

# Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Sixth Annual Report together with the audited financial statements for the financial year ended March 31, 2017.

## FINANCIAL HIGHLIGHTS

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

(₹ In Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Total Income	5,354.76	1,663.19
Profit / (Loss) before exceptional and extraordinary items and taxes	(816.56)	(2,257.85)
Exceptional Item	-	-
Provision for Tax including Deferred Tax	(2,483.57)	226.96
<b>Profit / (Loss) after Tax</b>	<b>1,667.01</b>	<b>(2,430.09)</b>
Add: Items that will be reclassified to profit or loss	(1.05)	(6.34)
<b>Total Comprehensive Income for the year</b>	<b>1,665.96</b>	<b>(2,491.15)</b>
Add: Balance brought forward from previous year (Deficit)/Surplus	3,736.76	7,900.28
<b>Total</b>	<b>5,402.72</b>	<b>5,409.13</b>
Transfer to Debenture Redemption Reserve	-	(1,672.37)
Surplus / (Deficit) in the statement of Profit and Loss	<b>5,402.72</b>	<b>3,736.76</b>

## INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

### • Performance of Businesses

In order to reflect the nature of the business of the Company i.e Merchant Banking, to be undertaken by the Company, the name of the Company has been changed from "L&T Vrindavan Properties Limited" to "L&T Financial Consultants Limited" with effect from October 10, 2016, after obtaining the requisite approvals as required under the Companies Act, 2013.

During the year, the Company made an application to Securities and Exchange Board of India (SEBI) for seeking Merchant Banking license under the SEBI (Merchant Bankers) Regulations, 1992, to diversify its activities. The Company has received the Certificate of Registration dated January 17, 2017 to act as Merchant Banker.

On March 24, 2017 all the listed Non Convertible Debentures of the Company have been duly redeemed and accordingly, the Company is no longer a listed company within the meaning of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is not applicable to the Company.

### • Financial Performance of the Company

During the year under review, the Company earned a gross income of ₹ 5354.76 Lakhs as against ₹ 1,663.19 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 ₹ 4,075.31 Lakhs as against ₹ 3,214.20 Lakhs in the previous year. The profit/loss reported by the Company for the financial year ended March 31, 2017 is ₹ 1,667.01 Lakhs.

The Net Worth of the Company as at March 31, 2017 is ₹ 10,646.56 Lakhs as against ₹ 8,980.60 Lakhs as at March 31, 2016.

## MATERIAL CHANGES AND COMMITMENTS

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

## DIVIDEND

With a view to conserve capital for future growth, no dividend is recommended for the financial year ended March 31, 2017.

## SHARE CAPITAL

The Authorised Share Capital of the Company is ₹ 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakhs Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

As on March 31, 2017, the paid-up capital of the Company stands at ₹ 18,75,00,000/- (Rupees Eighteen Crore Seventy Five Lakh Only) divided into 1,87,50,000 (One Crore Eighty Seven Lakh and Fifty thousand Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

### **FIXED DEPOSITS**

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

### **DIRECTORS**

The composition of the Board is in accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act"), with an appropriate combination of Non-Executive Directors and Independent Directors.

During the year under review, Mr. Dinanath Dubhashi and Mr. G. Krishnamurthy ceased to be Directors on the Board of the Company with effect from April 29, 2016. The Board places on record its appreciation of the valuable services rendered by the aforesaid Directors during their tenure as the Directors of the Company.

During the year, Mr. Raju Dodti and Mr. Sunil Prabhune were appointed as Directors on the Board of the Company effective April 28, 2016 and May 18, 2016, respectively.

As on March 31, 2017, the Board comprises the following Directors:

- Mr. Subramaniam N. - Independent Director
- Dr. (Mrs.) Rajani R. Gupte - Independent Director
- Mr. Sunil Prabhune - Non-Executive Director
- Mr. Raju Dodti - Non-Executive Director

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

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

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

### **DECLARATION BY INDEPENDENT DIRECTORS**

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. Madan Sarwate resigned from the position of Manager of the Company with effect from October 24, 2016. The Board of Directors at its meeting held on October 24, 2016 has appointed Mr. Suresh Darak as the Manager of the Company, who is the Key Managerial Personnel in accordance with the provisions of the Act.

