	2015-16	2014-15
(i) CRAR (%)	51.38%	116.10%
(ii) CRAR - Tier I Capital (%)	43.69%	89.78%
(iii) CRAR - Tier II Capital (%)	7.69%	26.32%
(iv) Amount of subordinated debt raised as Tier-II capital raised during the year.	-	-
(v) Amount raised by issue of Perpetual Debt Instruments raised during the year	-	-

### Note 33(2): Investments

(₹ in Lakhs)

Sr. No.	Particulars	2015-16	2014-15
(1)	Value of Investment		
	(i) Gross value of Investment		
	(a) In India	18,175.00	20,358.65
	(b) Outside India	-	-
	(ii) Provision for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net Value of Investment		
	(a) In India	18,175.00	20,358.65
	(b) Outside India	-	-
(2)	Movement of Provision held towards depreciation of Investment		
	(i) Opening balance	-	-
	(ii) Add: Provisions made during the year	-	-
	(iii) Less: Write off/write back of excess provision during the year	-	-
	(iv) Closing balance	-	-

# Notes forming part of the financial statements as at March 31, 2016

## Note 33(3): Derivatives:

### Note 33(3) (i): Forward rate agreement/ Interest rate swap (also includes Currency Interest rate Swaps):

The company has not entered into forward rate agreements/ interest rate swaps during the financial year ended March 31, 2016 (Previous year: Nil)

**Note 33(3) (ii): Exchange traded Interest rate (IR) Derivatives:** The company has not traded in Interest rate Derivative during the financial year ended March 31, 2016 (Previous year: Nil)

**Note 33(3) (iii): Disclosure on Risk Exposure in Derivatives:** Nil (Previous year – Nil)

## Note 33(4): Securitization:

**Note 33(4) (i):** No transaction for Special Purpose Vehicle during the Financial year (Previous year – Nil)

**Note 32(4) (ii): Financial asset sold to Securitization/Reconstruction company for Asset reconstruction:** Nil (Previous year- Nil)

**Note 33(4) (iii): Details of Assignment transactions undertaken by NBFC:** During the current and previous year no assignment transaction has been undertaken.

**Note 33(4) (iv): 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.

## Note 33(5): Maturity pattern of certain items of assets and liabilities

(₹ in Lakhs)

	Year	One month	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	2015-16	-	-	-	-	-	-	-	-	-
	2014-15	-	-	-	-	-	-	-	-	-
Advances	2015-16	359.47	46.39	1,057.32	1,807.81	3,286.82	18,369.91	31,573.85	180,084.51	2,36,586.08
	2014-15	6.56	-	584.00	481.56	1,027.13	5,576.50	8,145.25	19,199.25	35,065.25
Investment	2015-16	18,175.00	-	-	-	-	-	-	-	18,175.00
	2014-15	20,358.65	-	-	-	-	-	-	-	20,358.65
Borrowing	2015-16	-	-	-	-	-	-	39,000.00	1,44,000.00	1,83,000.00
	2014-15	-	-	-	-	-	-	7,500.00	37,500.00	45,000.00
Foreign Currency Assets	2015-16	-	-	-	-	-	-	-	-	-
	2014-15	-	-	-	-	-	-	-	-	-
Foreign Currency Liability	2015-16	-	-	-	-	-	-	-	-	-
	2014-15	-	-	-	-	-	-	-	-	-

## Note 33(6): Exposures

### Note 33(6) (i) Exposure to Real Estate Sector:

Category	For the year ended 2015-16	For the year ended 2014-2015
a) Direct Exposure		
Residential Mortgages	Nil	Nil
Infrastructure Real Estate (SEZs, Industrial Parks, IT Parks)	Nil	Nil
Commercial Real Estate	Nil	Nil
Investment in Mortgage Backed Securities(MBS) and other securitised exposures	Nil	Nil
b) Indirect Exposure	Nil	Nil

# Notes forming part of the financial statements as at March 31, 2016

## Note 33(6)(ii): Exposure to Capital Market:

(₹ in Lakhs)

SI No.	Category	2015-16	2014-15
	Direct Exposure		
(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;	Nil	Nil
(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;	Nil	Nil
(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;	Nil	Nil
(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;	Nil	Nil
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(vi)	loans sanctioned to corporate 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;	Nil	Nil
(vii)	bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
	Total exposure to capital Market	Nil	Nil

**Note 33(6) (iii): Financing of parent company products:** Nil (Previous Year - Nil).

**Note 33(6) (iv): Details of Single borrower limit (SBL)/ Group borrower limit (GBL) exceeded by NBFC:** Nil (Previous Year - Nil)

**Note 33(6) (v): Unsecured advances:** Nil (Previous Year - Nil).

**Note 33(7): Registration obtained from other financial sector regulators:** No registration has been obtained from other financial sector regulators.

**Note 33(8): Penalties imposed by RBI or other regulators:** No Penalties has been imposed by RBI or other regulators during the year (Previous Year- Nil).

