

# Board's Report

Dear Members,

The Directors have pleasure in presenting their Fifth Annual Report together with the audited financial statements for the financial year ended March 31, 2016.

## FINANCIAL RESULTS

The summarized financial results for the year ended March 31, 2016 are as under:

(₹ In Lakhs)		
Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Gross Income	1,652.97	1,448.34
Profit / (Loss) before exceptional and extraordinary items and taxes	(2,170.03)	(1,763.89)
Exceptional Item	-	14,389.42
Provision for Tax including Deferred Tax	260.06	1,109.20
<b>Profit / (Loss) after Tax</b>	<b>(2,430.09)</b>	<b>11,516.33</b>
Balance brought forward from previous year	7,893.10	(1,927.23)
<b>Total</b>	<b>5,463.01</b>	<b>9,589.10</b>
Transfer to Debenture Redemption Reserve	(1,672.37)	(1,696.00)
Surplus / (Deficit) in the statement of Profit and Loss	3,790.64	7,893.10

## FINANCIAL PERFORMANCE

During the year under review, the Company earned a gross income of ₹ 1,652.97 Lakhs as against ₹ 1,448.34 Lakhs earned by it in the previous year. The gross income mainly represents the lease rental income along with the dividend received on investments and interest income earned on deployment of surplus funds in short term avenues.

The expenditure incurred by the Company during the year under review mainly comprises finance costs of ₹ 3,109.89 Lakhs as against ₹ 2,989.19 Lakhs in the previous year. The loss reported by the Company for the financial year ended March 31, 2016 is ₹ 2,430.09 Lakhs.

The Net Worth of the Company as at March 31, 2016 is ₹ 9,034.01 Lakhs as against ₹ 11,464.10 Lakhs as at March 31, 2015. The variation in the net worth is on account of exceptional item arising from profit on sale of investment during the Financial Year 2014-2015.

## 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.

## YEAR IN RETROSPECT – THE HIGHLIGHTS

After receiving all the necessary approvals, the property based at Kalina has become operational during the year. The Company has executed long term rental arrangements with the companies in L&T Financial Services Group for providing leased premises.

The Company continues to provide services in the nature of general administration and facility management to group companies with a view to optimize the rental costs at group level besides yielding the benefits of savings in operational costs due to consolidation of resources earlier operating from multiple offices.

With the completion of entire space leasing towards the end of the year, the Company expects to earn its full year lease rentals in the forthcoming year.

## HOLDING AND SUBSIDIARIES

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

## REPORT ON CORPORATE GOVERNANCE

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

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

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the subsidiary of the Company

has been appended as '**Annexure B**' to this Report.

## **FIXED DEPOSITS**

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

## **DIRECTORS**

Mr. Prabhakar B., Independent Director resigned from the Board of the Company due to his other professional commitments and accordingly ceased to be a director of the Company with effect from the close of working hours on September 30, 2015. Consequently, the Company had appointed Dr. (Mrs.) Rajani Gupte as an Additional Director, pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act"). Since, she was qualified to be appointed as an Independent Director, the Members of the Company at their Extraordinary General Meeting held on April 19, 2016, have appointed Mrs. Gupte as an Independent Director of the Company to hold office up to October 22, 2020.

Further, the Members are also requested to note that Mr. N. Sivaraman, a Non- Executive Director ceased to be a director on the board of Company with effect from the close of working hours on April 11, 2016, consequent upon his retirement from L&T Financial Services Group. Ms. Raji Vishwanathan, Non- Executive Director also resigned from the Board of the Company due to her other professional assignments and accordingly, ceased to be a director of the Company with effect from the close of working hours on April 6, 2016.

Further, Mr. Dinanath Dubhashi and Mr. G. Krishnamurthy, Non- Executive Directors, resigned from the Board of the Company due to their other professional commitments and accordingly ceased to be a director of the Company with effect from the close of working hours on April 28, 2016.

The Board recorded its appreciation for the valuable services rendered by them during their tenure as directors of the Company.

Pursuant to the provisions of Section 161 of the Act, Mr. Raju Dodti was appointed as Additional Director by the Board of Directors of the Company with effect from April 28, 2016. He holds office as a Director up to the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a Member proposing his candidature for the office of Director, liable to retire by rotation.

The Directors of the Company hereby affirms compliance with the Code of Conduct of the Company.

Further, all 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 an Independent Directors.

## **KEY MANAGERIAL PERSONNEL**

Mr. Pradeep Shintre resigned from the position of Manager of the Company with effect from close of working hours on February 25, 2016. Further, Ms. Trupti Patil has also resigned from the position of Head-Accounts (Chief Financial Officer) of the Company with effect from close of working hours on March 31, 2016. The Board of Directors at its meeting held on April 28, 2016 has appointed Mr. Madan Sarwate as Manager of the Company and Mr. Romesh Sankhe as Head Accounts, both of them would be Key Managerial Personnel in accordance with the provisions of the Act.

The Company has, as on the date of report, the following Key Managerial Personnel:

- 1) Mr. Madan Sarwate - Manager
- 2) Mr. Romesh Sankhe – Head-Accounts (Discharging the functions of the Chief Financial Officer)
- 3) Mr. Swanand Shintre – Company Secretary

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

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

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

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

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

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

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

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

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

- Non- Executive Directors/Independent Directors

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

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

- **Executive Directors**

With respect to evaluation of performance of Executive Directors (ED), the evaluation shall be on the basis of Key Performance Indicators

(KPI), which would be identified well in advance for EDs and weights assigned for each measure of performance keeping in view the distinct roles of each ED. The identified KPI for ED shall be approved by the Board, pursuant to recommendation of the Committee, if required. However, the Company did not have EDs during the year under review.

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

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

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

### **c) Criteria for Remuneration**

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

- 1) the relationship of remuneration and performance benchmark is clear;
- 2) there is a balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

- 3) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- 4) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

### **Performance Evaluation**

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

### **Manner of Evaluation**

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

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

The process of the annual performance evaluation broadly comprises:

#### **a) Board Evaluation:**

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

#### **b) Audit Committee and Nomination and Remuneration Committee Evaluation:**

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

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

Evaluation by other Board members excluding the Director being evaluated, and summary feedback to the NRC.

### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, no listed company was allowed to appoint an audit firm as auditors for more than two terms of five consecutive years. However, a

leeway was given to the companies to comply with the aforesaid provisions within three years from the date of commencement of this Act i.e. till March 31, 2017. In view of the same, M/s. Sharp and Tannan were appointed as Statutory Auditors on a yearly basis instead of the mandatory period of five years.

Considering the fact that M/s. Sharp & Tannan have completed five years as Statutory Auditors of the Company and also the eligibility of the Firm to be appointed as auditors for a further period of five years for the second term, the Audit Committee and Board of Directors recommended the appointment of M/s. Sharp & Tannan as the Statutory Auditors of the Company for a further period of five years, pursuant to provisions of Section 139(2) of the Act i.e. from the conclusion of Fifth Annual General Meeting ("AGM") till the conclusion of Tenth AGM, subject to approval of the Members in the ensuing AGM of the Company and ratification by Members at every subsequent AGM of the Company.

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

### **PARTICULARS OF EMPLOYEES**

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') in respect of employees of the Company has been appended as '**Annexure C**' to this Report. The Company did not have any employee as on March 31, 2016 drawing remuneration in excess of the amount specified under Section 197 read with Rule 5(2) of the Act.