Further, Mr. Swanand Shintre resigned from the position of Company Secretary with effect from November 5, 2016.

As on March 31, 2017 the Company has the following Key Managerial Personnel:

- 1) Mr. Suresh Darak - Manager
- 2) Mr. Romesh Sankhe - Head-Accounts (Discharging the functions of the Chief Financial Officer)

The Board of Directors at its meeting held on May 2, 2017 appointed Mr. Kailash Purohit as the Company Secretary of the Company.

### **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

#### **A. Background**

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

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

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

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

The objective of this Policy is:

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

## **C. Appointment of Director(s)**

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

Appointment of Independent Directors is subject to the provisions of Section 149 of the Act read with Schedule IV and rules there under. The NRC satisfies itself that the proposed person satisfies the criteria of independence as stipulated under Section 149(6) of the Act, before the appointment as an Independent Director.

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

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

## **D. Evaluation Criteria of Directors and Senior Management/KMP/Employees**

### **• Non-Executive Directors/Independent Directors**

The NRC carries out evaluation of performance of Independent Directors/Non-Executive Directors every year ending March 31st on the basis of the following criteria:

- Membership & Attendance - Board and Committee Meetings.
- Contribution during such meetings.
- Active participation in strategic decision making.
- Inputs to executive management on matters of strategic importance.
- Such other matters, as the NRC/Board may determine from time to time.

### **• Senior Management/KMP/Employees**

The HR Department carries out the evaluation of the aforementioned persons every year ending March 31st, with the Department Head(s)/ Management concerned. KPIs are identified well in advance at the commencement of the financial year. Performance benchmarks are set and evaluation of employees is done by the respective reporting Manager(s)/ Management to determine whether the performance benchmarks are achieved. The payment of remuneration/annual increment to the aforementioned persons is determined after the satisfactory completion of evaluation process.

The HR Department of the Company is authorized to design the framework for evaluating the EDs/KMP/Senior Management Personnel/ employees. The objective of carrying out the evaluation by the Company is to identify and reward those with exceptional performances during any financial year. Training and Development Orientation programs on a need basis are provided to employees, whose performance during any financial year does not meet the benchmark criteria.

## **E. Criteria for Remuneration**

The Committee, while determining the criteria for remuneration for Directors and Senior Management/

other employees ensures that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

## PERFORMANCE EVALUATION

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

### Manner of Evaluation

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

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

### The process of the annual performance evaluation broadly comprises:

#### a. Board and Committee Evaluation:

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

#### b. Independent / Non-Executive Directors Evaluation:

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

## 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.

## STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members at their Fifth Annual General Meeting ("AGM"), had appointed M/s. Sharp & Tannan, Chartered Accountants, as the Statutory Auditors of the Company for a period of five years i.e. from the conclusion of Fifth AGM held on August 31, 2016 till the conclusion of Tenth AGM.

Further, in terms of section 139(1) of the Act the appointment of statutory auditor is required to be placed for ratification at every AGM. Accordingly, the appointment of M/s. Sharp & Tannan, Chartered Accountants, as the Statutory Auditors of the Company, is placed for ratification by the members at the ensuing Sixth AGM.

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

## AUDITORS' REPORT

The Auditors' Report to the Members for the year under review does not contain any qualification. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Companies Act, 2013.

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Alwyn Jay & Co., Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as '**Annexure B**'.

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

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, has been appended as '**Annexure C**' to this Report.

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) of the Act 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:

- Efficient building envelope achieved by use of flash blocks and double glazed glass units
- Ample day light and views for all office spaces
- Use of treated wastewater for landscape and cooling tower make up water there by reducing portable water use
- Use of materials with low content of Volatile Organic Compounds
- Electric car charging facilities in basement parking area

##### 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

## FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## 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.

## DISCLOSURE RELATING TO HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE 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 D**' to this Report.

## 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, 2017 and of the profit of the Company for that period;
- 3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on a going concern basis;
- 5) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and 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 department monitors and evaluates the efficiency and adequacy of the internal control system in the Company and its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board from time to time.