**Note 33(9): Ratings assigned by credit rating agencies and migration during the year:**

	2015-16			2014-15	
	CARE	CRISIL	ICRA	CARE	CRISIL
Non Convertible Debentures	AAA	AAA(stable)	AAA(stable)	AAA	AAA
Bank Loan	A1+	-	-	A1+	-
Redeemable Preference Shares	-	AAA(stable)	-	-	AAA

# Notes forming part of the financial statements as at March 31, 2016

## Note 33(10): Provisions and contingencies

(₹ in Lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	2015-16	2014-15
Provisions for depreciation on Investment	-	-
Provision towards Non Performing Assets	-	-
Provision made towards Income tax		
Current Tax	-	-
Deferred Tax	-	-
Other Provision and Contingencies (with details)		
Restructured Accounts	-	-
Bad debts write off	-	-
Bad and doubtful debts	-	-
Provision for Standard Assets	605.87	105.20

**Note 33(11): Drawdown from reserves:** No drawdown from reserves during the year (previous year: nil).

## Note 33(12): Concentration of deposits, advances, exposures and NPAs:

### Note 33(12) (i): Concentration of deposits:

(₹ in Lakhs)

SI No.	Particulars	2015-16	2014-15
1.	Total deposit of twenty largest depositors	Nil	Nil
2.	Percentage of deposit of twenty large depositors to total deposit of NBFC	Nil	Nil

### Note 33(12) (ii): Concentration of advances:

(₹ in Lakhs)

SI No.	Particulars	2015-16	2014-15
1.	Total advances to twenty largest borrowers	2,36,586.00	35,065.25
2.	Percentage of advances to twenty largest borrowers to total advances of NBFC	100%	100%

### Note 33(12) (iii): Concentration of exposures:

(₹ in Lakhs)

SI No.	Particulars	2015-16	2014-15
1.	Total exposure to twenty largest depositors/customers	3,18,635.58	1,34,465.25
2.	Percentage of exposure to twenty large borrowers/customers to total exposure of NBFC on borrowers/customers.	91%	100%

### Note 33(12) (iv): Concentration of Non Performing Assets:

(₹ in Lakhs)

SI No.	Particulars	2015-16	2014-15
1.	Total exposure to top four NPA accounts	Nil	Nil

# Notes forming part of the financial statements as at March 31, 2016

## Note 33(12) (v): Sector wise Non Performing Assets:

### Percentage of Non Performing Assets to total advances in that sector

(₹ in Lakhs)

Sl No.	Sector	2015-16	2014-15
1.	Agriculture & Allied activities	Nil	Nil
2.	MSME	Nil	Nil
3.	Corporate borrowers	Nil	Nil
4.	Services	Nil	Nil
5.	Unsecured personal loans	Nil	Nil
6.	Auto loans	Nil	Nil
7.	Other personal loans	Nil	Nil

## Note 33(13): Non- Performing Assets

(₹ in Lakhs)

Sl No.	Particulars	2015-16	2014-15
(i)	Net NPAs to Net Advances (%)	Nil	Nil
(ii)	Movement of NPAs Gross	Nil	Nil
	(a) Opening balances	Nil	Nil
	(b) Additions during the year	Nil	Nil
	(c) Reduction during the year	Nil	Nil
	(d) Closing balance during the year	Nil	Nil
(iii)	Movement of Net NPAs		
	(a) Opening balance	Nil	Nil
	(b) Addition during the year	Nil	Nil
	(c) Reduction during the year	Nil	Nil
	(d) Closing balance	Nil	Nil
(iv)	Movement of provision for NPAs (excluding provision on standard assets)		
	(a) Opening balance	Nil	Nil
	(b) Reclassification of interest capitalized	Nil	Nil
	(c) Provision made during the year	Nil	Nil
	(d) Write off/ Write back of excess provision made during the year	Nil	Nil
	(e) Closing balance	Nil	Nil

**Note 33(14): Overseas Assets:** Nil (Previous Year Nil)

**Note 33(15): Off Balance sheet Special purpose Vehicles (SPV) sponsored (which are required to consolidated as per accounting norms):** Nil (Previous Year Nil)

**Note 33(16): Disclosure of Customer Complaints:** Nil (Previous Year Nil)

**Note 33(17): Postponement of revenue recognition:** Nil

Note: In respect of Non Performing Asset, the revenue is recognised in terms of requirement of Non-Banking Financial Companies - Corporate governance (Reserve Bank) Directions, 2015).

**Note 34:** The premium on redemption of the preference shares determined on effective interest rate basis aggregates ₹ 320.32 lakh for the year (previous year ₹ 254.60 lakh on pro rata basis). The sum has been transferred out of the Securities premium into a liability account (which has been classified under "Long-term Provisions").