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

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

#### **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The particulars relating to conservation of energy and technology absorption in terms of Section 134(3)(m)

and Rule 8 (3) of the Companies (Accounts) Rules, 2014 are given as under

### **(A) Conservation of Energy**

The steps taken or impact on conservation of energy: The operations of your Company are not energy intensive. However, following measures have been initiated to reduce energy consumption:

- Movement Sensor based lighting in group's owned office premises which automatically turns the lights off when not in use.
- VFD's (Variable Frequency Drives) for Air Handling Units and pumps for optimum use of electricity.
- Energy efficient lighting as LED's in group's owned office premises being made and also replacing the existing conventional lighting to LED's in various offices.

### **The steps taken by the Company for utilizing alternate sources of energy:**

The Company has incorporated solar panels for external lighting in group's owned office premises.

**The capital investment on energy conservation equipments:** Nil

### **(B) TECHNOLOGY ABSORPTION : None**

### **(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Act, the Directors, to the best of their knowledge and belief, confirm that:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures;
- 2) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit/loss of the Company for that period;
- 3) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- 4) the directors have prepared the annual accounts on a going concern basis;
- 5) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- 6) the directors have devised proper systems to ensure compliance with the provisions of all laws and that such systems were adequate and operating effectively.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has internal control systems, commensurate with the size, scale and complexity of its operations. Testing of such systems forms a part of review by the Internal Audit function. The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. The Internal Audit function is carried out by the Internal Audit department of L&T Financial Services Group.

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

### **NUMBER OF BOARD MEETINGS**

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

The Board of Directors of the Company met 4 (Four) times during the financial year 2015-2016 i.e. on April 21, 2015, July 22, 2015, October 23, 2015 and January 21, 2016.

### **COMPOSITION OF AUDIT COMMITTEE**

The Company has constituted an Audit Committee in terms of the requirements of the Act. The composition of Audit Committee is mentioned in the Corporate Governance Report.

## **VIGIL MECHANISM**

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

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

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

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

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

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

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

## **RISK MANAGEMENT**

The Company has in place a mechanism to inform the Board Members about risk assessment and minimization

procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

## **AUDITORS' REPORT**

The Auditors' Report is unqualified. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

## **SECRETARIAL AUDIT REPORT**

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

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

In respect of the observation in the Secretarial Audit Report, the Act was effective April 01, 2014 and the requirements (including appointment of IDs) were to be complied with by March 31, 2015 (i.e. within one year). Accordingly, the IDs i.e. Mr. Subramaniam N and Mr. Prabhakar B were appointed on the Board of the Company on March 31, 2015.

Further, as per the requirements under the Act (read with the Secretarial Standards), every Company is required to hold the meeting of IDs once every calendar year. However, since the appointment of the IDs of the Company was done only in March 2015, it was proposed that ID meeting be held once the IDs have completed at least one year considering that as per the requirements of the Act, IDs in their meetings have to review the performance of non-independent directors and the Board as a whole, review the performance of Chairperson of the Company, access the quality, quantity and timelines of the information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting of the IDs was scheduled in March 2016 which however had to be re-scheduled to April 6, 2016 due to unforeseen circumstances.

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

The Company has in place a Policy for Prevention,

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

#### **EXTRACT OF ANNUAL RETURN AS REQUIRED AND PRESCRIBED UNDER SECTION 92(3) OF THE ACT AND RULES THEREUNDER**

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

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

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

#### **ACKNOWLEDGEMENTS**

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

**(For and on behalf of the Board)**

<b>Dinanath Dubhashi</b> <b>(Director)</b> DIN-03545900	<b>G. Krishnamurthy</b> <b>(Director)</b> DIN-06560170
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Place  
Date

: Mumbai  
: April 28, 2016

# Annexure 'A' to Board's Report

## CORPORATE GOVERNANCE REPORT

### BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company. As on the date of this Report, the Board comprises of five Directors viz. Mr. Subramaniam N., Dr. (Mrs.) Rajani Gupte, Mr. Dinanath Dubhashi\*, Mr. G. Krishnamurthy\* and Mr. Raju Dodti. While Mr. Dinanath Dubhashi is the Whole-time Director of L&T Finance Holdings Limited, parent company, Mr. G Krishnamurthy is the Whole-time Director of L&T Infrastructure Finance Company Limited. Mr. Raju Dodti is a Group General Counsel. Mr. Subramaniam N. and Dr. (Mrs.) Rajani Gupte are the Independent Directors.

***\*Mr. Dinanath Dubhashi and Mr. G. Krishnamurthy ceases to be a director on the Board of the Company with effect from April 29, 2016.***

Mr. Madan Sarwate is the Manager of the Company and functions under the superintendence and control of the Board of Directors.

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

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

The details of various Committees of the Company and its composition as on date are as under:

#### **Audit Committee\*:**

The Audit Committee has been set up pursuant to the provisions of Section 177 of the Act and the Committee comprises two Directors as stated below:

Mr. Subramaniam N.– Chairman
Dr. (Mrs.) Rajani Gupte

*\*The Board has identified a director to be a member of the Committee and is in the process of re-constituting the Committee at the earliest.*

### 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.

#### **Committee of Directors:**

The Committee of Directors comprises two Directors as stated below:

Mr. Dinanath Dubhashi
Mr. G. Krishnamurthy

### Role of the Committee

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

#### **Nomination and Remuneration Committee\*:**

The Nomination and Remuneration Committee has been set up pursuant to the provisions of Section 178 of the Act and it currently comprises two Directors as stated below:



Dr. (Mrs.) Rajani Gupte – Chairman
Mr. Subramaniam N.

\*The Board has identified a director to be a member of the Committee and is in the process of re-constituting the Committee at the earliest.

### Role of the Committee

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

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

The CSR Committee has been set up pursuant to the provisions of Section 135 of the Act and it comprises three Directors as stated below:

Mr. Dinanath Dubhashi
Dr. (Mrs.) Rajani R. Gupte
Mr. G. Krishnamurthy

### Role of the Committee

- 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.

### Separation of offices of Chairman and Manager

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

### Independent Directors

Mr. Subramaniam N. and Dr. (Mrs.) Rajani Gupte are Independent Directors on the Board of the Company.

### Numbers of Companies in which an individual may become a Director

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

### Responsibilities of the Board

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

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

The Company ensures necessary training to the Directors including their Independent Directors relating to its business through formal/informal interactions. Systems, procedures and resources are available to ensure that every Director is supplied, in a timely manner, with precise and concise information in a form and of a quality appropriate to effectively enable / discharge his duties. The Directors are given time to study the data and contribute effectively to Board discussions. The Non-Executive Directors/Independent Directors through their interactions and deliberations give suggestions for improving overall effectiveness of the Board and its Committees. Their inputs are also utilized to determine the critical skills required for prospective candidates for election to the Board. The systems of risk management and compliance with statutory requirements are in place.

**Internal Auditors**

The Company has appointed M/s. Aneja Associates as an Internal Auditor of the Company to conduct internal audit of the functions and activities of the Company.