## **NUMBER OF BOARD MEETINGS**

The Board of Directors of the Company met 7 (seven) times during the financial year 2016-2017 i.e. on April 6, 2016, April 28, 2016, July 20, 2016, August 30, 2016, October 24, 2016, January 20, 2017 and March 21, 2017.

## **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.

## **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the requirements of Section 135 of Companies Act, 2013, the Company has constituted a Corporate Social Responsibility ("**CSR**") Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report. The Company has also formulated a CSR Policy

As the Company did not have any net profits computed in accordance with the provisions of Section 135 of the Companies Act, 2013, no amount was spent on activities under the CSR.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9)

of the Act, the Company has framed and adopted Vigil Mechanism Framework to enable directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct.

Under the framework, the Company has set up "Whistle Blower Investigation Committee" ("the Committee"). The 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 'Chief Ethics Officer'.

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

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

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

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

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

The Board of Directors at its meeting held on July 11, 2014 had approved the Policy on transactions with related parties ("RPT Policy"), pursuant to recommendation of the same by the Audit Committee ("AC"). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the related parties.

### **Key features of the RPT Policy are as under:**

- All transactions with related parties ("RPTs") are referred to the AC of the Company for approval irrespective of its materiality. The AC, on the recommendation of the management, approves certain transactions with related parties which would occur on a regular basis or at regular intervals. The AC, at the end of each year, appraises the position of the approved transactions to ensure that all necessary requirements are being complied with.

- All RPTs which are not at arm's length and / or which are not in the ordinary course of business are presented to the Board for an appropriate decision.

All RPTs that were entered into during FY 2016-17 were on an arm's length basis and were in the ordinary course of business and disclosed in the Financial Statements. There were no materially significant RPTs made by the Company with Promoters, Directors, Key Managerial Personnel or body corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The Directors draw attention of the Members to Notes to the Financial Statements which sets out related party disclosures.

### **RISK MANAGEMENT**

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.

### **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 Form No. 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 regulators during the year under review.

### **ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board**

**Sunil Prabhune**  
Director  
DIN-07517824

**Raju Dodti**  
Director  
DIN-06550896

**Place :** Mumbai  
**Date :** May 2, 2017

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

## CORPORATE GOVERNANCE REPORT

### BOARD OF DIRECTORS

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

As on the date of this Report, the Board comprises of four Directors viz. Mr. Subramaniam N., Dr. (Mrs.) Rajani R. Gupte, Mr. Raju Dodti and Mr. Sunil Prabhune. Mr. Raju Dodti and Mr. Sunil Prabhune are Non-Executive Directors of the Company. Mr. Subramaniam N. and Dr. (Mrs.) Rajani R. Gupte are the Independent Directors.

Mr. Suresh Darak is the Manager of the Company and functions under the superintendence and control of the Board of Directors.

During the financial year 2016-17, the Board of the Company met 7 (seven) times i.e. on April 6, 2016, April 28, 2016, July 20, 2016, August 30, 2016, October 24, 2016, January 20, 2017 and March 21, 2017. The attendance of the Members of the Board at the Meetings held during FY 2016-17 is as follows:

Name of the Director	DIN	Nature of Directorship	Board Meetings held during the year	No. of Board Meetings attended
Mr. Subramaniam N.	00166621	ID	7	6
Dr.(Mrs.) Rajani Rajiv Gupte	03172965	ID	7	6
Mr. Dinanath Dubhashi <sup>(1)</sup>	03545900	NED	7	1
Mr. G. Krishnamurthy <sup>(2)</sup>	06560170	NED	7	2
Mr. N. Sivaraman <sup>(3)</sup>	00001747	NED	7	0
Ms. Raji Vishwanathan <sup>(4)</sup>	02680148	NED	7	0
Mr. Sunil Prabhune <sup>(5)</sup>	07517824	NED	7	5
Mr. Raju Dodti <sup>(6)</sup>	06550896	NED	7	5

Notes:

(1) Ceased to be a Director with effect from April 29, 2016

(2) Ceased to be a Director with effect from April 29, 2016

(3) Ceased to be a Director with effect from April 12, 2016

(4) Ceased to be a Director with effect from April 6, 2016

(5) Appointed as a Director with effect from May 18, 2016

(6) Appointed as a Director with effect from April 28, 2016

ID - Independent Director NED - Non-Executive Director

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Committees have oversight of operational

issues assigned to them by the Board. The four core Committees constituted by the Board in this connection are:

