

# Refinancing Operational Infrastructure Projects

**Annual Report 2014-2015**



***L&T Infra Debt Fund***

# Company information

## Board of Directors

(as at March 31, 2015)

|                          |                                 |
|--------------------------|---------------------------------|
| Mr. Arun Ramanathan      | Chairman & Independent Director |
| Mr. Y. M. Deosthalee     | Non - Executive Director        |
| Mr. Thomas Mathew T.     | Independent Director            |
| Mr. N. Sivaraman         | Non – Executive Director        |
| Mr. Suneet K. Maheshwari | Non – Executive Director        |
| Ms. Raji Vishwanathan    | Non – Executive Director        |

## Chief Executive Officer

Mr. Shiva Rajaraman

## Company Secretary

Ms. Radhika Parmanandka

## Statutory Auditors

Deloitte Haskins & Sells LLP

## Registered Office

3B, 2nd Floor, Laxmi Towers, 'G' Block,  
Plot No C-25, Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051

## Investor Service Centre

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

## Registrar & Share Transfer Agents

Sharepro Services (India) Private Limited

# Board's Report

## Dear Members,

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

## FINANCIAL RESULTS

The summary of the Company's financial performance for the Financial Year 2014-15, as compared to the previous Financial Year 2013-14 is given below:

| Particulars   | ₹ in Lakhs)                       |                                   |
|---|-----------------------------------|-----------------------------------|
|   | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
| <b>Gross Income</b>   | 5,717.13                          | 2,729.59                          |
| <b>Total Expenses</b>   | 2,713.44                          | 381.46                            |
| <b>Profit before Tax/(Loss)</b>                               | 3,003.69                          | 2,348.13                          |
| Provision for Tax   | ---                               | 460.00                            |
| <b>Profit after Tax(Loss)</b>                                 | 3,003.69                          | 1,888.13                          |
| Add: Balance brought forward from the previous year           | 1,510.13                          | -                                 |
| Balance available for appropriation                           | 4,513.82                          | 1,888.13                          |
| <b>Appropriation:</b>   |                                   |                                   |
| Special Reserve u/s 45- IC of Reserve Bank of India Act, 1934 | 601.00                            | 378.00                            |
| Redemption Premium on CRPS                                    | 254.60                            | ---                               |
| Surplus in the Statement of Profit and Loss                   | 3,658.22                          | 1,510.13                          |

## APPROPRIATIONS

The Company proposes to transfer ₹ 601 lakhs (Previous year: ₹ 378.00 lakhs) to Special Reserve created u/s 45 – IC of Reserve Bank of India Act, 1934; ₹ 254.60 lakhs towards Redemption Premium on CRPS and retain ₹ 3,658.22 lakhs (Previous year: ₹ 1,510.13 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 (GoI) 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, in respect of financing Public Private Partnership (PPP) infrastructure projects. 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, the first full year of operations, your Company has been able to make significant progress towards achieving all the objectives indicated by the government, as well as improve the viability of projects by providing long-tenor and low-cost structured refinance solutions. Your Company approved refinancing facilities of ~ ₹ 1,400 crore and disbursed ~ ₹ 350 crore to eligible projects, and earned a profit of ₹ 30 cr during its first full year of operations. The Net worth of the Company as at March 31, 2015 was ₹ 451 crore as compared to ₹ 323 crore as at March 31, 2014.

RBI has recently permitted IDF-NBFCs to expand the scope of operations to additional sectors. This could significantly expand the scope of activities of your Company in future years. Your 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.

## MATERIAL CHANGES AND COMMITMENTS:

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

## DIVIDEND

The Directors have considered it financially prudent in the long-term 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, 2015.

## RESOURCES

L&T Infrastructure Finance Company Limited, being the Sponsor of the Company, has subscribed to 48% equity stake in the Company, with the balance stake owned by fellow subsidiary companies and L&T Finance Holdings Limited, its parent company.

During the year, the Company has allotted 1,003 Cumulative Non-Convertible Compulsorily Redeemable

Preference Shares (CRPS) of face value of ₹ 10,00,000/- each aggregating to ₹ 100.30 crore. Consequent upon the issue of CRPS, the paid up capital of the Company as at March 31, 2015 is ₹ 404.30 Crore.

In FY 2015, the Company raised an aggregate amount of ₹ 450.00 cr from two 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 debentures have seen significant levels of trading in FY 2015.

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 had its issue of debentures rated AAA (Triple A) by CRISIL and Credit Analysis & Research Limited (CARE Ratings), preference shares rated AAA (Triple A) by CRISIL and short term bank facilities rated CARE A1+ by CARE Ratings.

The ratings indicate that the Non-convertible 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, the Board of Directors has appointed Mr. Thomas Mathew T. as an Additional Director of the Company. Since he was qualified to be appointed as an Independent Director, the Members at their Extra-ordinary General Meeting of the Company held on December 30, 2014, have, on the recommendation of the Board, appointed Mr. Thomas Mathew T. as an Independent Director to hold office for a term up to December 20, 2019. During the year under review, the Company has also appointed Ms. Raji Vishwanathan as an additional director of the Company, pursuant to the provisions of Section 149(1) of the Companies Act, 2013 (‘the Act’). Accordingly, the Company has complied with the provisions of Companies Act, 2013 relating to the appointment of a woman director. Ms. Raji Vishwanathan holds office as a director up to the date of the forthcoming AGM. The Company has received a notice in writing from a

Member proposing her 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 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 Board of Directors at its meeting held on September 23, 2014 has appointed Mr. Ashish Ranka as a Key Managerial Person of the Company to discharge the functions of a Chief Financial Officer under the Act.

Accordingly, the Company has the following Key Managerial Personnel:

- 1) Mr. Shiva Rajaraman – Manager & Chief Executive
- 2) Mr. Ashish Ranka - Head Accounts (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 Companies Act, 2013 (‘the Act’) requires the Nomination and Remuneration Committee to formulate a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company and recommend the same for approval of the Board. Further, Section 178(4) of the Act stipulates that the Policy shall be disclosed in the Board’s Report.

Moreover, Section 134 of the Act stipulates that the Board’s Report shall include a statement on 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 ('the Committee') 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 Nomination and Remuneration Committee 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 Companies Act, 2013 (the Act), the Board has carried out an annual 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 & Nomination and Remuneration Committee 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 to this Report.

### STATUTORY AUDITORS

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

The ratification of appointment of M/s. Deloitte Haskins & Sell 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 A 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 your 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**

In view of the nature of activities which are being carried on by the Company, Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, concerning conservation of energy and technology absorption, are not applicable to the Company.

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms that:

- 1) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 2) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended as on that date;
- 3) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the directors had prepared the annual accounts on a going concern basis;
- 5) the directors had 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 had 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 an Internal Control System, commensurate with the size, scale and complexity of its operations. Testing of such Control Systems forms a part of Internal Audit functions. The scope and authority

of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Audit Committee of L&T Finance Holdings Limited, the Sponsor's Parent. The Internal Audit functions are carried out by the Internal Audit Department of L&T Financial Services Group.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of the 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 Calender of meetings is prepared and circulated in advance to the Directors.

During the Financial Year 2014-2015, the Board of Directors of the Company duly met 6 (Six) times on April 22, 2014, July 18, 2014, September 23, 2014, October 16, 2014, January 16, 2015 and March 19, 2015.

## **COMPOSITION OF AUDIT COMMITTEE**

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 and Reserve Bank of India 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 Companies Act, 2013 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 this Whistle Blower Investigation 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 'Chief Ethics Officer'.

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

The mechanism framed by the Company is in compliance with requirement of Companies Act, 2013 and available on 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 Companies Act, 2013, 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 B to this Report.

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

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

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

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 Companies Act, 2013 and RBI Regulations, the Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <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 should be referred to the Audit Committee of the Company for approval/ratification irrespective of its materiality. The Audit Committee, on recommendation of the Management, will approve certain transactions

with related parties which occur on regular basis or at regular intervals. The Audit Committee shall, at the end of each year, appraise the position of the approved transactions to ensure 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 should be presented to the Board for an appropriate decision.

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

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

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company 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 C to this Report.

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



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

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

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

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

## **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.

## **RESERVE BANK OF INDIA (RBI) GUIDELINES**

The Company has complied with all the applicable regulations of the Reserve Bank of India as on March 31, 2015.

## **OTHER DISCLOSURES**

During the year under review, the Company has not obtained any Registration/license/authorisation, by

whatever name called, from 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 22, 2015.

## Annexure A to Board's Report

### 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

| Sr. No. | Particulars   |   |                      |
|---------|---|---|----------------------|
| 1       | *The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.  | Not Applicable, Since all the directors of the Company are Non-executive.   |                      |
| 2       | *The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.   | Directors – Nil<br>Chief Financial Officer – N.A.\$<br>Company Secretary – Nil@<br>Manager - Nil#<br>\$Appointed during the Financial year 2014-15.<br>@Handles Group Level responsibilities.<br>#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.  | 14.9%.  |                      |
| 4       | The number of permanent employees on the rolls of company.  | 5 employees   |                      |
| 5       | The explanation on the relationship between average increase in remuneration and company performance.   | The employee remuneration is linked to the performance of the Company as per terms of appointment.  |                      |
| 6       | Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.  | N.A. Please refer point no.2 as mentioned above.  |                      |
| 7       | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Employees other than managerial personnel   | Managerial personnel |
|         |   | 22%   | N.A.#                |
| 8       | The key parameters for any variable component of remuneration availed by the directors.   | Not Applicable, Since all the directors of the Company are Non-Executive.   |                      |
| 9       | The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.  | None  |                      |

\*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 B 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 and Rule 9 of the Companies (Accounts) Rules, 2014, the details with respect to CSR are as follows:

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

L&T Financial Services 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 Companies Act, 2013.