**Internal Control**

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

**Debenture Trustee**

The debenture trustee of the Company is:

IDBI Trusteeship Services Ltd.  
Asian Building, Ground Floor,  
17, R. Kamani Marg, Ballard Estate,  
Mumbai - 400 001

Tel: +91 22 40807000

Fax: +91 22 40807080

Email ID: itsl@idbitrustee.com

Website: www.idbitrustee.com

**Means of Communication**

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

# Annexure 'B' to Board's Report

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

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

## Part A: Subsidiaries

₹ in Lakhs

Sl. No.	1
Name of the subsidiaries	Mudit Cement Private Limited
Share capital	210.48
Reserves & surplus	(1,025.37)
Total assets	3,642.93
Total Liabilities	3,642.93
Investments	-
Turnover	-
Profit / (loss) before taxation	(394.97)
Provision for taxation	171.06
Profit/ (loss) after taxation	(566.03)
Proposed Dividend (Including dividend paid)	-
% of shareholding	100%

## Name of Subsidiaries which are yet to commence operations

(i) Mudit Cement Private Ltd

## Part B: Associates and Joint Ventures

**Statement pursuant to the provisions of Section 129 (3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures – Not Applicable**

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

– Not Applicable

# Annexure 'C' to Board's Report

## PARTICULARS OF EMPLOYEES

Information required pursuant to the provisions of 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.	<p>Directors – Nil  Chief Financial Officer – N.A. *  Company Secretary –@  Manager - N.A. #</p> <p>*Since resigned. Further the particulars are not relevant as the said person belonged to a group functions.</p> <p>@ Particulars not relevant as the person belongs to a group function.</p> <p>#Since resigned. Further the particulars are not relevant as the said person belonged to a group functions.</p>
3	The percentage increase in the median remuneration of employees in the financial year.	15.8 %
4	The number of permanent employees on the rolls of Company.	41 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.	Not Applicable
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.	Not Applicable
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

# Annexure 'D' to Board's Report

**Form No. MR-3**

## **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

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

To,

The Members,

### **L&T VRINDAVAN PROPERTIES LIMITED**

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

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

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

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

(vi) No other specific business/industry related laws are applicable to the company (Confirmed vide email dt.11.4.16)

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

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

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

- **Independent Director was appointed on March 31, 2015. No ID meeting was held in the calendar year 2015 and the financial year 2015-16.**
- **Review of Internal Financial Control and Risk Management Framework for the Financial Year 2015-16 would be done at the Audit Committee Meeting scheduled on April 28, 2016.**

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

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

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

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

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

Place: Mumbai  
Date: April 23, 2016

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 A and forms an integral part of this report.**

## **'Annexure A'**

To,

The Members

### **L&T VRINDAVAN PROPERTIES LIMITED**

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

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

Place: Mumbai  
Date: April 23, 2016

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

# Annexure 'E' to Board's Report

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

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

### I. REGISTRATION AND OTHER DETAILS

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

### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

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

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

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLIC-ABLE SECTION
1.	L&T Finance Holdings Limited Address: L&T House, N. M. Marg, Ballard Estate, Mumbai - 400001.	L67120MH2008PLC181833	Holding Company	100.00	2(46)
2.	Mudit Cement Private Limited Address: (Unit No. B-3, B-4, B-7, B-8, B-9, 2nd Floor, Samyak Tower, 39 Pusa Road, New Delhi – 110025, India.)	U26942DL1990PTC041941	Subsidiary Company	100.00	2(87)



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

i) Category-wise Shareholding :-

Category of Shareholders	No. of shares held at the beginning of the year (As on April 1, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% change during the year	
	Demat	Phys-ical	Total	% of Total shares	Demat	Physi-cal	Total	% of Total shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	-----	6#	6#	0	-----	6#	6#	0	----	---
b) Central Govt	-----	-----	-----	-----	-----	-----	-----	-----	----	---
c) State Govt (s)										
d) Bodies Corp.	1,87,49,994	-----	1,87,49,994	100	1,87,49,994	-----	1,87,49,994	100	----	---
e) Bank/Fl	-----	-----	-----	-----	-----	-----	-----	-----	----	---
f) Any other	-----	-----	-----	-----	-----	-----	-----	-----	----	---
<b>Sub- total:(A) (1) :-</b>	<b>1,87,49,994</b>	<b>6#</b>	<b>1,87,50,000</b>	<b>100</b>	<b>1,87,49,994</b>	<b>6#</b>	<b>1,87,50,000</b>	<b>100</b>	<b>----</b>	<b>---</b>
<b>(2) Foreign</b>										
a) NRIs- Individuals	-----	-----	-----	-----	-----	-----	-----	-----	----	---
b) Other- Individuals	-----	-----	-----	-----	-----	-----	-----	-----	----	---
c) Bodies Corp.	-----	-----	-----	-----	-----	-----	-----	-----	----	---
d) Banks/Fl	-----	-----	-----	-----	-----	-----	-----	-----	----	---
e) Any other	-----	-----	-----	-----	-----	-----	-----	-----	----	---
<b>Sub -total (A) (2) :-</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>----</b>	<b>---</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>1,87,49,994</b>	<b>6#</b>	<b>1,87,50,000</b>	<b>100</b>	<b>1,87,49,994</b>	<b>6#</b>	<b>1,87,50,000</b>	<b>100</b>	<b>----</b>	<b>---</b>
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	-----	-----	-----	-----	-----	-----	-----	-----	----	---
b) Banks/Fl	-----	-----	-----	-----	-----	-----	-----	-----	----	---
c) Central Govt	-----	-----	-----	-----	-----	-----	-----	-----	----	---
d) State Govt (s)	-----	-----	-----	-----	-----	-----	-----	-----	----	---
e) Venture Capital Funds	-----	-----	-----	-----	-----	-----	-----	-----	----	---
f) Insurance Companies	-----	-----	-----	-----	-----	-----	-----	-----	----	---

# Annexure 'E' to Board's Report

Category of Shareholders	No. of shares held at the beginning of the year (As on April 1, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% change during the year	
	Demat	Phys-ical	Total	% of To-tal shares	Demat	Physi-cal	Total	% of To-tal shares		
g) FIs	----	----	----	----	----	----	----	----	----	---
h) Foreign Venture Capital Funds	----	----	----	----	----	----	----	----	----	---
i) Others (specify)	----	----	----	----	----	----	----	----	----	---
<b>Sub -total (B)(1):</b>										
<b>(2) Non-Institutions</b>										
a) Bodies Corp.	----	----	----	----	----	----	----	----	----	---
i) Indian	----	----	----	----	----	----	----	----	----	---
ii) Overseas	----	----	----	----	----	----	----	----	----	---
b) Individuals	----	----	----	----	----	----	----	----	----	---
i) Individual shareholders holding nominal share capital upto ₹1 lakh	----	----	----	----	----	----	----	----	----	---
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	----	----	----	----	----	----	----	----	----	---
c) Others (specify)	----	----	----	----	----	----	----	----	----	---
<b>Sub -total (B)(2):</b>	----	----	----	----	----	----	----	----	----	---
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	----	----	----	----	----	----	----	----	----	---
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	----	----	----	----	----	----	----	----	----	---
<b>Grand Total (A+B+C)</b>	<b>1,87,49,994</b>	<b>6#</b>	<b>1,87,50,000</b>	<b>100</b>	<b>1,87,49,994</b>	<b>6#</b>	<b>1,87,50,000</b>	<b>100</b>	<b>----</b>	<b>---</b>