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

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

### AUDIT COMMITTEE:

The Audit Committee has been set up pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Committee comprises three Members as stated below:

Mr. Subramaniam N. - Chairman
Dr. (Mrs.) Rajani R. Gupte
Mr. Sunil Prabhune

During the financial year the Committee met 5 (five) times i.e. on April 28, 2016, July 20, 2016, October 24, 2016, January 20, 2017 and March 22, 2017. The attendance of the Members at the Meetings held during FY 2016-17 is as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Mr. Subramaniam N.	5	4
Dr.(Mrs.) Rajani R. Gupte	5	4
Mr. Sunil Prabhune <sup>(1)</sup>	5	4

<sup>(1)</sup> Appointed as member with effect from May 18, 2016

### 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;



- v) To scrutinise inter-corporate loans and investments;
- vi) To cause valuation of undertakings or assets of the company, wherever it is necessary;
- vii) To evaluate internal financial controls and risk management systems;
- viii) To monitor the end use of funds raised through public offers and related matters;
- ix) To investigate into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of the Company; and
- x) Right to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee has been set up pursuant to the provisions of Section 178 of the Companies Act, 2013 and it currently comprises three Members as stated below:

Dr. (Mrs.) Rajani R. Gupte – Chairperson
Mr. Subramaniam N.
Mr. Sunil Prabhune

During the financial year the Committee met 4 (four) times i.e. on April 28, 2016, July 20, 2016, September 14, 2016 and January 20, 2017. The attendance of the Members at the Meetings held during FY 2016-17 is as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Dr. (Mrs.) Rajani R. Gupte	4	4
Mr. Subramaniam N.	4	2
Mr. Sunil Prabhune <sup>(1)</sup>	4	3

<sup>(1)</sup> Appointed as members with effect from May 18, 2016

#### **Role of the Committee**

- i) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment

and removal and shall carry out evaluation of every director's performance.

- ii) 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) Ensure that
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- iv) Ensure 'fit and proper' status of existing/proposed directors by obtaining necessary information and declaration from them and undertake a process of due diligence to determine suitability of the person for appointment/continuing to hold appointment as Director on the Board based upon qualification, expertise, track record, integrity and other relevant factors.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility ("CSR") Committee has been set up pursuant to the provisions of Section 135 of the Companies Act, 2013 and it comprises three Members as stated below:

Mr. Sunil Prabhune - Chairman
Dr. (Mrs.) Rajani R. Gupte
Mr. Raju Dodti

#### **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.

There was no meeting of CSR during the year.

#### **COMMITTEE OF DIRECTORS:**

The Committee of Directors comprises two Members as stated below:

Mr. Sunil Prabhune
Mr. Raju Dodti

#### **Role of the Committee**

The Committee of Directors is entrusted with the powers of general management of the affairs of the Company. During the Financial Year, the committee met three times.

#### **MEETING OF INDEPENDENT DIRECTORS:**

Section 149(8) of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act require the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The Independent Directors of the Company met twice on April 6, 2016 and October 24, 2016, pursuant to the provisions of the Act.

#### **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.

#### **DISCLOSURES**

During the Financial Year ended March 31, 2017:

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

applicable to it and accordingly, it is in compliance with all relevant and applicable provisions of Companies Act, 2013.

#### **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.

#### **MEANS OF COMMUNICATION**

- Half yearly results are published in one daily English newspaper of national prominence.
- The Company submits the "Half Yearly Communication" to the Stock Exchanges as per the requirement of the Debt Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Annual Reports displayed on the website of the Company [http://www.ltfs.com/companies/financial\\_consultants.html](http://www.ltfs.com/companies/financial_consultants.html)

**Place:** Mumbai

**Date:** May 2, 2017

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

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,

The Members,

**L&T Financial Consultants Limited (Erstwhile known as L&T Vrindavan Properties Limited)**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T Financial Consultants Limited** (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct, statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2017** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- **Not applicable to the Company;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable to the Company;**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- **Not applicable to the Company;**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not applicable to the Company;**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not applicable to the Company;**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review;**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable to the Company and**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review.**

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

The Company is registered as Merchant Banker in Category- I under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 on 17th January, 2017. The Company has complied with the provisions of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. Further, the Company has complied with other applicable general laws, rules, regulations and guidelines.