- 2) **Composition of CSR Committee:**

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

- 3) Average Net Profit of the Company for the last three financial years is ₹ 629.38 lakhs

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

| Particulars                | ₹ (In lakhs) |
|----------------------------|--------------|
| Prescribed CSR Expenditure | 12.59        |
| Amount spent as CSR        | 12.59        |
| 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

#### ANNEXURE

(₹ in Lakhs)

| CSR Projects - L&T Infra Debt Fund Limited FY 14-15 : INR.12.59 Lakhs |  |  |                              |  |   |
|---|--|--|------------------------------|--|---|
| Sr. No.   | NGO Partner                                      | CSR Project or Activity Identified           | Projects or Program Coverage | Amount Outlay (budget) project or Programswise | Amount spent: Direct or through implementing Agency |
| 1   | J&K : Contribution to Prime Minister Relief Fund | Contribution to Jammu & Kashmir Flood Relief | Jammu & Kashmir              | 0.15   | Direct  |
| 2   | Teach for India                                  | Quality Education through Fellowship project | Maharashtra & New Delhi      | 12.44  | Indirect  |
| <b>Total CSR Spend in FY 14-15 ( in INR.)</b>                         |  |  |                              | <b>12.59</b>                                   |   |

**ANNEXURE C TO BOARD'S REPORT**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED March 31, 2015**

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

To,

The Members,

**L&T 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 which are kept in the custody of Company Secretary and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

(vi) 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 – **The Common Seal of the Company is kept in the custody of the Company Secretary;**
- ii. The Listing Agreements have been entered into by the Company with Stock Exchange(s), if applicable. – **Debt Listing Agreement with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), Cumulative Compulsorily Non-Convertible Redeemable Preference shares listing agreement with BSE.**

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

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

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

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

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

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

- **Issue Of Non-Convertible Debentures, Series A and Series B, aggregating ₹450 crore, on private placement basis.**
- **Issue of 1,003 Listed Cumulative Compulsorily Non-Convertible Redeemable Preference shares of the Face value of ₹ 10,000 each for cash at par aggregating ₹ 100.30 Crore on Private Placement basis.**

(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.**

Place: Mumbai  
Date: April 21, 2015

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

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

## Annexure 'I'

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.

Place: Mumbai  
Date: April 21, 2015

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

**ANNEXURE D TO BOARD'S REPORT**

**FORM NO. MGT - 9  
EXTRACT OF ANNUAL RETURN  
as on financial year ended on 31.03.2015**

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**

|            |   |   |
|------------|---|---|
| <b>i</b>   | <b>CIN</b>  | U67100MH2013PLC241104   |
| <b>ii</b>  | <b>Registration Date</b>  | 19.03.2013  |
| <b>iii</b> | <b>Name of the Company</b>  | L&T Infra Debt Fund Limited   |
| <b>iv</b>  | <b>Category/Sub-category of the Company</b>   | Company limited by shares   |
| <b>v</b>   | <b>Address of the Registered office &amp; contact details</b>                             | 3B, Laxmi Towers, C-25, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.   |
| <b>vi</b>  | <b>Whether listed company</b>   | Yes (Debt & Preference Shares Listed)   |
| <b>vii</b> | <b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b> | Sharepro Services (India) Private Limited<br>13 A B, Samhita Warehousing Complex, 2nd floor, Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072<br>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/<br>SUBSIDIARY/<br>ASSOCIATE | % OF<br>SHARES HELD | APPLICABLE<br>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 |                          |          |
| A. Promoters                   |   |           |                     |                   |   |           |                     |                   |                          |          |
| (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            | 30,39,99,996                              | 4*        | 30,40,00,000        | 100.00            | -                        | -        |
| d) Bank/FI                     | -   | -         | -                   | -                 | -   | -         | -                   | -                 | -                        | -        |
| e) Any other                   | -   | -         | -                   | -                 | -   | -         | -                   | -                 | -                        | -        |
| <b>SUB TOTAL:(A) (1)</b>       | <b>30,39,99,996</b>                             | <b>4*</b> | <b>30,40,00,000</b> | <b>100</b>        | <b>30,39,99,996</b>                       | <b>4*</b> | <b>30,40,00,000</b> | <b>100</b>        | <b>-</b>                 | <b>-</b> |

| 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>(2) Foreign</b>  |   |            |                     |                   |   |            |                     |                   |                          |            |
| a) NRI- Individuals   |   |            |                     |                   |   |            |                     |                   |                          |            |
| b) Other Individuals  |   |            |                     |                   |   |            |                     |                   |                          |            |
| c) Bodies Corp.   |   |            |                     |                   |   |            |                     |                   |                          |            |
| d) Banks/FI   |   |            |                     |                   |   |            |                     |                   |                          |            |
| e) Any other...   |   |            |                     |                   |   |            |                     |                   |                          |            |
| <b>SUB TOTAL (A) (2)</b>  |   |            |                     |                   |   |            |                     |                   |                          |            |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                          | <b>30,39,99,996</b>                             | <b>4*</b>  | <b>30,40,00,000</b> | <b>100</b>        | <b>30,39,99,996</b>                       | <b>4*</b>  | <b>30,40,00,000</b> | <b>100</b>        | <b>-</b>                 | <b>-</b>   |
| <b>B. PUBLIC SHAREHOLDING</b>   |   |            |                     |                   |   |            |                     |                   |                          |            |
| (1) Institutions  |   |            |                     |                   |   |            |                     |                   |                          |            |
| a) Mutual Funds   |   |            |                     |                   |   |            |                     |                   |                          |            |
| b) Banks/FI   |   |            |                     |                   |   |            |                     |                   |                          |            |
| C) Central govt   |   |            |                     |                   |   |            |                     |                   |                          |            |
| d) State Govt.  |   |            |                     |                   |   |            |                     |                   |                          |            |
| e) Venture Capital Fund   |   |            |                     |                   |   |            |                     |                   |                          |            |
| f) Insurance Companies  |   |            |                     |                   |   |            |                     |                   |                          |            |
| g) FIIS   |   |            |                     |                   |   |            |                     |                   |                          |            |
| h) Foreign Venture Capital Funds  |   |            |                     |                   |   |            |                     |                   |                          |            |
| i) Others (specify)   |   |            |                     |                   |   |            |                     |                   |                          |            |
| <b>SUB TOTAL (B)(1):</b>  | <b>Nil</b>                                      | <b>Nil</b> | <b>Nil</b>          | <b>Nil</b>        | <b>Nil</b>                                | <b>Nil</b> | <b>Nil</b>          | <b>Nil</b>        | <b>Nil</b>               | <b>Nil</b> |
| <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>  | <b>Nil</b>                                      | <b>Nil</b> | <b>Nil</b>          | <b>Nil</b>        | <b>Nil</b>                                | <b>Nil</b> | <b>Nil</b>          | <b>Nil</b>        | <b>Nil</b>               | <b>Nil</b> |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                               | <b>Nil</b>                                      | <b>Nil</b> | <b>Nil</b>          | <b>Nil</b>        | <b>Nil</b>                                | <b>Nil</b> | <b>Nil</b>          | <b>Nil</b>        | <b>Nil</b>               | <b>Nil</b> |



| 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 |                          |      |
| C. Shares held by Custodian for GDRs & ADRs | Nil   | Nil       | Nil                 | Nil               | Nil                                       | Nil       | Nil                 | Nil               | Nil                      | Nil  |
| <b>Grand Total (A+B+C)</b>                  | <b>30,39,99,996</b>                             | <b>4*</b> | <b>30,40,00,000</b> | <b>100</b>        | <b>30,39,99,996</b>                       | <b>4*</b> | <b>30,40,00,000</b> | <b>100</b>        | ----                     | ---- |

\*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%                           | -----  | 7,10,00,000                         | 23.36%                           | -----  | 0   |
|        | -----                        | -----                                     | -----                            | -----  | -----                               | -----                            | -----  | -----                                     |
|        | <b>Total</b>                 | <b>7,10,00,000</b>                        | <b>23.36%</b>                    | <b>-----</b>                                   | <b>7,10,00,000</b>                  | <b>23.36%</b>                    | <b>-----</b>                                   | <b>0</b>                                  |

#### (iii) CHANGE IN PROMOTERS' SHAREHOLDING – None

| Sl. No. |  | 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%                           |
|         | 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   | 7,10,00,000                                | 23.36%                           | 7,10,00,000                              | 23.36%                           |

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

| Sl. No    | For Each of the Top 10 Shareholders  | 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%                           |
|           | 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) | ---                                 | ---                              | ---                                     | ---                              |

| Sl. No    | For Each of the Top 10 Shareholders  | 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 end of the year (or on the date of separation, if separated during the year)  | 14,70,00,000                        | 48.36%                           | 14,70,00,000                            | 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%                            |
|           | 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 (or on the date of separation, if separated during the year)  | 2,00,00,000                         | 6.58%                            | 2,00,00,000                             | 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%                           |
|           | 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 (or on the date of separation, if separated during the year)  | 4,30,00,000                         | 14.14%                           | 4,30,00,000                             | 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%                            |
|           | 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 (or on the date of separation, if separated during the year)  | 2,29,99,996                         | 7.56%                            | 2,29,99,996                             | 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<br>(e.g. allotment / transfer / bonus / sweat equity etc) | ---                                 | ---                              | ---                                     | ---                              |
|        | At the end of the year  | 3*                                  | 0.00                             | 3*                                      | 0.00                             |