# Held Jointly with L&T Finance Holdings Limited

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2015)			Shareholding at the end of the year (As on March 31, 2016)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	L&T Finance Holdings Limited	1,87,50,000*	100.00	0	1,87,50,000*	100.00	0	0
	Total	1,87,50,000	100.00	0	1,87,50,000	100.00	0	0

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

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

Sr. No.		Shareholding at the beginning of the Year (As on April 1, 2015)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>L&amp;T Finance Holdings Limited</b>				
	At the beginning of the year	1,87,50,000*	100.00		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease  (e.g. allotment/ transfer/ bonus/ sweat equity, etc)	-----	-----	-----	-----
	At the end of the year			1,87,50,000*	100.00

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

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

v) Shareholding of Directors & Key Managerial Personnel:

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	<b>For Each of the Directors &amp; KMP</b>				
1	Mr. N. Sivaraman*				
	At the beginning of the year	1	0		

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

\*Held Jointly with L&T Finance Holdings Limited

## V. INDEBTEDNESS

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

(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	200.00	NIL	279.34	479.34
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	0.34	NIL	8.04	8.38
<b>Total (i+ii+iii)</b>	<b>200.34</b>	<b>NIL</b>	<b>287.38</b>	<b>487.72</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	NIL	NIL	191.46	191.46
Reduction	NIL	NIL	282.09	282.09
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>196.75</b>	<b>397.09</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	200	NIL	188.71	388.71
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	0.23	NIL	2.60	2.83
<b>Total (i+ii+iii)</b>	<b>200.23</b>	<b>NIL</b>	<b>191.31</b>	<b>391.54</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

@ Ceased to be a Manager of the Company w.e.f. February 26, 2016.

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

### B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Prabhakar B.®	Mr. Subramaniam N.	Dr. Rajani Gupte*	
1	Independent Directors				
	(a) Fee for attending board and Committee meetings	80,000	1,80,000	80,000	3,40,000
	(b) Commission	Nil	Nil	Nil	
	(c ) Others, please specify	-----	-----		-----
	<b>Total (1)</b>				
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	-----	-----		-----
	(b) Commission	-----	-----		-----
	(c) Others, please specify	-----	-----		-----
	<b>Total (2)</b>	-----	-----		-----
	<b>Total (B)=(1+2)</b>				
	<b>Total Managerial Remuneration</b>				
	<b>Overall Ceiling as per the Act#</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

® Ceased to be a Director of the Company w.e.f. October 1, 2015

\*Appointed as a Director of the Company w.e.f. October 23, 2015

#Not applicable, since the Company has no profits during the year ended March 31, 2016.

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

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

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

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE**

# Independent Auditors' Report

## To the Members of L&T Vrindavan Properties Limited

### Report on the standalone financial statements

We have audited the accompanying standalone financial statements of L&T Vrindavan Properties Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, 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 standalone financial statements

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

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. 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its loss 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, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure 'A' 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 standalone 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 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance

with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

**SHARP & TANNAN**

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

**R. P. Acharya**

Partner

Mumbai, 28 April 2016

Membership No. 039920



# Annexure 'A' To The Independent Auditors' Report

## (Referred to in paragraph (1) under 'Report on other legal and regulatory requirements' of our report of even date)

1. (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of all fixed assets.  
(b) The physical verification of the fixed assets has been carried out by management at reasonable intervals and no material discrepancies were noticed on such verification.  
(c) The title deeds of immovable properties are held in the name of the Company.
2. There was no inventory during the year. Accordingly, paragraph 2 of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships and other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3 (a), (b) and (c) of the Order are not applicable.
4. In respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.
5. According to the information and explanations given to us, the Company has not accepted deposits from the public. Accordingly, paragraph 5 of the Order is not applicable.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act. Accordingly, paragraph 6 of the Order is not applicable.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities.  
(b) According to the information and explanations given to us, there were no undisputed amounts payable as at 31 March 2016 in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax.
8. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to any financial institution,

bank, government or debenture holders as at the balance sheet date.

9. According to the information and explanations given to us, no moneys were raised by way of further public offer (including debt instruments) and term loans. Accordingly, paragraph 9 of the Order is not applicable.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company nor on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by management.
11. Managerial remuneration has not been paid or provided for during the year. Accordingly, paragraph 11 of the order is not applicable.
12. The Company is not a Nidhi Company. Accordingly, paragraph 12 of the Order is not applicable..
13. All transactions with the related parties are in compliance with sections 177 and 188 of the Act, and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 14 of the Order is not applicable.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 15 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 16 of the Order is not applicable.s

## SHARP & TANNAN

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

## R. P. Acharya

Partner

Mumbai, 28 April 2016

Membership No. 039920

# Annexure 'B' To The Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of our report of even date)

## **Report on the internal financial controls under clause (i) of sub-section (3) of section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **L&T Vrindavan Properties Limited** ('the Company') as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's responsibility for internal financial controls**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of internal financial controls over financial reporting**

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

### **Inherent limitations of internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **SHARP & TANNAN**

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

**R. P. Acharya**

Partner

Mumbai, 28 April 2016

Membership No. 039920

# Balance Sheet as at March 31, 2016

(₹ in Lakhs)

	Note No	As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	1,875.00	1,875.00
(b) Reserves and surplus	3	7,159.01	9,589.10
		<b>9,034.01</b>	<b>11,464.10</b>
<b>Non current liabilities</b>			
(a) Long term borrowings	4	290.00	20,005.00
(b) Other long term liabilities	5	1,559.69	1,476.93
(c) Long term-provisions	6	18.43	42.54
		<b>1,868.12</b>	<b>21,524.47</b>
<b>Current liabilities</b>			
(a) Short term borrowings	7	18,581.17	14,776.98
(b) Current maturities of long term borrowings	4	20,000.00	13,151.58
(c) Other current liabilities	8	649.78	1,434.72
(d) Short term-provisions	9	15.94	8.59
		<b>39,246.89</b>	<b>29,371.87</b>
<b>TOTAL</b>		<b>50,149.02</b>	<b>62,360.44</b>
<b>ASSETS:</b>			
<b>Non - current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		39,555.40	20,987.67
(ii) Intangible assets		5.94	-
(iii) Capital work-in-progress		2,507.62	18,091.88
		42,068.96	39,079.55
(b) Non-current investments	11	426.10	426.10
(c) Deferred tax assets (net)	12	313.85	573.91
(d) Long term loans and advances	13	5,182.15	1,850.39
		<b>47,991.06</b>	<b>41,929.95</b>
<b>Current assets</b>			
(a) Current investments	14	1,483.61	17,110.87
(b) Cash and bank balances	15	44.44	50.31
(c) Short term loans and advances	16	131.02	23.29
(d) Other current assets	17	498.89	3,246.02
		<b>2,157.96</b>	<b>20,430.49</b>
<b>TOTAL</b>		<b>50,149.02</b>	<b>62,360.44</b>
Significant accounting policies	1		
Other notes to the financial statements	23		-

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's registration no. 109982W

by the hand of

**R. P. Acharya**

Partner

Membership no. 039920

**Mumbai, April 28, 2016**

**For and on behalf of the board of directors of  
L&T Vrindavan Properties Limited**

**Dinanath Dubhashi**

Director

(DIN-03545900)

**G. Krishnamurthy**

Director

(DIN-06560170)

**Romesh S. A. Sankhe**

Head-Accounts

**Swanand Shintre**

Company Secretary

**Mumbai, April 28, 2016**

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

(₹ in Lakhs)