We have also examined the compliance with the following to the extent applicable-

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

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

#### **We further report that –**

- (a) the Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors;
- (b) the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- (c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and
- (d) The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

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

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

- (i) On 19th April, 2016, the members at the Extra-Ordinary General Meeting had approved issuance of Non-convertible Debentures/ Bonds on private placement basis to various investors from time to time during the Financial Year 2016-17 for an amount not exceeding Rs. 500 Crores in aggregate pursuant to the provisions of Section 42 and 71 of the Companies Act, 2013.
- (ii) On 19th April, 2016, the members at the Extra-Ordinary General Meeting had approved the alteration of the Memorandum of Association and Adoption of New Set of Articles of Associations of the Company pursuant to the provisions of Section 13 and 14 of the Companies Act, 2013.
- (iii) On 8th September, 2016, the members at the Extra-Ordinary General Meeting had approved the alteration of the object clause of Memorandum of Association of the Company pursuant to the provisions of Section 13 of the Companies Act, 2013.
- (iv) On 8th September, 2016, the members at the Extra-Ordinary General Meeting had approved the change of name of the Company from L&T Vrindavan Properties Limited to L&T Financial Consultants Limited.

**Place :** Mumbai

**Date :** April 24, 2017

Office Address :

Annex-103, Dimple Arcade,  
Asha Nagar, Kandivali (East),  
Mumbai 400101.

**ALWYN JAY & CO.**

Company Secretaries

**[Vijay Sonone FCS.7301]**

(Partner)

[Certificate of Practice No. 7991]

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

### FORM AOC-1

[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)

Name of the subsidiaries	Mudit Cement Private Limited
Date of acquisition	27/12/2013
Share capital	210.48
Reserves & surplus	(1,574.11)
Total assets	3,947.63
Total Liabilities	3,947.63
Investments	-
Turnover	-
Profit / (loss) before taxation	(480.93)
Provision for taxation	67.81
Profit/ (loss) after taxation	(548.74)
Proposed Dividend (Including dividend paid)	-
% of shareholding	100%

#### Name of Subsidiaries which are yet to commence operations

(i) Mudit Cement Private Limited

#### 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

– NIL

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

– NIL

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

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[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>	U65100TN2011PLC081100
ii)	<b>Registration Date</b>	June 16, 2011
iii)	<b>Name of the Company</b>	L&T Financial Consultants Limited (Formerly known as 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: www.ltfs.com
vi)	<b>Whether listed company</b>	No, During the year the Company has redeemed all its debentures which were listed.
vii)	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any</b>	M/s. Link Intime India Private Limited C 101,247 Park, L B S Marg, Vikhroli West, Mumbai-400083

### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All business activities contributing 10% or more of the total turnover of the Company has been considered.

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	69%
2.	Merchant Banking Fees	64990	16%

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

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	L&T Finance Holdings Limited Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai 400098	L67120MH2008PLC181833	Holding Company	100.00	2(46)
2.	Mudit Cement Private Limited Address: 5th Floor, DCM Building, 16, Barakhamba Road, Cannaught Place, New Delhi 110001	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, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
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>----</b>	<b>1,87,50,000</b>	<b>1,87,50,000</b>	<b>100</b>	<b>----</b>	<b>1,87,50,000</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>----</b>	<b>1,87,50,000</b>	<b>1,87,50,000</b>	<b>100</b>	<b>----</b>	<b>1,87,50,000</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	----	-----	-----	-----	----	-----	-----	-----	----	---
g) FIs	----	-----	-----	-----	----	-----	-----	-----	----	---
h) Foreign Venture Capital Funds	----	-----	-----	-----	----	-----	-----	-----	----	---
i) Others (specify)	----	-----	-----	-----	----	-----	-----	-----	----	---
<b>Sub -total (B)(1):</b>	<b>----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>----</b>	<b>---</b>