\*1 share each held by Mr. Y. M. Deosthalee, Mr. N. Sivaraman and Mr. Suneet K. Maheshwari jointly holding with L&T Infrastructure Finance Company Limited

## V. INDEBTEDNESS

|   | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness   |
|---|-------------------------------------|--------------------|----------|-------------------------|
| Indebtedness at the beginning of the financial year |                                     |                    |          |                         |
| i) Principal Amount                                 | -                                   | -                  | -        | -                       |
| ii) Interest due but not paid                       | -                                   | -                  | -        | -                       |
| iii) Interest accrued but not due                   | -                                   | -                  | -        | -                       |
| Total (i+ii+iii)                                    | -                                   | -                  | -        | -                       |
| Change in Indebtedness during the financial year    |                                     |                    |          |                         |
| Additions   | 4,500,000,000.00                    | -                  | -        | 4,500,000,000.00        |
| Reduction   | -                                   | -                  | -        | -                       |
| Net Change  |                                     |                    |          |                         |
| Indebtedness at the end of the financial year       |                                     |                    |          |                         |
| i) Principal Amount                                 | 4,500,000,000.00                    | -                  | -        | 4,500,000,000.00        |
| ii) Interest due but not paid                       | -                                   | -                  | -        | -                       |
| iii) Interest accrued but not due                   | 224,729,452.00                      | -                  | -        | 224,729,452.00          |
| <b>Total (i+ii+iii)</b>                             | <b>4,724,729,452.00</b>             | <b>-</b>           | <b>-</b> | <b>4,724,729,452.00</b> |

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

**# 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 | 2,20,000              | 1,60,000             | 3,80,000         |
|         | (b) Commission                                     | 11,70,000             | 7,15,000             | 18,85,000        |
|         | (c) Others, please specify                         | -                     | -                    |                  |
|         | <b>Total (1)</b>                                   | <b>13,90,000</b>      | <b>8,75,000</b>      | <b>22,65,000</b> |

| Sr. No. | Particulars of Remuneration                    | Name of the Directors |  | Total Amount                        |
|---------|--|-----------------------|--|-------------------------------------|
| 2       | Other Non Executive Directors                  |                       |  |                                     |
|         | (a) Fee for attending board committee meetings |                       |  |                                     |
|         | (b) Commission                                 |                       |  |                                     |
|         | (c ) Others, please specify.                   |                       |  |                                     |
|         | Total (2)                                      |                       |  |                                     |
|         | Total (B)=(1+2)                                |                       |  | 22,65,000                           |
|         | Total Managerial Remuneration                  |                       |  | 22,65,000                           |
|         | Overall Ceiling as per the Act                 |                       |  | 30,25,030<br>(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       | Gross Salary   |                          |                   |     |       |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | -                        | -                 | -   | -     |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | -                        | -                 | -   | -     |
|         | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961       | -                        | -                 | -   | -     |
| 2       | Stock Option   | -                        | -                 | -   | -     |
| 3       | Sweat Equity   | -                        | -                 | -   | -     |
| 4       | Commission   | -                        | -                 | -   | -     |
|         | as % of profit   | -                        | -                 | -   | -     |
|         | others, specify  | -                        | -                 | -   | -     |
| 5       | Others, please specify   | -                        | -                 | -   | -     |
|         | Total  | -                        | -                 | -   | -     |

@ 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

# Annexure to Board's Report

## Corporate Governance Report

### BOARD OF DIRECTORS

The Board of Directors, along with its Committees, provides leadership and guidance to your Company's management and directs, supervises and controls the activities of your Company. At present, the Board comprises six Directors viz. Mr. Arun Ramanathan, Mr. Thomas Mathew T., Mr. Y. M. Deosthalee, Mr. N. Sivaraman, Mr. Suneet K. Maheshwari and Ms. Raji Vishwanathan. Mr. Thomas Mathew T. was appointed as an Independent Director on the Board during the year. Mr. Deosthalee is the Chairman & Managing Director of L&T Finance Holdings Limited (LTFH), Holding Company, while Mr. Sivaraman is the President & Whole-time Director of the same company. Mr. Suneet K. Maheshwari is a Director of L&T Infrastructure Finance Company Limited, and holds a senior position in LTFH.

Mr. Shiva Rajaraman is the Manager & Chief Executive of your 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 (particulars relevant to the financial year ended on March 31, 2015) are as under:

#### 1. **Audit Committee:**

The Audit Committee has been set up pursuant to Section 177 of the Companies Act, 2013 ('the Act') as well as the RBI's Directions for NBFCs. The Committee currently comprises 3 Directors as per the details given below:

##### **Composition of Audit Committee**

Mr. Arun Ramanathan – Chairman  
Mr. Thomas Mathew T.  
Mr. Y. M. Deosthalee

### Role of the Committee

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

#### 2. **Nomination and Remuneration Committee:**

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

##### **Composition of Nomination and Remuneration Committee**

Mr. Thomas Mathew T. - Chairman  
Mr. Arun Ramanathan  
Mr. N. Sivaraman

### **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 Mr. N. Sivaraman, Mr. Suneet K. Maheshwari, Mr. G. Krishnamurthy and Mr. Shiva Rajaraman.

#### **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 6 times during the year under review.

### **4. Asset – Liability Management Committee**

The Committee is chaired by Mr. N. Sivaraman, Mr. Suneet K. Maheshwari, Mr. G. Krishnamurthy,

Mr. Shiva Rajaraman, Dr. Rupa Rege Nitsure are members of the same.

#### **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 5 times during the year under review.

### **5. Risk Management Committee:**

The Committee currently comprises 3 members as per details given below:

#### **Composition of Risk Management Committee**

Mr. N. Sivaraman – Chairman

Mr. Suneet K. Maheshwari

Mr. Shiva Rajaraman

#### **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 Companies Act, 2013 ('the Act'). The Committee comprises 3 Directors as per details given below:

### Composition of CSR Committee

Mr. Y.M. Deosthalee – Chairman

Mr. N. Sivaraman

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 3 times during the year.

## 7. Committee of Directors

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

### Composition of Committee of Directors (COD)

Mr. Y. M. Deosthalee

Mr. N. Sivaraman

Mr. Suneet K. Maheshwari

### Role of the Committee

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

The Committee met 7 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 your Company.

## REMUNERATION OF DIRECTORS

The Directors on the Board who are in the services of L&T Finance Holdings Limited draw remuneration from L&T Finance Holdings Limited. All other Directors on the Board are paid sitting fees for attending the meetings of the Board and/or any committee thereof and commission on net profits.

The details of remuneration paid/payable to Directors for the year ended March 31, 2015 are as follows:

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

(In ₹)

| Name of the Director     | Sitting Fees for Board Meeting | #Sitting Fees for Committee Meeting | Commission (up to)\$ | Total     |
|--------------------------|--------------------------------|-------------------------------------|----------------------|-----------|
| Mr. Y.M. Deosthalee      | Nil                            | Nil                                 | Nil                  | Nil       |
| Mr. N. Sivaraman         | Nil                            | Nil                                 | Nil                  | Nil       |
| Mr. Suneet K. Maheshwari | Nil                            | Nil                                 | Nil                  | Nil       |
| Mr. Arun Ramanathan      | 1,00,000                       | 1,20,000                            | 11,70,000            | 13,90,000 |
| Mr. Thomas Mathew T.*    | 60,000                         | 1,00,000                            | 7,15,000             | 8,75,000  |
| Ms. Raji Vishwanathan##  | Nil                            | Nil                                 | Nil                  | Nil       |

\* Appointed as director with effect from October 16, 2014

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

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

## Appointed as director with effect from March 31, 2015

## 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**

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

## **RESPONSIBILITIES OF THE BOARD**

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.

Your 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.

## **Debenture Trustees**

### **GDA Trusteeship Limited**

GDA House, S. No. 94/95, Plot No. 85,  
Bhusari Colony (Right), Paud Road, Pune - 411 038.  
website : [www.gdatrustee.com](http://www.gdatrustee.com)

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 Internal Auditor to conduct Internal Audit of the Company.

### **Internal Control**

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

## **Registrar and Share Transfer Agent**

### **Sharepro Services (India) Private Limited**

13 AB, Samhita Warehousing Complex,  
2nd, Floor, Sakinala Telephone Exchange Lane,  
Andheri-Kurla Road, Sakinaka, Andheri (E),  
Mumbai - 400 072  
Tel: +91 22 6191 5400/412, Fax: +91 22 6191 5444  
E-mail: [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)



# Management Discussion & Analysis

## 1. Macroeconomic Review

As per the data released by the Government of India (GoI) based on the new method of estimation, India's GDP Growth rate for FY 2014-15 was estimated at 7.4%. Irrespective of the method of calculation, the trend of figures for the last 7-8 quarters indicates that GDP growth rate may have bottomed out. International rating agency Moody's has raised recently India's sovereign rating outlook to "positive" from "stable" and has indicated that there is a probability of rating upgrade in the next 12-18 months subject to inter alia fiscal consolidation and addressing banking sector weaknesses.

In the last few months, the government has made efforts through administrative processes, to ease environmental norms and speed up approvals for projects in specified sectors. The auction process for coal and telecommunication spectrum has made significant progress. Bills relating to Coal Mines, Mine & Minerals and Insurance 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 has been lower, partly due to lower international oil prices and partly due to policy and regulatory actions. While policy interest rates have decreased by 0.5% during the period under review, bond market yields have fallen by over 1%. 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 few 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 focused on refinance of infrastructure projects that have completed at least 1 year of satisfactory operations and are eligible to be refinanced in line with regulatory norms.