	Note No	2015-16	2014-15
<b>Income</b>			
Revenue from operations	18	1,086.89	289.34
Other income	19	566.08	1,159.00
<b>Total income</b>		<b>1,652.97</b>	<b>1,448.34</b>
<b>Expenses</b>			
Employee benefits expense	20	61.70	30.43
Finance costs	21	3,109.89	2,989.19
Administration and other expenses	22	411.68	90.11
Depreciation		239.73	102.50
<b>Total expenses</b>		<b>3,823.00</b>	<b>3,212.23</b>
<b>Profit/(loss) before exceptional and extraordinary items and taxes</b>		<b>(2,170.03)</b>	<b>(1,763.89)</b>
Exceptional items	23.8	-	14,389.42
<b>Profit/(loss) before extraordinary items and taxes</b>		<b>(2,170.03)</b>	<b>12,625.53</b>
Extraordinary items		-	-
<b>Profit/(loss) before tax</b>		<b>(2,170.03)</b>	<b>12,625.53</b>
<b>Tax expense:</b>			
- Current tax		-	2,543.72
Less: MAT Credit Entitlement		-	(1,200.00)
- Deferred tax		260.06	(234.52)
		260.06	1,109.20
<b>Profit/(loss) for the year</b>		<b>(2,430.09)</b>	<b>11,516.33</b>
<b>Earnings per equity share:</b>	23.6		
Basic earnings per equity share (₹)		(12.96)	61.42
Diluted earnings per equity share (₹)		(12.96)	61.42
Face value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
Other notes to the financial statements	23		

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

**R. P. Acharya**  
Partner  
Membership no. 039920

**Mumbai, April 28, 2016**

**For and on behalf of the board of directors of  
L&T Vrindavan Properties Limited**

**Dinanath Dubhashi**  
Director  
(DIN-03545900)

**G. Krishnamurthy**  
Director  
(DIN-06560170)

**Romesh S. A. Sankhe**  
Head-Accounts

**Swanand Shintre**  
Company Secretary

**Mumbai, April 28, 2016**

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

	2015-16	(₹ in Lakhs) 2014-15
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax as per statement of profit and loss	(2,170.03)	12,625.53
<b>Adjustment for:</b>		
Provision for employee benefits	17.43	2.64
Depreciation	239.73	102.50
Dividend / profit on sale of current investment	(234.01)	(860.48)
Interest income on ICD	(332.04)	(298.52)
Interest expenses	3,101.81	2,982.94
Profit on sale of investment in equity shares	-	(14,389.42)
<b>Operating profit before working capital changes</b>	<b>622.89</b>	<b>165.19</b>
<b>Changes in working capital</b>		
(Increase)/ Decrease in loans and advances	(3,282.54)	1,018.49
(Increase)/ decrease in current and non current assets	3,079.17	(3,177.06)
Increase/ (decrease) in current and non current liabilities and provisions	362.91	2,205.49
<b>Cash generated from operations</b>	<b>782.43</b>	<b>212.11</b>
Direct taxes paid	(189.43)	(1,285.58)
<b>Net cash generated from operating activities (A)</b>	<b>593.00</b>	<b>(1,073.47)</b>
<b>B. Cash flows from investing activities</b>		
<b>Add : Inflows from investing activities</b>		
Sale of investment in equity shares	-	18,280.03
Redemption of current investments	15,861.27	-
	15,861.27	18,280.03
<b>Less : Outflow for investing activities</b>		
Investment in current investments (net)	-	10,951.87
Purchases of fixed assets (including capital work in progress)	3,229.14	3,854.10
	3,229.14	14,805.97
<b>Net cash from(used in) investing activities (B)</b>	<b>12,632.13</b>	<b>3,474.06</b>
<b>C. Cash flows from financing activities</b>		
<b>Add : Inflows from financing activities</b>		
Proceeds from long term borrowings	290.00	-
Proceeds from other borrowings (net)	3,804.19	14,777.00
	4,094.19	14,777.00
<b>Less : Outflows for financing activities</b>		
Interest expenses paid	4,168.61	4,468.50
Repayment of long term borrowings	13,156.58	12,729.63
	17,325.19	17,198.13
<b>Net cash generated from(used in) financing activities (C)</b>	<b>(13,231.00)</b>	<b>(2,421.13)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(5.87)</b>	<b>(20.54)</b>
Cash and cash equivalents as at beginning of the year	50.31	70.85
<b>Cash and cash equivalents as at end of the year</b>	<b>44.44</b>	<b>50.31</b>

## Notes:

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

As per our report attached

**SHARP & TANNAN**

Chartered Accountants

Firm's registration no. 109982W

by the hand of

**R. P. Acharya**

Partner

Membership no. 039920

**For and on behalf of the board of directors of  
L&T Vrindavan Properties Limited**

**Dinanath Dubhashi**

Director  
(DIN-03545900)

**G. Krishnamurthy**

Director  
(DIN-06560170)

**Romesh S. A. Sankhe**

Head-Accounts

**Swanand Shintre**

Company Secretary

**Mumbai, April 28, 2016**

**Mumbai, April 28, 2016**

# Notes to the Financial Statements for the year ended March 31, 2016

## 1. Significant accounting policies

### A. Basis of Accounting

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

### B. Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any change in such estimates is recognised prospectively.

### C. Revenue Recognition

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

### D. Tangible and Intangible fixed assets

Tangible fixed assets are stated at cost of acquisition including any cost attributable for bringing the asset to its working condition, less accumulated depreciation.

Intangible fixed assets comprising of software licenses are stated at cost of acquisition including

any cost attributable for bringing the asset to its working condition, less accumulated amortisation. Any expenses on such software licenses for support and maintenance payable annually are charged to the statement of Profit and Loss.

Tangible Assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work in Progress".

### E. Income Taxes

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

Deferred tax is recognised on timing differences, between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognised with regard to all deductible timing differences to the extent it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the deferred tax asset to be utilised.

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

#### 5.1 Provisions and Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present legal or constructive obligation

# Notes to the Financial Statements for the year ended March 31, 2016

as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

## **F. Cash and Cash Equivalents**

Cash and Bank Balances that have insignificant risk of change in value including term deposits, which have original durations up to three months, are included in cash and cash equivalents in the Cash Flow Statement.

## **G. Investments**

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

'Long Term Investments' are carried at acquisition / amortised cost. A provision is made for diminution other than temporary on an individual investment basis.

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

## **H. Leases**

### **Where the company is lessee**

#### **Operating lease:**

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

### **Where the company is lessor**

#### **Finance Lease:**

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

#### **Operating Lease:**

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



# Notes to the Financial Statements for the year ended March 31, 2016

## I. Depreciation and Amortisation

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

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

## J. Earnings per share

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share.

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## K. Retirement and other employee benefits

### Short term employee benefits:

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

### Post employment benefits:

#### (a) Defined contribution plans:

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

#### (b) Defined benefit plan

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

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

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

### Long Term Employee Benefits:

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

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

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

## L. Impairment of Assets

Tangible fixed assets and intangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying



# Notes to the Financial Statements for the year ended March 31, 2016

amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of the asset's net selling price or its value in use.

## **M. Commitments**

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

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

## **N. Borrowing Costs**

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

Borrowing costs that are attributable to the construction of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended

use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## **O. Cash flow Statements**

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

## **P. Extraordinary and exceptional items**

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to the financial statements.