**Note 35:** During the financial year 2015-16, Company has raised ₹ 16,666.67 lakh by way of issue of equity shares.

**Note 36:** The Company is an Infra Debt Fund - Non Banking Finance Company (IDF - NBFC) registered with the Reserve Bank of India on October 21, 2013. Therefore, income of the Company is exempt under sections 10(47) of the Income Tax Act, 1961.

# Notes forming part of the financial statements as at March 31, 2016

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

(as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

### Liability Side:

#### 1. Loans and advances availed by the Non Banking Financial Company inclusive of interest accrued thereon but not paid:

Particular	As at 31-03-2016		As at 31-03-2015	
	Amount outstanding ₹ lakh	Amount overdue ₹ lakh	Amount outstanding ₹ lakh	Amount overdue ₹ lakh
(a) Debentures :				
Secured	1,87,179.82	Nil	47,247.29	Nil
Unsecured (Other than falling within the meaning of public deposits*)	Nil	Nil	Nil	Nil
(b) Deferred Credits	Nil	Nil	Nil	Nil
(c) Term Loans	Nil	Nil	Nil	Nil
(d) Inter-corporate loans and borrowings	Nil	Nil	Nil	Nil
(e) Commercial Paper	Nil	Nil	Nil	Nil
(f) Other Loans	Nil	Nil	Nil	Nil

\* Please see footnote (1) below

### Asset Side:

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

Particular	As at 31-03-2016	As at 31-03-2015
	Amount outstanding ₹ lakh	Amount outstanding ₹ lakh
(a) Secured	236,586.08	35,065.25
(b) Unsecured	Nil	Nil

#### 3. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities

Particular	As at 31-03-2016	As at 31-03-2015
	Amount outstanding ₹ lakh	Amount outstanding ₹ lakh
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial Lease		
(b) Operating Lease	Nil	Nil
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire		
(b) Repossessed assets	Nil	Nil
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above	Nil	Nil

# Notes forming part of the financial statements as at March 31, 2016

## 4. Break-up of Investments

Particulars	As at 31-03-2016	As at 31-03-2015
	Amount outstanding ₹ lakh	Amount outstanding ₹ lakh
<b>Current Investments</b>		
<b>1. Quoted</b>		
(i) Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil
<b>2. Unquoted :</b>		
(i) Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of Mutual Funds	18,175.00	20,358.65
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil

Long Term Investments	As at 31-03-2016	As at 31-03-2015
	Amount outstanding ₹ lakh	Amount outstanding ₹ lakh
<b>1. Quoted</b>		
(i) Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others	Nil	Nil
<b>2. Unquoted :</b>		
(i) Shares : (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of Mutual Funds / Venture Capital Fund	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others (Security Deposit)	Nil	Nil

# Notes forming part of the financial statements as at March 31, 2016

## 5. Borrower group-wise classification of assets financed as in (2) and (3) above :

(see footnote 2 below)

(₹ in Lakhs)

Category	As at 31-03-2016	As at 31-03-2015
	Amount outstanding ₹ lakh	Amount outstanding ₹ lakh
1. Related Parties **		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties (Secured)	236,586.08	35,065.25
<b>Total</b>	<b>236,586.08</b>	<b>35,065.25</b>

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

Category	As at 31-03-2016		As at 31-03-2015	
	Market Value/ Breakup Value/ Fair value /NAV ₹ lakh	Book Value (Net of Provisions) ₹ lakh	Market Value/ Breakup Value/ Fair value /NAV ₹ lakh	Book Value (Net of Provisions) ₹ lakh
1. Related Parties **				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	18,175.00	18,175.00	20,358.65	20,358.65
<b>Total</b>	<b>18,175.00</b>	<b>18,175.00</b>	<b>20,358.65</b>	<b>20,358.65</b>

\*\* As per Accounting Standard issued by Institute of The Chartered Accountants of India. (See footnote 3 below)

## 7. Other information

Particulars	As at 31-03-2016	As at 31-03-2015
	Amount ₹ lakh	Amount ₹ lakh
(i) Gross Non-Performing Assets	Nil	Nil
(a) Related parties	Nil	Nil
(b) Other than related parties	Nil	Nil
(ii) Net Non-Performing Assets	Nil	Nil
(a) Related parties	Nil	Nil
(b) Other than related parties	Nil	Nil
(iii) Assets acquired in satisfaction of debt	Nil	Nil

# Notes forming part of the financial statements as at March 31, 2016

## Footnotes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms are applicable as prescribed in Systemically Important Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2015.
3. All Accounting Standards represents to Companies Act 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.

**Note 37:** The previous year's figures have been regrouped / reclassified to conform to the current year's classification.

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## For and on behalf of the board

**Y. M. Deosthalee**

Director  
DIN 00001698

**Ashish Ranka**

Head Accounts (CFO)

**G. Krishnamurthy**

Director  
DIN 06560170

**Radhika Parmanandka**

Company Secretary

Place : Mumbai

Date : April 27, 2016