FY 2015 was the 1st 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 & products to meet the requisite tenor and cashflow-based structuring requirements of customers.

In its 1st full year operations, L&T IDF has sanctioned refinance facilities to 11 infrastructure projects aggregating ~ ₹ 1400 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.

While the focus of L&T IDF in FY 2015, was on toll-based and annuity-based road projects diversified by geography, promoter group and project type, increased sectoral diversification is expected to be possible in future, based on recent announcements by RBI.

## 3. Financial Resources (Liabilities)

L&T IDF has a paid up Equity Share Capital of ₹ 304 cr. During FY 2015, L&T IDF has raised ~ ₹ 450 cr through the issue of AAA rated, listed, secured, long term, redeemable, non convertible debentures (NCDs). L&T IDF has also issued AAA rated, listed, long term, redeemable Preference Shares aggregating ₹ ~ 100 cr. L&T IDF has demonstrated the ability to raise funds from a diverse set of investors, at competitive rates.

The NCDs and Preference Shares have been issued with varying tenors extending from 5 years to 15 years. The NCDs have seen a relatively high level of trading volumes with over ₹ 230 cr being traded within less than a year of the issue.

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.

In FY15, customised training programmes have focused 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

In FY 2015, the scope of operations of L&T IDF included refinancing of eligible operating Public Private Partnership (PPP) projects which had a buyback arrangement with a project authority. In the Monetary Policy Statement dated April 7, 2015, RBI has proposed to expand the scope of operation of IDF-NBFCs to a larger number of sectors. This could enable reduced cost of financing for operational infrastructure projects in the added sectors. 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 (for this Report)

*Certain statements in this 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.*

# 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 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding 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.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

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

#### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (2) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by

this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366WW-100018)

Sanjiv V. Pilgaonkar  
Partner  
(Membership No. 39826)

MUMBAI, April 22 , 2015

# Annexure To The Auditors' Report

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

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

1. According to the information and explanations given to us, the Company doesn't have any fixed assets. Therefore, the provisions of paragraph 3 (i) of the Order are not applicable to the Company.
2. According to the information and explanations given to us, the Company is engaged primarily in services related to financing of infrastructure projects and its activities do not require it to hold any inventories. Therefore, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to sale of services. During the course of our audit, we have not observed any major weakness in such internal control system. The nature of the Company's business is such that it does not involve purchase of inventories and sale of goods.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and no order in this respect 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.
6. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the services rendered by the Company.
7. According to the information and explanations given to us in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Income Tax, Service-tax, Cess and other material statutory dues applicable to it with 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 Wealth Tax, Employee's State Insurance, Sales-tax, Duty of Customs, Duty of Excise, 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 31st March, 2015 for a period of more than six months from the date they became payable.
  - c) There are no dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, and Value Added Tax or Cess which have not been deposited as on 31st March, 2015.
  - d) According to the information and explanation given to us there were no amounts that were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder, during the year.
8. The Company does not have any accumulated losses at the year end. The Company has not incurred cash losses during the financial year covered by our audit and in immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, not prejudicial to the interests of the Company.
11. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366WW-100018)

Sanjiv V. Pilgaonkar  
Partner

MUMBAI, April 22, 2015

(Membership No. 39826)

# Balance Sheet as at March 31, 2015

(₹ in Lakh)

|  | Note No. | As at<br>31-03-2015 | As at<br>31-03- 2014 |
|--|----------|---------------------|----------------------|
| <b>A. EQUITY AND LIABILITIES</b>   |          |                     |                      |
| <b>1. Shareholders' funds</b>  |          |                     |                      |
| Share capital  | 2        | 40,430.00           | 30,400.00            |
| Reserves and surplus   | 3        | 4,637.22            | 1,888.13             |
|  |          | <b>45,067.22</b>    | <b>32,288.13</b>     |
| <b>2. Non - current liabilities</b>  |          |                     |                      |
| Long - term borrowings   | 4        | 45,000.00           | -                    |
| Long - term provisions   | 5        | 358.66              | -                    |
|  |          | <b>45,358.66</b>    | -                    |
| <b>3. Current liabilities</b>  |          |                     |                      |
| Trade payables   | 6        | 45.01               | 15.22                |
| Other current liabilities  | 7        | 2,307.71            | 5.14                 |
| Short - term provisions  | 8        | 6.57                | -                    |
|  |          | <b>2,359.29</b>     | <b>20.36</b>         |
| <b>Total equity and liabilities</b>  |          | <b>92,785.17</b>    | <b>32,308.49</b>     |
| <b>B. ASSETS</b>   |          |                     |                      |
| <b>1. Non - current assets</b>   |          |                     |                      |
| Long - term loans towards financing activities                                 | 9        | 32,921.00           | -                    |
| Long - term loans and advances   | 10       | 259.50              | 61.00                |
| Other non - current assets   | 11       | 116.57              | -                    |
|  |          | <b>33,297.07</b>    | <b>61.00</b>         |
| <b>2. Current assets</b>   |          |                     |                      |
| Current investments  | 12       | 20,358.65           | -                    |
| Cash and cash equivalents  | 13       | 36,362.50           | 32,121.20            |
| Current maturities of long - term loans towards financing activities           | 14       | 2,144.25            | -                    |
| Short term loans and advances  | 15       | 31.90               | 34.71                |
| Other current assets   | 16       | 590.80              | 91.58                |
|  |          | <b>59,488.10</b>    | <b>32,247.49</b>     |
| <b>Total assets</b>  |          | <b>92,785.17</b>    | <b>32,308.49</b>     |
| <b>See accompanying notes forming part of the financial statements 1 to 35</b> |          |                     |                      |

In terms of our report attached.

For and on behalf of the board

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Sanjiv V. Pilgaonkar**  
Partner

**N. Sivaraman**  
Director  
(DIN: 00001747)

**Suneet K. Maheshwari**  
Director  
(DIN: 00420952)

**Ashish Ranka**  
Head Accounts (CFO)

**Radhika Parmanandka**  
Company Secretary

Place : Mumbai  
Date : April 22, 2015

Place : Mumbai  
Date : April 22, 2015

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

(₹ in Lakh)

|  | Note No. | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|--|----------|--------------------------|--|
| <b>A. INCOME:</b>  |          |                          |  |
| 1. Revenue from operations   | 17       | 1,434.10                 | -  |
| 2. Other income  | 18       | 4,283.03                 | 2,729.59   |
| <b>3. Total income (1+2)</b>   |          | <b>5,717.13</b>          | <b>2,729.59</b>                                    |
| <b>B. EXPENSES:</b>  |          |                          |  |
| Employee benefits expense  | 19       | 66.17                    | -  |
| Finance costs  | 20       | 2,287.06                 | -  |
| Other expenses   | 21       | 255.01                   | 381.46   |
| Provisions for contingencies   | 22       | 105.20                   | -  |
| <b>4. Total expenses</b>   |          | <b>2,713.44</b>          | <b>381.46</b>                                      |
| <b>5. Profit before tax (3-4)</b>  |          | <b>3,003.69</b>          | <b>2,348.13</b>                                    |
| <b>6. Tax expenses:</b>  |          |                          |  |
| Current tax  |          | -                        | 460.00   |
| Deferred tax   |          | -                        | -  |
| <b>Total provision for tax</b>   |          | <b>-</b>                 | <b>460.00</b>                                      |
| <b>7. Profit after tax / balance carried to Balance Sheet (5-6)</b>            |          | <b>3,003.69</b>          | <b>1,888.13</b>                                    |
| <b>Earnings per equity share</b>   |          |                          |  |
| Basic earnings per equity share (₹) (*Not annualised)                          | 27       | 0.80                     | * 0.62   |
| Diluted earnings per equity share (₹) (*Not annualised)                        | 27       | 0.80                     | * 0.62   |
| Face value per equity share (₹)  |          | 10.00                    | 10.00  |
| <b>See accompanying notes forming part of the financial statements 1 to 35</b> |          |                          |  |

In terms of our report attached.