# Notes to the Financial Statements for the year ended March 31, 2016

## 2 Share Capital

### (I) Share capital authorized, issued and subscribed

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
<b>Authorized</b>				
Equity Share of ₹ 10 each	25,000,000	2,500.00	25,000,000	2,500.00
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 10 each fully paid	18,750,000	1,875.00	18,750,000	1,875.00
<b>Total Issued, subscribed &amp; paid up capital</b>	<b>18,750,000</b>	<b>1,875.00</b>	<b>18,750,000</b>	<b>1,875.00</b>

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

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

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

Equity shares	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	18,750,000	1,875.00	18,750,000	1,875.00
Issued during the year				
- Capital infusion by holding company	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>18,750,000</b>	<b>1,875.00</b>	<b>18,750,000</b>	<b>1,875.00</b>

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

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
L&T Finance Holdings Limited				
Equity Shares of ₹ 10 each fully paid				
* Held by L&T Finance Holdings Limited and its nominee	18,750,000	1,875.00	18,750,000	1,875.00
	<b>18,750,000</b>	<b>1,875.00</b>	<b>18,750,000</b>	<b>1,875.00</b>

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

Equity shares	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
L&T Finance Holdings Limited				
Equity Shares of ₹ 10 each fully paid				
* Held by L&T Finance Holdings Limited and its nominee	18,750,000	100%	18,750,000	100%
	<b>18,750,000</b>		<b>18,750,000</b>	

# Notes to the Financial Statements for the year ended March 31, 2016

## 3 Reserves and surplus

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>a. Debenture Redemption Reserve</b>		
As per last balance sheet	1,696.00	-
Add: Transferred from statement of profit and loss	1,672.37	1,696.00
<b>Closing Balance</b>	<b>3,368.37</b>	<b>1,696.00</b>
<b>b. Surplus in the Statement of Profit and Loss</b>		
As per last balance sheet	7,893.10	(1,927.23)
Add: Profit/(loss) for the year	(2,430.09)	11,516.33
	5,463.01	9,589.10
Less: Transferred to Debenture Redemption Reserve	1,672.37	1,696.00
<b>Closing Balance</b>	<b>3,790.64</b>	<b>7,893.10</b>
<b>Total reserves and surplus</b>	<b>7,159.01</b>	<b>9,589.10</b>

## 4 Long term borrowings

(₹ in Lakhs)

	As at March 31, 2016		As at March 31, 2015	
	Non Current	Current Maturity	Non Current	Current Maturity
<b>Secured</b>				
Redeemable non-convertible debentures	-	20,000.00	20,000.00	-
<b>Unsecured</b>				
Inter corporate borrowings	290.00	-	5.00	13,151.58
<b>Total long term borrowings</b>	<b>290.00</b>	<b>20,000.00</b>	<b>20,005.00</b>	<b>13,151.58</b>

### Secured - Redeemable non-convertible debentures - Series A 2013-14

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

Note:

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

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

## 5 Other long term liabilities

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
Security deposit	1,558.26	1,476.93
Interest accrued but not due on borrowings	1.43	-
<b>Total other Long term liabilities</b>	<b>1,559.69</b>	<b>1,476.93</b>

# Notes to the Financial Statements for the year ended March 31, 2016

## 6 Long term provisions

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>For employee benefit</b>		
Gratuity	18.43	10.06
<b>Other</b>		
Tax provisions (net of advance tax)	-	32.48
<b>Total long term provisions</b>	<b>18.43</b>	<b>42.54</b>

## 7 Short term borrowings

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>Unsecured</b>		
Inter corporate borrowings	18,581.17	14,776.98
<b>Total short term borrowings</b>	<b>18,581.17</b>	<b>14,776.98</b>

## 8 Other current Liabilities

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on borrowings	281.49	854.36
Statutory dues	19.69	24.62
Accrued expenses	114.37	35.76
Payable to related parties	69.77	479.99
Other Liabilities	164.46	39.99
<b>Total other current liabilities</b>	<b>649.78</b>	<b>1,434.72</b>

## 9 Short-term provisions

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
For employee benefit		
- Gratuity	0.34	0.22
- Leave encashment	15.60	8.37
	15.94	8.59
<b>Total short-term provisions</b>	<b>15.94</b>	<b>8.59</b>

# Notes to the Financial Statements for the year ended March 31, 2016

## Note 10 : Fixed assets

(₹ in Lakhs)

Particulars	Gross Block (at cost)			Depreciation / Amortization				Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	Upto March 31, 2015	For the year	Deductions / Adjustments	Upto March 31, 2016	As at March 31, 2016
<b>Tangible assets</b>									
Land	15,756.67	-	-	15,756.67	-	-	-	-	15,756.67
Building	5,283.65	15,078.01	-	20,361.66	155.18	123.92	-	279.10	20,082.56
Office equipments	81.28	490.25	-	571.53	20.98	51.69	-	72.67	498.86
Computers	2.91	17.63	-	20.54	1.16	6.08	-	7.24	13.30
Furniture & fixtures	61.18	507.85	-	569.03	20.70	12.49	-	33.19	535.84
Electrical & Installation	-	2,711.11	-	2,711.11	-	42.94	-	42.94	2,668.17
<b>Total</b>	<b>21,185.69</b>	<b>18,804.85</b>	<b>-</b>	<b>39,990.54</b>	<b>198.02</b>	<b>237.12</b>	<b>-</b>	<b>435.14</b>	<b>39,555.40</b>
<b>Intangible assets</b>									
Computer Software	-	8.55	-	8.55	-	2.61	-	2.61	5.94
<b>Total</b>	<b>21,185.69</b>	<b>18,813.40</b>	<b>-</b>	<b>39,999.09</b>	<b>198.02</b>	<b>239.73</b>	<b>-</b>	<b>437.75</b>	<b>39,561.34</b>
Previous year	20,505.34	680.35	-	21,185.69	95.52	102.50	-	198.02	20,987.67

## 11 Non current investments

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
<b>Trade investments (valued at cost unless stated otherwise)</b>				
<b>Unquoted equity instruments</b>				
<b>Investment in subsidiaries</b>				
Mudit Cement Private Limited (Equity Shares of ₹ 10 each fully paid)	2,104,800	426.10	2,104,800	426.10
<b>Total non current investments</b>		<b>426.10</b>		<b>426.10</b>
<b>Note</b>				
Aggregate amount of unquoted investments		426.10		426.10

## 12 Deferred tax assets (net)

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>Deferred tax assets</b>		
Other item giving rise to timing difference	16.36	6.45
On unabsorbed brought forward losses	959.91	879.57
<b>Total</b>	<b>976.27</b>	<b>886.02</b>
<b>Deferred tax liabilities</b>		
Difference between book and tax depreciation	662.42	312.11
<b>Total</b>	<b>662.42</b>	<b>312.11</b>
<b>Total deferred tax assets (net)</b>	<b>313.85</b>	<b>573.91</b>

On the basis of prudence, deferred tax on carry forward losses are restricted to ₹ 959.91 lakh. Additional deferred tax assets of ₹ 1,770.41 lakh has not been recognized

# Notes to the Financial Statements for the year ended March 31, 2016

## 13 Long term loans and advances

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
Advance taxes (net)	156.03	-
Capital advance	-	379.63
MAT Credit Entitlement	1,200.00	1,200.00
Security deposit	16.86	16.51
Inter corporate deposits	3,730.37	254.25
Interest accrued but not due	78.89	-
<b>Total long term loans and advances</b>	<b>5,182.15</b>	<b>1,850.39</b>