Category of Shareholders	No. of shares held at the beginning of the year (As on April 1, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
<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>1,87,50,000</b>	<b>1,87,50,000</b>	<b>100</b>	----	<b>1,87,50,000</b>	<b>1,87,50,000</b>	<b>100</b>	----	---

# The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of members, 6 shares are held by 6 members 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, 2016)			Shareholding at the end of the year (As on March 31, 2017)			% 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	
<b>1</b>	<b>L&amp;T Finance Holdings Limited</b>	1,87,50,000*	100.00	0	1,87,50,000*	100.00	0	0
	<b>Total</b>	<b>1,87,50,000</b>	<b>100.00</b>	<b>0</b>	<b>1,87,50,000</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

\* The Company is a wholly-owned subsidiary of L&T Finance Holdings Limited. For the purpose of complying with the provisions regarding minimum number of members, 6 shares are held by 6 members jointly with L&T Finance Holdings Limited

iii) **Change in Promoters' Shareholding (please specify, if there is no change) - There is no change in the Promoters shareholding**

Sr. No.		Shareholding at the beginning of the Year (As on April 1, 2016)		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year				
	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				

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

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 Top 10 Shareholders</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

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. Sunil Prabhune*	1	0		
	At the beginning of the year	----	----		
	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. Raju Dodti*				
	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 for the purpose of complying with the provisions regarding minimum number of members pursuant to provisions of the Companies Act, 2013.

## V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-----	38,871.17	-----	38,871.17
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	-----	282.92	-----	282.92
<b>Total (i+ii+iii)</b>	-----	<b>39,154.09</b>	-----	<b>39,154.09</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-----	38,179.82	-----	38,179.82
Reduction	-----	38,871.17	-----	38,871.17
<b>Net Change</b>	-----	<b>(691.35)</b>	-----	<b>(691.35)</b>
<b>Indebtedness at the end of the financial year</b>	-----	-----	-----	-----
i) Principal Amount	-----	38,179.82	-----	38,179.82
ii) Interest due but not paid	-----	-----	-----	-----
iii) Interest accrued but not due	-----	463.36	-----	463.36
<b>Total (i+ii+iii)</b>	-----	<b>38,643.18</b>	-----	<b>38,643.18</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

<sup>(1)</sup> Manager of the Company drew his remuneration from another company within the L&T Financial Services Group.

**B. Remuneration to other directors:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Subramaniam N.	Dr. Rajani Gupte	Total Amount
1	Independent Directors			
	(a) Fee for attending board and Committee meetings	2,60,000	3,00,000	5,60,000
	(b) Commission	Nil	Nil	Nil
	(c) Others, please specify	-	-	-
	<b>Total (1)</b>	<b>2,60,000</b>	<b>3,00,000</b>	<b>5,60,000</b>
2	Other Non Executive Directors	-	-	-
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>2,60,000</b>	<b>3,00,000</b>	<b>5,60,000</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>5,60,000</b>
	<b>Overall Ceiling as per the Act#</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB: Not Applicable#**

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

<sup>(1)</sup> The above KMPs drew their remuneration from another company within the L&T Financial Services Group.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES(Under Companies Act , 2013): NONE**

# Independent Auditors' Report

**To the members of L&T Financial Consultants Limited (formerly L&T Vrindavan Properties Limited)**

## **Report on the standalone Indian Accounting Standards (Ind AS) financial statements**

We have audited the accompanying standalone Ind AS financial statements of L&T Financial Consultants Limited (formerly L&T Vrindavan Properties Limited) ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

## **Management's responsibility for the standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) 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, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of section 164 (2) of the Act;
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 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 – refer note 34.7 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and are in accordance with books of account maintained by the Company. - refer note 12 to the standalone Ind AS financial statements.