For and on behalf of the board

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**Sanjiv V. Pilgaonkar**  
Partner

**N. Sivaraman**  
Director  
(DIN: 00001747)

**Suneet K. Maheshwari**  
Director  
(DIN: 00420952)

**Ashish Ranka**  
Head Accounts (CFO)

**Radhika Parmanandka**  
Company Secretary

Place : Mumbai  
Date : April 22, 2015

Place : Mumbai  
Date : April 22, 2015

# Cash Flow Statement for the year ended March 31, 2015

(₹ in Lakh)

|   | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|---|--------------------------|--|
| <b>A Cash flow from operating activities:</b>                     |                          |  |
| Profit Before Taxation  | 3,003.69                 | 2,348.13   |
| <b>Adjustment for:</b>  |                          |  |
| Provision for standard assets                                     | 105.20                   | -  |
| Gratuity  | 1.19                     | -  |
| Gain on sale of current investments                               | (1,972.57)               | -  |
| Share issue expenses  | -                        | 200.06   |
| <b>Operating profit before working capital changes:</b>           | <b>1,137.51</b>          | <b>2,548.19</b>                                    |
| <b>Adjustment for:</b>  |                          |  |
| Increase/(decrease) in short term and long-term provisions        | 4.24                     | -  |
| Increase/(decrease) in trade payables                             | 29.79                    | 15.22  |
| Increase in other current liabilities                             | 2,302.57                 | 5.14   |
| Decrease/(Increase) long term loans and advances                  | (11.86)                  | (10.04)  |
| Decrease/(Increase) other current assets                          | (499.22)                 | -  |
| Decrease/(Increase) short term loans and advances                 | 2.81                     | (34.71)  |
| Decrease/(Increase) in other non current assets                   | (116.57)                 | (91.58)  |
| Decrease/(Increase) in loans towards financing activities         | (35,065.25)              | -  |
| <b>Cash generated from/(used in) operations</b>                   | <b>(32,215.98)</b>       | <b>2,432.22</b>                                    |
| Direct taxes paid   | (186.64)                 | (510.96)   |
| <b>A Net cash flow from / (used in) operating activities (A)</b>  | <b>(32,402.62)</b>       | <b>1,921.26</b>                                    |
| <b>B Cash flows from investing activities:</b>                    |                          |  |
| Term deposits having an original maturity of more than 3 months   |                          |  |
| - Placed  | -                        | (30,000.00)  |
| - Matured   | -                        | 30,000.00  |
| Current investments not considered as Cash and cash equivalents   |                          |  |
| - Purchased   | (199,692.29)             | -  |
| - Proceeds from sale  | 181,306.21               | -  |
| <b>Net cash from / (used in) investing activities (B)</b>         | <b>(18,386.08)</b>       | <b>-</b>   |
| <b>C Cash flows from financing activities:</b>                    |                          |  |
| Proceeds from issue of share capital                              | 10,030.00                | 30,400.00  |
| Proceeds from long-term borrowings                                | 45,000.00                | -  |
| Share issue expenses  | -                        | (200.06)   |
| <b>Net cash generated from/(used in) financing activities (C)</b> | <b>55,030.00</b>         | <b>30,199.94</b>                                   |



## Notes forming part of Financial Statements - March 31, 2015

|   | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|---|--------------------------|--|
| <b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>                     | <b>4,241.30</b>          | <b>32,121.20</b>                                   |
| <b>Cash and cash equivalents as at beginning of the year</b>                              | <b>32,121.20</b>         | <b>-</b>   |
| <b>Cash and cash equivalents as at end of the year (refer note below)</b>                 | <b>36,362.50</b>         | <b>32,121.20</b>                                   |
| <b>Net (Decrease)/Increase in cash and cash equivalents</b>                               | <b>4,241.30</b>          | <b>32,121.20</b>                                   |
| <b>See accompanying notes forming part of the financial statements 1 to 35</b>            |                          |  |
| <b>Foot notes:</b>  |                          |  |
| <b>1. Cash and cash equivalents reconciliation</b>  |                          |  |
| Cash and cash equivalents at the end of the year (See Note 13)                            | 36,362.50                | 32,121.20  |
| Less: Term deposits with original maturity greater than 3 months                          | -                        | -  |
| Cash and cash equivalents at the end of the year  | <b>36,362.50</b>         | <b>32,121.20</b>                                   |
| <b>2. Net cash used in operating activity is determined after adjusting the following</b> |                          |  |
| Interest received   | 2,977.37                 | 2,638.02   |
| Dividend received   | 97.08                    | -  |
| Interest paid   | 22.50                    | -  |

In terms of our report attached.

**For and on behalf of the board**

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**Sanjiv V. Pilgaonkar**  
Partner

**N. Sivaraman**  
Director  
(DIN: 00001747)

**Suneet K. Maheshwari**  
Director  
(DIN: 00420952)

**Ashish Ranka**  
Head Accounts (CFO)

**Radhika Parmanandka**  
Company Secretary

Place : Mumbai  
Date : April 22, 2015

Place : Mumbai  
Date : April 22, 2015

## **Note 1: 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 Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") and Companies Act, 1956. 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,

# Notes forming part of Financial Statements - March 31, 2015

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 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 IDFC 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 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.

## Notes forming part of Financial Statements - March 31, 2015

### Note 2: Share capital

|  | As at 31-03-2015   |                  | As at 31-03- 2014  |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | Number             | ₹ lakh           | Number             | ₹ lakh           |
| <b>Authorised</b>  |                    |                  |                    |                  |
| Equity shares of ₹ 10 each                                   | 400,000,000        | 40,000.00        | 400,000,000        | 40,000.00        |
| Preference shares of ₹ 1,000,000 each                        | 2,000              | 20,000.00        | 2,000              | 20,000.00        |
| <b>Issued, Subscribed &amp; Paid up shares</b>               |                    |                  |                    |                  |
| Equity shares of ₹ 10 each                                   | 304,000,000        | 30,400.00        | 304,000,000        | 30,400.00        |
| Preference shares of ₹ 1,000,000 each                        | 1,003              | 10,030.00        | -                  | -                |
| <b>Total Issued, Subscribed &amp; Paid up shares capital</b> | <b>304,001,003</b> | <b>40,430.00</b> | <b>304,000,000</b> | <b>30,400.00</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 31-03-2015   |                  | As at 31-03- 2014  |                  |
|--|--------------------|------------------|--------------------|------------------|
|  | Number             | ₹ lakh           | Number             | ₹ lakh           |
| Shares outstanding at the beginning of the year  | 304,000,000        | 30,400.00        | -                  | -                |
| Shares issued during the year                    | -                  | -                | 304,000,000        | 30,400.00        |
| <b>Shares outstanding at the end of the year</b> | <b>304,000,000</b> | <b>30,400.00</b> | <b>304,000,000</b> | <b>30,400.00</b> |

| Preference Shares of ₹ 1,000,000 each                                   | As at 31-03-2015 |           | As at 31-03- 2014 |        |
|---|------------------|-----------|-------------------|--------|
|   | Number           | ₹ lakh    | Number            | ₹ lakh |
| <b>Cumulative Non Convertible Redeemable Preference Shares ("CRPS")</b> |                  |           |                   |        |
| Shares outstanding at the beginning of the year                         | -                | -         | -                 | -      |
| Shares issued during the year   | 1,003            | 10,030.00 | -                 | -      |
| Shares bought back during the year                                      | -                | -         | -                 | -      |
| Shares outstanding at the end of the year                               | 1,003            | 10,030.00 | -                 | -      |

#### (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.

## Notes forming part of Financial Statements - March 31, 2015

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.

### 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 ₹ 3,309.09 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

|   | As at 31-03-2015 |           | As at 31-03- 2014 |        |
|---|------------------|-----------|-------------------|--------|
|   | Number           | ₹ lakh    | Number            | ₹ lakh |
| Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees. | 304,000,000      | 30,400.00 | 304,000,000       | 30,400 |

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

|   | As at 31-03-2015 |           | As at 31-03- 2014 |           |
|---|------------------|-----------|-------------------|-----------|
|   | Number           | ₹ lakh    | Number            | ₹ lakh    |
| Equity Shares of ₹ 10 each fully paid held by |                  |           |                   |           |
| L&T Infrastructure Finance Company Limited    | 147,000,000      | 14,700.00 | 147,000,000       | 14,700.00 |
| L&T Finance Holdings Limited                  | 71,000,000       | 7,100.00  | 71,000,000        | 7,100.00  |
| L&T Finance Limited                           | 20,000,000       | 2,000.00  | 20,000,000        | 2,000.00  |
| L&T FinCorp Limited                           | 43,000,000       | 4,300.00  | 43,000,000        | 4,300.00  |
| Family Credit Limited                         | 22,999,996       | 2,300.00  | 22,999,996        | 2,300.00  |
| CRPS of ₹ 1,000,000 each fully paid held by   |                  |           |                   |           |
| Pioneer Independent Trust                     | 750              | 7,500.00  | -                 | -         |
| L&T Employees Welfare Foundation              | 160              | 1,600.00  | -                 | -         |
| L&T Welfare Company Limited                   | 90               | 900.00    | -                 | -         |

# Notes forming part of Financial Statements - March 31, 2015

## Note 3: Reserves and surplus

(₹ in Lakh)

|  | As at<br>31-03-2015 | As at<br>31-03-2014 |
|--|---------------------|---------------------|
| <b>(I) Reserve u/s 45-IC of Reserve Bank of India Act, 1934</b>    |                     |                     |
| Opening balance  | 378.00              | -                   |
| Add : Transferred from surplus in the Statement of Profit and Loss | 601.00              | 378.00              |
| <b>Closing balance</b>   | <b>979.00</b>       | <b>378.00</b>       |
| <b>(II) Surplus in the Statement of Profit and Loss</b>            |                     |                     |
| Opening balance  | 1,510.13            | -                   |
| Add : Profit for the period  | 3,003.69            | 1,888.13            |
| Less: Appropriations   |                     |                     |
| Redemption premium on CRPS (Refer Note 31)                         | 254.60              | -                   |
| Transfer to reserve u/s. 45-IC of Reserve Bank of India Act, 1934  | 601.00              | 378.00              |
| <b>Closing balance</b>   | <b>3,658.22</b>     | <b>1,510.13</b>     |
| <b>Total reserves and surplus</b>                                  | <b>4,637.22</b>     | <b>1,888.13</b>     |

## Note 4: Long-term borrowings

(₹ in Lakh)

|  | As at<br>31-03-2015 | As at<br>31-03-2014 |
|--|---------------------|---------------------|
| <b>(I) Secured</b>   |                     |                     |
| Redeemable non convertible debentures [Refer Footnote 4 (i)] | 45,000.00           | -                   |
| <b>Total Long-term borrowings</b>                            | <b>45,000.00</b>    | <b>-</b>            |

### 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.

## Notes forming part of Financial Statements - March 31, 2015

### Note 5: Long-term provisions

(₹ in Lakh)

|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---|---------------------|---------------------|
| For employee benefits:  |                     |                     |
| Compensated absences  | 1.63                | -                   |
| Gratuity  | 3.66                | -                   |
| Others:   |                     |                     |
| Redemption Premium payable on redemption of Preference Shares | 254.60              | -                   |
| For contingent provisions against standard assets             | 98.77               | -                   |
| <b>Total Long-term provisions</b>                             | <b>358.66</b>       | <b>-</b>            |

### Note 6 : Trade payables

(₹ in Lakh)

|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---|---------------------|---------------------|
| For services  |                     |                     |
| Sundry Creditors for expenses<br>(Other than Micro and Small Enterprises) | 45.01               | 15.22               |
| <b>Total Trade payables</b>   | <b>45.01</b>        | <b>15.22</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.