## 14 Current investments

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>Unquoted investment</b>		
<b>Non Convertible Debentures (at cost)</b>		
(Listed but not quoted)		
9.63% Jindal Steel & Power Limited	1,483.61	-
(150 debentures of ₹ 10 lakh each)		
<b>Mutual Fund (at cost)</b>		
L&T Short Term Opportunities Fund Direct Plan - Dividend	-	10,323.63
L&T Liquid Fund Direct Plan - Daily Dividend	-	4,697.60
L&T Arbitrage Opportunities Fund Direct Monthly Dividend	-	2,089.64
<b>Total current investments</b>	<b>1,483.61</b>	<b>17,110.87</b>

## 15 Cash and bank balances

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>Cash and cash equivalents</b>		
Balances with banks:		
In current accounts	44.44	50.31
<b>Total cash and bank balances</b>	<b>44.44</b>	<b>50.31</b>

## 16 Short term loans and advances

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
Inter corporate deposits	131.02	23.29
<b>Total short term loans and advances</b>	<b>131.02</b>	<b>23.29</b>

# Notes to the Financial Statements for the year ended March 31, 2016

## 17 Other current assets

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
Current maturity of long term loans and advances	254.25	2,875.66
Receivable from related Companies	11.54	24.09
Interest accrued but not due	178.60	335.59
Advances recoverable in cash or in kind	54.50	10.68
<b>Total other current assets</b>	<b>498.89</b>	<b>3,246.02</b>

## 18 Revenue from operations

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
Lease rental income	1,086.89	289.34
<b>Total revenue from operations</b>	<b>1,086.89</b>	<b>289.34</b>

## 19 Other Income

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
Dividend on investments	4.83	843.85
Interest on investments	78.54	-
Profit on sale of investment of current investments	150.64	16.63
Interest income on inter corporate deposit	332.04	298.52
Other Income	0.03	-
<b>Total other income</b>	<b>566.08</b>	<b>1,159.00</b>

## 20 Employee benefits expense

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
Salaries	276.22	165.80
Contribution to and provision for:		
Provident fund	10.01	6.79
Gratuity	9.59	2.79
Leave encashment	7.84	(0.15)
	27.44	9.43
Corporate Expenses Charged to group company	(263.22)	(148.91)
ESOP charges	0.01	(0.09)
Staff welfare	21.25	4.20
<b>Total employee benefits expense</b>	<b>61.70</b>	<b>30.43</b>

# Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>21 Finance costs</b>		
Interest on debentures	1,617.96	627.07
Interest on Inter corporate deposits	1,483.85	2,355.87
Others	8.08	6.25
<b>Total finance costs</b>	<b>3,109.89</b>	<b>2,989.19</b>

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>22 Administration and other expenses</b>		
Professional fees	25.50	19.34
Travelling and conveyance	2.00	13.82
Printing and stationery	0.62	0.07
Electricity charges (net)	102.43	2.51
Insurance	10.35	13.03
Telephone, postage and telegrams	2.07	0.67
Advertising and publicity	1.14	0.44
Auditors remuneration		
Audit fees	0.75	0.75
Tax Audit Fees	0.25	0.25
Limited review fees	0.90	0.90
Other services	1.28	3.18
Rates & taxes	27.31	4.23
Repairs & maintenance (net)	206.74	18.53
Listing and Custodian fees	0.30	0.80
Miscellaneous expenses	30.04	14.77
<b>Total administration and other expenses</b>	<b>411.68</b>	<b>90.11</b>

## 23 Other notes to the financial statements

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

#### i) Defined Contribution Plans :

Amount of ₹ 10.01 lakh (previous year ₹ 6.79/- lakh) towards contribution to Provident fund. It is recognized as an expense and included in employee benefits expenses in the statement of profit and loss.



# Notes to the Financial Statements for the year ended March 31, 2016

## ii) Defined Benefit Plans (Gratuity):

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

(₹ in Lakhs)

	As at March 31, 2016	As at March 31, 2015
<b>A. Amount recognised in the Balance Sheet:</b>		
Present value of defined benefit obligation		-
- Unfunded obligations	18.78	10.28
<b>Net liability</b>	<b>18.78</b>	<b>10.28</b>
<b>B. Expenses recognised in the statement of profit &amp; loss:</b>		
Current service cost	2.28	1.18
Interest on Defined Benefit Obligation	0.98	0.53
Net Actuarial Losses / (Gains) Recognised in Year	6.33	1.08
<b>Amount included in "Employee benefit expenses"</b>	<b>9.59</b>	<b>2.79</b>
<b>C. Change in the Defined Benefit Obligations:</b>		
Liability at the beginning of the year	10.28	4.79
Transferred from group Company	0.16	9.02
Current service cost	2.28	1.18
Interest on Defined Benefit Obligation	0.98	0.53
Net Actuarial Losses / (Gains) Recognised in Year	6.33	1.08
Benefit paid	(1.25)	(6.32)
<b>Liability at the end of the year</b>	<b>18.78</b>	<b>10.28</b>
<b>D. Reconciliation of the Liability Recognised in the Balance Sheet:</b>		
Opening Liability/ (Assets)	10.28	4.79
Current Service Cost	9.59	2.79
Transferred from group Company	0.16	9.02
Benefit paid	(1.25)	(6.32)
<b>Amount recognised in the Balance Sheet under "Short-term provisions"</b>	<b>18.78</b>	<b>10.28</b>
Expected employers contribution next year	0.34	0.22

# Notes to the Financial Statements for the year ended March 31, 2016

## Principal actuarial assumptions at the balance sheet date:

Particular	As at March 31, 2016	As at March 31, 2015
Discount rate	8.05%	7.90%
Salary escalation rate	8.00%	8.00%

## The amounts pertaining to experience adjustments are as follows:

Particulars	As at March 31				
	2016	2015	2014	2012	2011
- Defined Benefit Obligation	18.78	10.28	4.78	-	-
- Plan Assets	-	-	-	-	-
- Surplus /(Deficit)	(18.78)	(10.28)	(4.78)	-	-
Exp. Adjustment on Plan Liabilities	6.73	(1.29)	0.16	-	-
Exp. Adjustment on Plan Asset	-	-	-	-	-

## 23.2 Borrowing Cost : Accounting Standard - 16

Borrowing costs capitalized during the year are ₹ 462.02 lakh (previous year : ₹ 1,452.93 lakh).

## 23.3 Segment Reporting : Accounting Standard – 17

The Company operates mainly in the business segment of investment activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of Accounting Standard (AS) 17 on 'Segment Reporting'.