### Note 7: Other current liabilities

(₹ in Lakh)

|  | As at<br>31-03-2015 | As at<br>31-03-2014 |
|--|---------------------|---------------------|
| Interest accrued but not due on debentures | 2,247.29            | -                   |
| Statutory liabilities                      | 19.56               | 2.89                |
| Accrued expenses                           | 40.86               | 2.25                |
| <b>Total other current liabilities</b>     | <b>2,307.71</b>     | <b>5.14</b>         |

### Note 8: Short - term provisions

(₹ in Lakh)

|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---|---------------------|---------------------|
| For employee benefits:                            |                     |                     |
| Compensated absences                              | 0.14                | -                   |
| Others  |                     |                     |
| For contingent provisions against standard assets | 6.43                | -                   |
| <b>Total Short-term provisions</b>                | <b>6.57</b>         | <b>-</b>            |



# Notes forming part of Financial Statements - March 31, 2015

## Note 9 Long - term loans towards financing activities

(₹ in Lakh)

|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---|---------------------|---------------------|
| (Secured - considered good)                                 |                     |                     |
| Debentures [Refer Footnote 9 (i)]                           | 32,921.00           | -                   |
| <b>Total Long - term loans towards financing activities</b> | <b>32,921.00</b>    | <b>-</b>            |

## Note 9(i)

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

| Name of Company                         | As at 31-03-2015 |                |                  |                 |                  | As at 31-03-2014 |                |          |         |             |
|---|------------------|----------------|------------------|-----------------|------------------|------------------|----------------|----------|---------|-------------|
|   | 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 | 16,280           | 100,000        | 16,280.00        | 950.00          | 15,330.00        | -                | -              | -        | -       | -           |
| OB Infrastructure Limited               | 13,824           | 100,000        | 13,824.00        | 1,168.00        | 12,656.00        | -                | -              | -        | -       | -           |
| West Gujarat Expressway Limited         | 5,250            | 94,500         | 4,961.25         | 26.25           | 4,935.00         | -                | -              | -        | -       | -           |
| <b>Total</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.

## Note 10: Long-term loans and advances

(₹ in Lakh)

|  | As at<br>31-03-2015 | As at<br>31-03-2014 |
|--|---------------------|---------------------|
| Others (Unsecured - considered good):  |                     |                     |
| Advance income taxes (net of provision Current year ₹ 460.00 lakhs, Previous Year ₹ 460 lakhs) | 237.60              | 50.96               |
| Security deposit   | 2.41                | 2.41                |
| Service tax credit receivable  | 0.91                | 7.63                |
| Prepaid expenses   | 5.94                | -                   |
| Others   | 12.64               | -                   |
| <b>Total other long term loans and advances - others</b>                                       | <b>259.50</b>       | <b>61.00</b>        |

## Note 11: Other non - current assets

(₹ in Lakh)

|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---|---------------------|---------------------|
| Unamortised expenses                    |                     |                     |
| Ancillary borrowing costs               | 116.57              | -                   |
| <b>Total Other non - current assets</b> | <b>116.57</b>       | <b>-</b>            |

# Notes forming part of Financial Statements - March 31, 2015

## Note 12: Current investments

(₹ in Lakh)

|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---|---------------------|---------------------|
| <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 12(i)]                                | 20,358.65           | -                   |
| <b>Total Current investments</b>  | <b>20,358.65</b>    | <b>-</b>            |

## Note 12(i)

### Details of Mutual Fund Investment:

| Scheme Name   | As at 31-03-2015 |               |                  | As at 31-03-2014 |              |          |
|---|------------------|---------------|------------------|------------------|--------------|----------|
|   | NAV              | No. of Units  | ₹ lakh           | NAV              | No. of Units | ₹ lakh   |
| HDFC Floating Rate Income Fund Short Term Plan -Growth  | 23.98            | 21,168,643.59 | 5,068.96         | -                | -            | -        |
| Birla Sun life Saving Fund - Growth                     | 269.62           | 1,882,436.63  | 5,068.24         | -                | -            | -        |
| ICICI Prudential Flexible Income Plan - Direct - Growth | 263.54           | 1,322,757.20  | 3,481.42         | -                | -            | -        |
| Reliance Money Manager Fund -Growth                     | 1,930.58         | 263,106.36    | 5,069.55         | -                | -            | -        |
| L&T Liquid Fund Direct Plan - Growth                    | 1,918.64         | 87,116.74     | 1,670.48         | -                | -            | -        |
| <b>Total</b>  |                  |               | <b>20,358.65</b> |                  |              | <b>-</b> |

## Note 13: Cash and cash equivalents

(₹ in Lakh)

|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---|---------------------|---------------------|
| <b>Cash and cash equivalents as defined in AS - 3</b>                     |                     |                     |
| Cash on hand  | 0.04                | 0.05                |
| Balances with Banks   |                     |                     |
| In Current Account  | 2.42                | 69.93               |
| In Other deposits accounts (with original maturity of less than 3 months) | 36,360.04           | 32,051.22           |
| <b>Total cash and Cash equivalents</b>                                    | <b>36,362.50</b>    | <b>32,121.20</b>    |

## Note 14: Current maturities of long - term loans towards financing activities

(₹ in Lakh)

|                                   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|-----------------------------------|---------------------|---------------------|
| (Secured - considered good)       |                     |                     |
| Debentures [Refer Footnote 9 (i)] | 2,144.25            | -                   |
|                                   | <b>2,144.25</b>     | <b>-</b>            |

## Notes forming part of Financial Statements - March 31, 2015

### Note 15: Short term loans and advances

(₹ in Lakh)

|  | As at<br>31-03-2015 | As at<br>31-03-2014 |
|--|---------------------|---------------------|
| (Unsecured, considered good)               |                     |                     |
| Prepaid expenses                           | 29.93               | 34.71               |
| Others                                     | 1.97                | -                   |
| <b>Total Short term loans and advances</b> | <b>31.90</b>        | <b>34.71</b>        |

### Note 16: Other current assets

(₹ in Lakh)

|                                       | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---------------------------------------|---------------------|---------------------|
| (Unsecured, considered good)          |                     |                     |
| Unamortised Ancillary borrowing costs | 20.16               | -                   |
| Accrued interest on debentures        | 70.18               | -                   |
| Accrued interest on fixed deposits    | 500.46              | 91.58               |
| <b>Total other current assets</b>     | <b>590.80</b>       | <b>91.58</b>        |

### Note 17: Revenue from operations

(₹ in Lakh)

|                                     | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|-------------------------------------|--------------------------|--|
| Interest on debentures              | 1,248.75                 | -  |
| Financial advisory fees             | 185.35                   | -  |
| <b>Total Revenue from operation</b> | <b>1,434.10</b>          | <b>-</b>   |

### Note 18: Other income

(₹ in Lakh)

|                                     | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|-------------------------------------|--------------------------|--|
| Interest on bank deposits           | 2,207.68                 | 2,729.59   |
| Income from current investment      | 97.08                    | -  |
| Gain on sale of current investments | 1,972.57                 | -  |
| Others                              | 5.70                     | -  |
| <b>Total other income</b>           | <b>4,283.03</b>          | <b>2,729.59</b>                                    |

## Notes forming part of Financial Statements - March 31, 2015

### Note 19: Employee benefit expenses

(₹ in Lakh)

|   | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|---|--------------------------|--|
| Salaries                                  | 62.49                    | -  |
| Contribution to provident and other funds | 2.28                     | -  |
| Staff Gratuity                            | 1.19                     | -  |
| Staff Welfare                             | 0.11                     | -  |
| Expenses on Employees Stock Option Plans  | 0.10                     | -  |
| <b>Total Employee benefit expenses</b>    | <b>66.17</b>             | <b>-</b>   |

### Note 20: Finance cost

(₹ in Lakh)

|                           | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|---------------------------|--------------------------|--|
| Interest expenses         | 2,269.79                 | -  |
| Other borrowing cost      | 17.27                    | -  |
| <b>Total Finance cost</b> | <b>2,287.06</b>          | <b>-</b>   |

### Note 21: Other expenses

(₹ in Lakh)

|   | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|---|--------------------------|--|
| Directors Sitting fees                    | 4.03                     | 0.21   |
| Commission to non executive director      | 21.34                    | 2.25   |
| Professional fees                         | 53.24                    | 87.97  |
| Guarantee fees                            | 9.42                     | -  |
| Listing and custodian fees                | 3.40                     | -  |
| Travelling and conveyance                 | 4.21                     | -  |
| Rent                                      | 5.12                     | 2.13   |
| Corporate support service charges         | 73.85                    | -  |
| Auditors' remuneration (Refer note below) | 9.14                     | 5.93   |
| Brand license fee                         | 45.74                    | -  |
| Demat charges                             | -                        | 0.22   |
| Stamp duty                                | 10.03                    | 82.46  |
| Rates and Taxes                           | -                        | 200.06   |
| Corporate Social Responsibility           | 12.63                    | -  |
| Miscellaneous expenses                    | 2.86                     | 0.23   |
| <b>Total other expenses</b>               | <b>255.01</b>            | <b>381.46</b>                                      |

## Notes forming part of Financial Statements - March 31, 2015

**Note:** Auditors' remuneration comprises the following (₹ in Lakh)

| Particulars          | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|----------------------|--------------------------|--|
| As auditors          | 7.00                     | 2.00   |
| For tax audit        | 0.38                     | 0.50   |
| Other service        | 1.45                     | 3.13   |
| Service tax on above | 0.31                     | 0.30   |
|                      | <b>9.14</b>              | <b>5.93</b>  |

**Note 22: Provisions and contingencies** (₹ in Lakh)

|  | Year ended<br>31-03-2015 | For the period<br>from 19-03-2013<br>to 31-03-2014 |
|--|--------------------------|--|
| Provision for standard assets            | 105.20                   | -  |
| <b>Total provision and contingencies</b> | <b>105.20</b>            | <b>-</b>   |

**Note 23: Contingent liabilities and commitments to the extent not provided for:**

|   | As at March 31,<br>2015 | As at March 31,<br>2014 |
|---|-------------------------|-------------------------|
| <b>(I) Contingent Liabilities:</b>  |                         |                         |
| Claims against the Company not acknowledged as debt:  | -                       | -                       |
| <b>(II) Commitments:</b>  |                         |                         |
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for | -                       | -                       |
| b) Other Commitments:   | -                       | -                       |

**Note 24: 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

## Notes forming part of Financial Statements - March 31, 2015

charges of ₹ 2.28 lakh (previous year ₹ Nil) 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, 2015 in respect of Gratuity benefits:

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

|  | ₹ lakh              |                     |
|--|---------------------|---------------------|
|  | As at<br>31-03-2015 | As at<br>31-03-2014 |
| Present Value of Funded Obligations                      | -                   | -                   |
| Fair Value of Plan Assets                                | -                   | -                   |
| Present Value of Unfunded Obligations                    | 3.66                | -                   |
| Unrecognised Past Service Cost                           | -                   | -                   |
| Amount not Recognised as an Asset (limit in Para 59 (b)) | -                   | -                   |
| Net Liability  | 3.66                | -                   |
| Amounts in Balance Sheet                                 | -                   | -                   |
| Liability  | 3.66                | -                   |
| Assets   | -                   | -                   |

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

|   | ₹ lakh              |                     |
|---|---------------------|---------------------|
|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
| Current Service Cost                                | 0.60                | -                   |
| Interest on Defined Benefit Obligation              | 0.25                | -                   |
| Expected Return on Plan Assets                      | -                   | -                   |
| Net Actuarial Losses/(Gains) recognised in the Year | 0.34                | -                   |
| Past Service Cost                                   | -                   | -                   |
| Losses/(Gains) on "Curtailments & Settlements"      | -                   | -                   |
| Losses/(Gains) on "Acquisition/Divestiture"         | -                   | -                   |
| Total, included in "Employee Benefit Expense"       | 1.19                | -                   |
| Actual Return on Plan Assets                        | -                   | -                   |

## Notes forming part of Financial Statements - March 31, 2015

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

₹ lakh

|   | As at<br>31-03-2015 | As at<br>31-03-2014 |
|---|---------------------|---------------------|
| <b>Change in Defined Benefit Obligation</b>                 |                     |                     |
| Opening Defined Benefit Obligation                          | -                   | -                   |
| Current Service Cost  | 0.60                | -                   |
| Interest Cost on Defined Benefit Obligation                 | 0.25                | -                   |
| Actuarial Losses/(Gain) recognized                          | 0.34                | -                   |
| Past Service Cost   | -                   | -                   |
| Actuarial Losses/(Gain) due to "Curtailment & Settlements"  | -                   | -                   |
| Liabilities Extinguished on "Settlements"                   | -                   | -                   |
| Liabilities assumed on Acquisition/(Settled on Divestiture) | 2.47                | -                   |
| Exchange Difference on Foreign Plans                        | -                   | -                   |
| Benefits Paid   | -                   | -                   |
| <b>Closing Defined Benefit Obligation</b>                   | <b>3.66</b>         | -                   |

### d) Experience Adjustment

₹ lakh

|   | 2014-15 | 2013-14 |
|---|---------|---------|
| Defined Benefit Obligation                  | 3.66    | -       |
| Plan Assets                                 | -       | -       |
| Surplus / (Deficit)                         | (3.66)  | -       |
| Experience. Adjustments on Plan Liabilities | -       | -       |
| Experience. Adjustments on Plan Assets      | -       | -       |

### e) Financial assumptions at the valuation date

₹ lakh

|   | 2014-15   | 2013-14 |
|---|---|---------|
| Discount Rate (per annum)                     | 7.95%   | -       |
| Expected Rate of Return on Assets (per annum) | -   | -       |
| Salary Escalation Rate (per annum)            | 7.00%   | -       |
| Mortality Rate                                | Indian Assured<br>Lives Mortal-<br>ity (2006-08) Ult<br>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 2015 - 16 amounts to ₹0.23 Lakh (previous year ₹ Nil).

## Notes forming part of Financial Statements - March 31, 2015

**Note 25:** 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

### (b) Related party transactions

₹ lakh

| Sr. No. | Nature of Transactions   | 2014-2015 | 2013-2014 |
|---------|--|-----------|-----------|
| 1       | Equity capital infused by:-  |           |           |
|         | <ul style="list-style-type: none"> <li>• L&amp;T Infrastructure Finance Company Limited</li> <li>• L&amp;T Finance Holdings Limited</li> <li>• L&amp;T Finance Limited</li> <li>• L&amp;T Fin Corp Limited</li> <li>• Family Credit Limited</li> </ul> | -         | 14,700.00 |
|         |  | -         | 7,100.00  |
|         |  | -         | 2,000.00  |
|         |  | -         | 4,300.00  |
|         |  | -         | 2,300.00  |
| 2       | Security deposit paid to   |           |           |
|         | <ul style="list-style-type: none"> <li>• L&amp;T Vrindavan Properties Limited</li> </ul>   | -         | 2.41      |
| 3       | Rent   |           |           |
|         | <ul style="list-style-type: none"> <li>• L&amp;T Vrindavan Properties Limited</li> </ul>   | 4.82      | 2.13      |
| 4       | Professional fee paid  |           |           |
|         | <ul style="list-style-type: none"> <li>• L&amp;T Infrastructure Finance Company Limited</li> </ul>   | -         | 35.09     |
| 5       | Preliminary expenses paid by   |           |           |
|         | <ul style="list-style-type: none"> <li>• L&amp;T Infrastructure Finance Company Limited</li> </ul>   | -         | 280.40    |
| 6       | Brand License Fee  |           |           |
|         | <ul style="list-style-type: none"> <li>• Larsen &amp; Toubro Limited</li> </ul>  | 45.74     | -         |
| 7       | Support charges  |           |           |
|         | <ul style="list-style-type: none"> <li>• L&amp;T Infrastructure Finance Company Limited</li> </ul>   | 69.54     | -         |
| 8       | ESOP charges   |           |           |
|         | <ul style="list-style-type: none"> <li>• L&amp;T Finance Holdings Limited</li> </ul>   | 0.10      | -         |
| 9       | Purchase of Loan Assets  |           |           |
|         | <ul style="list-style-type: none"> <li>• L&amp;T Infrastructure Finance Company Limited</li> </ul>   | 31,344.71 | -         |



## Notes forming part of Financial Statements - March 31, 2015

**Note 26:** The Company holds one premise under operating leases. Rent includes net expenses of ₹ 5.12/- lakhs (previous year ₹ 2.13/- lakhs). The committed lease rentals in the future are:

₹ lakh

| Particulars                                       | 2014-15 | 2013-14 |
|---|---------|---------|
| Not later than one year                           | 4.82    | 4.82    |
| Later than one year and not later than five years | 12.45   | 19.28   |
| Later than five years                             | -       | 51.00   |

**Note 27:** 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 2014-15  | FY 2013-14  |
|--|-------------|-------------|
| Profit after tax as per Statement of Profit and Loss (₹ lakh)                          | 3,003.69    | 1,888.13    |
| Less: Premium payable on redemption of preference shares (₹ lakh)                      | 254.60      | -           |
| Less: preference share dividend (including dividend distribution Tax) (₹ lakh)         | 320.82      | -           |
| Net profit attributable to equity share holders (₹ lakh)                               | 2,428.27    | 1,888.13    |
| Weighted average number of equity shares for computation of Basic earnings per share   | 304,000,000 | 304,000,000 |
| Weighted average number of equity shares for computation of diluted earnings per share | 304,000,000 | 304,000,000 |
| Number of equity shares outstanding  | 304,000,000 | 304,000,000 |
| Basic earnings per share (₹)   | 0.80        | 0.62        |
| Diluted earnings per share (₹)   | 0.80        | 0.62        |
| Nominal Value of Shares (₹)  | 10          | 10          |

**Note 28: 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' prescribed by the Companies (Accounting Standards) Rules, 2006.