## 23.4 Related party disclosures: Accounting Standard - 18

### (a) List of related party and relationships:

#### Ultimate Holding Company

- Larsen & Toubro Limited

#### Holding Company

- L&T Finance Holdings Limited

#### Subsidiary Company

- Mudit Cement Private Limited

#### Fellow Subsidiary Company

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

# Notes to the Financial Statements for the year ended March 31, 2016

## Key Managerial Personnel

- Mr. Pradeep Shintre – Manager (Upto February 26, 2016)

## (b) Related Party Transaction:

		(Exclusive of service tax) (₹ in Lakhs)	
Sr. No.	Nature of Transactions	2015-16	2014-15
1	<b>Inter Corporate Borrowings taken from</b>		
	- L&T Finance Holdings Limited	19,146.17	29,933.55
	- L&T Finance Limited	-	3,730.00
2	<b>Inter Corporate Deposit given to</b>		
	- Mudit Cement Private Limited	3,861.38	277.54
3	<b>Inter Corporate Borrowings repaid</b>		
	- L&T Finance Holdings Limited	28,208.55	27,886.22
	- L&T Finance Limited	-	3,730.00
4	<b>Inter Corporate Deposit repaid by</b>		
	- Mudit Cement Private Limited	2,898.95	-
5	<b>Interest Expended on NCD</b>		
	- L&T Finance Holdings Limited	52.00	52.00
6	<b>Interest expended on Inter Corporate Borrowings</b>		
	- L&T Finance Holdings Limited	1,483.85	2,353.84
	- L&T Finance Limited	-	2.03
7	<b>Lease Rental Income</b>		
	- L&T Finance Limited	227.03	129.16
	- L&T Infrastructure Finance Company Limited	126.74	42.53
	- L&T Housing Finance Limited	31.46	25.15
	- Larsen & Toubro Limited	13.77	13.11
	- L&T Investment Management Limited	602.58	22.56
	- L&T Capital Markets Limited	14.21	13.53
	- L&T FinCorp Limited	5.17	4.92
	- L&T Infra Debt Fund Limited	4.82	4.82
	- L&T General Insurance Company Limited	47.53	26.96
	- Family Credit Limited	13.59	6.60
8	<b>Interest Income on ICD given to</b>		
	- Mudit Cement Private Limited	332.04	298.52
9	<b>Professional Fees paid to</b>		
	- Larsen & Toubro Limited	1.74	1.31
10	<b>ESOP charges debited by</b>		
	- L&T Finance Holdings Limited	0.01	(0.09)
11	<b>Construction charges debited by</b>		
	- Larsen & Toubro Limited	195.00	638.91

# Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Lakhs)

Sr. No.	Nature of Transactions	2015-16	2014-15
12	<b>Corporate support charges recovered</b>		
	- L&T Finance Limited	263.22	148.91
13	<b>Security Deposit taken from</b>		
	- L&T Investment Management Limited	81.33	271.31
	- L&T General Insurance Company Limited	-	21.90
	- Larsen & Toubro Limited	-	6.56
	- Family Credit Limited	-	2.45
14	<b>Expenses recovered from</b>		
	- L&T Investment Management Limited	81.64	11.43
	- L&T Finance Limited	59.68	34.95
	- L&T General Insurance Company Limited	31.44	16.95
	- L&T Housing Finance Limited	15.38	12.39
	- L&T Infrastructure Finance Company Limited	10.64	7.15
	- L&T Capital Markets Limited	7.07	5.72
	- Family Credit Limited	2.53	-
	- Larsen & Toubro Limited	0.21	0.12

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

(₹ in Lakhs)

Sr. No.	Nature of Transactions	As at March 31, 2016	As at March 31, 2015
1	<b>Account payable to</b>		
	- Larsen & Toubro Limited	69.35	67.62
	- L&T Finance Holdings Limited	0.42	412.36
	- L&T Finance Limited	-	0.20
2	<b>Outstanding balance of ICB</b>		
	- L&T Finance Holdings Limited	18,871.17	27,933.55
3	<b>Outstanding balance of NCD</b>		
	- L&T Finance Holdings Limited	500.00	500.00
4	<b>Interest accrued but not due ICB</b>		
	- L&T Finance Holdings Limited	260.12	820.16
5	<b>Interest accrued but not due on NCD</b>		
	- L&T Finance Holdings Limited	0.57	0.85
6	<b>Outstanding balance of ICD</b>		
	- Mudit Cement Private Limited	4,115.63	3,153.20
7	<b>Interest accrued but not due on ICD</b>		
	- Mudit Cement Private Limited	114.62	298.52

# Notes to the Financial Statements for the year ended March 31, 2016

(₹ in Lakhs)

Sr. No.	Nature of Transactions	As at March 31, 2016	As at March 31, 2015
8	<b>Outstanding Security Deposit taken from</b>		
	- L&T Infrastructure Finance Company Limited	721.18	721.18
	- L&T Finance Limited	399.27	399.27
	- L&T Investment Management Limited	352.64	271.31
	- L&T Finance Holdings Limited	30.63	30.63
	- L&T General Insurance Company Limited	21.90	21.90
	- L&T Housing Finance Limited	12.23	12.23
	- L&T Capital Markets Limited	6.60	6.60
	- Larsen & Toubro Limited	6.56	6.56
	- Family Credit Limited	2.45	2.45
	- L&T Infra Debt Fund Limited	2.41	2.41
	- L&T Fincorp Limited	2.40	2.40
9	<b>Receivable from</b>		
	- Larsen & Toubro Limited	-	15.25
	- L&T Housing Finance Limited	-	0.55
	- L&T Investment Management Limited	10.29	3.92
	- L&T Infrastructure Finance Company Limited	-	2.58
	- L&T General Insurance Company Limited	0.89	1.98
	- L&T Finance Limited	0.36	-
10	<b>Equity Investment</b>		
	- Mudit Cement Private Limited	426.10	426.10

## 23.5 Operating Lease : Accounting Standards (AS) 19

**Assets give on lease:**

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

(₹ in Lakhs)

Particulars	2015-16	2014-15
<b>Minimum Lease</b>		
- Within one year	3,104.43	242.50
- Later than one year and not later than five years	7,003.80	110.70
- Later than five years	-	-

## 23.6 Earnings Per Share: Accounting Standard - 20

(₹ in Lakhs)

Particulars	2015-16	2014-15
<b>Basic &amp; Diluted</b>		
Profit / (Loss) after tax as per statement of profit and loss (₹ in Lakhs) (i)	(2,430.09)	11,516.33
Weighted average number of equity shares outstanding (ii)	1,87,50,000	1,87,50,000
<b>Basic &amp; Diluted EPS (₹) iii (i/ii)</b>	<b>(12.96)</b>	<b>61.42</b>

**23.7** Provision for tax has been made in these financial statements in view of book profit under section 115 JB of Income Tax Act, 1961 for the previous year.

**23.8** Contingent Liabilities and commitment : Accounting Standard 29

- There are no contingent liabilities as on March 31<sup>st</sup> 2016.
- The Company has an outstanding capital commitments amount of ₹ 155.72 lakh. (Previous year: ₹ 2,984.60/- lakh).

**23.9** Exceptional items represent Profit on sale of investment in City Union Bank Limited amounting to ₹ Nil (previous year: ₹ 14,389.42 lakh).

**23.10** The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2016. This information is given in respect of such vendors as could be identified as 'Micro'/'Medium'/'Small Enterprises' on the basis of information available with the Company.

**23.11** Previous year figures have been regrouped / reclassified wherever necessary.

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

**R. P. Acharya**  
Partner  
Membership no. 039920

**Mumbai, April 28, 2016**

**For and on behalf of the board of directors of  
L&T Vrindavan Properties Limited**

**Dinanath Dubhashi**  
Director  
(DIN-03545900)

**Romesh S. A. Sankhe**  
Head-Accounts

**Mumbai, April 28, 2016**

**G. Krishnamurthy**  
Director  
(DIN-06560170)

**Swanand Shintre**  
Company Secretary