**Note 29:** 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.

**Note 30:** 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

₹ lakh

| Financial year | Total cost incurred by holding company (i.e. L&T Finance Holdings Limited) | Expense recovered by holding company till end of financial year | Expenses charged to statement of profit and loss for the year | Remaining expenses to be recovered in future period |
|----------------|--|---|---|---|
| (A)            | (B)  | (C)   | (D)   | (E = B-C)   |
| 2014-15        | 0.10   | 0.10  | 0.10  | -   |

## Notes forming part of Financial Statements - March 31, 2015

**Note 31:** During the year Company has raised ₹ 10,030.00 lakh by way of issue of 5% listed redeemable non-convertible preference shares. The premium on redemption of the preference shares determined on a pro-rata basis aggregates ₹ 254.60 lakh for the year. The sum has been transferred out of the surplus in the Statement of Profit and Loss into a liability account (which has been classified under "Long-term Provisions").

**Note 32:** 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.

**Note 33:** The Company received Certificate of Registration from the Reserve Bank of India as an Infra Debt Fund - Non Banking Finance Company (IDF - NBFC) on 21st October, 2013. Therefore, the figures for the two periods of Statement of Profit and Loss and Cash Flow Statement are not comparable.

**Note 34:** The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of RBI circular (Ref. No. DNBR (PD) CC No. 024 / 03.10.001 / 2014-15 dated March 27, 2015.)

₹ lakh

| <b>(i) Capital to Risk Assets Ratio (CRAR)</b> | <b>2014-15</b> | <b>2013-14</b> |
|--|----------------|----------------|
| (i) CRAR (%)                                   | 116.10%        | 25,087.89%     |
| (ii)CRAR - Tier I Capital (%)                  | 89.78%         | 25,087.89%     |
| (iii) CRAR - Tier II Capital (%)               | 26.32%         | -              |

  

| <b>(ii) Exposure to Real Estate Sector</b>                                    | <b>For the year ended<br/>2014-2015</b> | <b>For the period<br/>19.03.2013 to<br/>31.03.2014</b> |
|---|---|--|
| <b>a) Direct Exposure</b>   |   |  |
| 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>b) Indirect Exposure</b>   | Nil                                     | Nil  |

| (iii) Maturity pattern of certain items of assets and liabilities |               |                            |                             |                             |                           |                        |                         |                    |                            | ₹ Lakh               |
|---|---------------|----------------------------|-----------------------------|-----------------------------|---------------------------|------------------------|-------------------------|--------------------|----------------------------|----------------------|
|   | 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                      |                      |
| Borrowings from banks   | Nil<br>(Nil)  | Nil<br>(Nil)               | Nil<br>(Nil)                | Nil<br>(Nil)                | Nil<br>(Nil)              | Nil<br>(Nil)           | Nil<br>(Nil)            | Nil<br>(Nil)       | Nil<br>(Nil)               | <b>Nil<br/>(Nil)</b> |
| Market Borrowings   | Nil<br>(Nil)  | Nil<br>(Nil)               | Nil<br>(Nil)                | Nil<br>(Nil)                | Nil<br>(Nil)              | Nil<br>(Nil)           | 7,500.00<br>(Nil)       | 37,500.00<br>(Nil) | <b>45,000.00<br/>(Nil)</b> |                      |
| Assets  |               |                            |                             |                             |                           |                        |                         |                    |                            |                      |
| Advance   | 6.56<br>(Nil) | Nil<br>(Nil)               | 584.00<br>(Nil)             | 481.56<br>(Nil)             | 1,072.13<br>(Nil)         | 5,576.50<br>(Nil)      | 8,145.25<br>(Nil)       | 19,199.25<br>(Nil) | <b>35,065.25<br/>(Nil)</b> |                      |
| Investments<br>(Excluding Investment in Mutual Fund)              | Nil<br>(Nil)  | Nil<br>(Nil)               | Nil<br>(Nil)                | Nil<br>(Nil)                | Nil<br>(Nil)              | Nil<br>(Nil)           | Nil<br>(Nil)            | Nil<br>(Nil)       | <b>Nil<br/>(Nil)</b>       |                      |

# Notes forming part of Financial Statements - March 31, 2015

## 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 31-03-2015             |                          | As at 31-03-2014             |                          |
|-----|---|------------------------------|--------------------------|------------------------------|--------------------------|
|     |   | Amount outstanding<br>₹ lakh | Amount overdue<br>₹ lakh | Amount outstanding<br>₹ lakh | Amount overdue<br>₹ lakh |
| (a) | Debentures :  |                              |                          |                              |                          |
|     | Secured   | 47,247.29                    | Nil                      | Nil                          | Nil                      |
|     | Unsecured   | Nil                          | Nil                      | Nil                          | Nil                      |
|     | (Other than falling within the meaning of public deposits*) |                              |                          |                              |                          |
| (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 31-03-2015             | As at 31-03-2014             |
|-----|------------|------------------------------|------------------------------|
|     |            | Amount outstanding<br>₹ lakh | Amount outstanding<br>₹ lakh |
| (a) | Secured    | 35,065.25                    | Nil                          |
| (b) | Unsecured  | Nil                          | Nil                          |

## Notes forming part of Financial Statements - March 31, 2015

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

|  | As at<br>31-03-2015             | As at<br>31-03-2014             |
|--|---------------------------------|---------------------------------|
| Particular   | Amount<br>outstanding<br>₹ lakh | Amount<br>outstanding<br>₹ lakh |
| (i) Lease assets including lease rentals under sundry debtors  |                                 |                                 |
| (a) Financial Lease  | Nil                             | Nil                             |
| (b) Operating Lease  |                                 |                                 |
| (ii) Stock on hire including hire charges under sundry debtors |                                 |                                 |
| (a) Assets on hire   | Nil                             | Nil                             |
| (b) Repossessed assets   |                                 |                                 |
| (iii) Other loans counting towards AFC activities              |                                 |                                 |
| (a) Loans where assets have been repossessed                   | Nil                             | Nil                             |
| (b) Loans other than (a) above                                 |                                 |                                 |

### 4. Break-up of Investments

|                             | As at<br>31-03-2015             | As at<br>31-03-2014             |
|-----------------------------|---------------------------------|---------------------------------|
| Particulars                 | Amount<br>outstanding<br>₹ lakh | Amount<br>outstanding<br>₹ lakh |
| <b>Current Investments</b>  |                                 |                                 |
| <b>1. Quoted</b>            | Nil                             | Nil                             |
| (i) Shares : (a) Equity     | Nil                             | Nil                             |
| (b) Preference              |                                 |                                 |
| (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              |                                 |                                 |
| (ii) Debentures and Bonds   | Nil                             | Nil                             |
| (iii) Units of Mutual Funds | 20,358.65                       | Nil                             |
| (iv) Government Securities  | Nil                             | Nil                             |
| (v) Others                  | Nil                             | Nil                             |

## Notes forming part of Financial Statements - March 31, 2015

|  | <b>As at<br/>31-03-2015</b>              | <b>As at<br/>31-03-2014</b>              |
|--|--|--|
| <b>Long Term Investments</b>                       | <b>Amount<br/>outstanding<br/>₹ lakh</b> | <b>Amount<br/>outstanding<br/>₹ lakh</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>                               | Nil                                      | Nil                                      |
| (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                                      |

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

₹ lakh

| <b>Category</b>                 | <b>As at<br/>31-03-2015</b> | <b>As at<br/>31-03-2014</b> |
|---------------------------------|-----------------------------|-----------------------------|
| 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   | 35,065.25                   | Nil                         |
| <b>Total</b>                    | <b>35,065.25</b>            | <b>Nil</b>                  |

## Notes forming part of Financial Statements - March 31, 2015

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

₹ lakh

| Category                        | As at 31-03-2015                                   |                                   | As at 31-03-2014                                   |                                   |
|---------------------------------|--|-----------------------------------|--|-----------------------------------|
|                                 | Market Value/<br>Breakup Value/<br>Fair value /NAV | Book Value<br>(Net of Provisions) | Market Value/<br>Breakup Value/<br>Fair value /NAV | Book Value<br>(Net of Provisions) |
| 1. Related Parties **           |  |                                   |  |                                   |
| (a) Subsidiaries                | -  | -                                 | -  | -                                 |
| (b) Companies in the same group | -  | -                                 | -  | -                                 |
| (c) Other related parties       | -  | -                                 | -  | -                                 |
| 2. Other than related parties   | 20,358.65  | 20,358.65                         | -  | -                                 |
| <b>Total</b>                    | <b>20,358.65</b>                                   | <b>20,358.65</b>                  | -  | -                                 |

\*\* As defined in Accounting Standard (AS) 18 issued by Institute of Chartered Accountants of India. (See footnote 3 below)

### 7. Other information

|       | Particulars                             | As at<br>31-03-2015 | As at<br>31-03-2014 |
|-------|---|---------------------|---------------------|
|       |   | Amount<br>₹ lakh    | Amount<br>₹ 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                 |

#### Footnotes:

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

## Notes forming part of Financial Statements - March 31, 2015

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

### For and on behalf of the board

**N. Sivaraman**  
Director  
(DIN: 00001747)

**Ashish Ranka**  
Head Accounts (CFO)

Place : Mumbai  
Date : April 22, 2015

**Suneet K. Maheshwari**  
Director  
(DIN: 00420952)

**Radhika Parmanandka**  
Company Secretary





**Registered & Corporate Office:**

L&T Infra Debt Fund Limited

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Ulundurpet Expressways Pvt. Ltd. (20 year concession with NHAI on a 4-lane stretch on NH-45 from Tindivanam to Ulundurpet in Tamil Nadu), majority ownership held by India Infrastructure Fund (managed by IDFC Alternatives Ltd), refinanced by L&T Infra Debt Fund Ltd in 2015.