**Sharp & Tannan**

Chartered Accountants

Firm's registration no. 109982W

**R.P. Acharya**

Partner

Membership No. 039920

Mumbai, 2 May, 2017

# Annexure 'A' To The Independent Auditors' Report

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

- 1 (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of all fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable properties are held in the name of the Company.
- 2 According to the information and explanations given to us, the Company is engaged primarily in services related to financial services activities and its activities do not require it to hold any inventories, accordingly, reporting on clause (ii) 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, reporting on clause (iii) (a),(b) and (c) of the Order is not applicable.
- 4 According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees, and security, as applicable..
- 5 In our opinion and according to the information and explanation given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, accordingly, reporting on clause (v) of the Order is not applicable to the Company.
- 6 According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company, accordingly, reporting on clause (vi) 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 material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and other statutory dues outstanding as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there were no disputed amount payable as at 31 March 2017, in respect of income tax, sales tax, service tax, duty of custom, duty of excise and value added tax.
- 8 According to the records of the Company examined by us and the information and explanations given to us, during the year the Company has not availed any facility from the financial institution, bank, government or debenture holders, accordingly, reporting on clause (viii) of the Order is not applicable.
- 9 The Company has neither raised money by way of initial public offer or further public offer (including debt instruments) nor by way of term loans and, accordingly, reporting on clause (ix) 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 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 According to the information and explanation given to us and based on our examination of the records of the Company, no managerial remuneration has been paid/provided for during the year, accordingly,

reporting under clause (xi) of the Order is not applicable.

- 12 According to the information and explanation given to us the Company is not a Nidhi Company, accordingly, reporting under clause (xii) of the Order is not applicable.
- 13 According to the records of the Company examined by us and the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- 14 According to information and explanations given to us during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, accordingly, reporting on clause (xiv) of the Order.

- 15 According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Accordingly, reporting on clause 3(xv) of the Order is not applicable.
- 16 According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, accordingly, reporting under clause (xvi) of the Order is not applicable.

**Sharp & Tannan**

Chartered Accountants  
Firm's registration no. 109982W

**R.P. Acharya**

Partner  
Membership No. 039920  
Mumbai, 2 May, 2017



# 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 Financial Consultants Limited (formerly L&T Vrindavan Properties Limited) ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 on Audit of Internal Financial Controls Over Financial Reporting 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 2017, based on the internal control over

financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on internal financial controls over financial reporting issued by the ICAI.

**Sharp & Tannan**

Chartered Accountants

Firm's registration no. 109982W

**R.P. Acharya**

Partner

Membership No. 039920

Mumbai, 2 May, 2017

# Balance Sheet as at March 31, 2017

(₹ In Lakh)

Particulars	Notes	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>I. ASSETS</b>				
<b>1) Non-current assets</b>				
(a) Property, Plant and Equipment	2	3,306.54	3,716.17	102.53
(b) Investment Property	3	36,252.77	38,346.85	38,977.02
(c) Other Intangible assets	4	3.09	5.94	-
(d) Financial Assets				
(i) Investments	5	426.10	426.10	426.10
(ii) Loans	6	59.68	3,826.12	270.76
(iii) Others	7	-	-	379.63
(e) Deferred tax assets (net)	34.10	1,546.38	311.81	538.77
(f) Current Year Income Tax (net)	8	1,836.48	156.03	1,200.00
(g) Other non-current assets	9	1,356.03	1,200.00	6.61
		<b>44,787.07</b>	<b>47,989.02</b>	<b>41,901.42</b>
<b>2) Current assets</b>				
(a) Financial Assets				
(i) Investments	10	-	1,483.61	17,211.88
(ii) Trade receivables	11	9.67	11.54	24.09
(iii) Cash and cash equivalents	12	84.24	44.44	50.31
(iv) Loans	13	730.29	131.02	32.30
(v) Others Financial Assets	14	3,658.33	432.85	3,202.23
(b) Other current assets	15	60.16	61.10	16.78
Assets classified as held for sale	16	2,003.76	-	-
		<b>6,546.45</b>	<b>2,164.56</b>	<b>20,537.59</b>
<b>TOTAL</b>		<b>51,333.52</b>	<b>50,153.58</b>	<b>62,439.01</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
a) Equity share capital	17	1,875.00	1,875.00	1,875.00
b) Other equity	18	8,771.56	7,105.60	9,596.66
		<b>10,646.56</b>	<b>8,980.60</b>	<b>11,471.66</b>
<b>2) Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	-	291.43	20,039.19
(ii) Other financial liabilities	20	1,275.62	1,232.58	1,053.04
(b) Provisions	21	18.77	18.43	42.54
(c) Other non-current liabilities	22	140.13	281.38	388.25
		<b>1,434.52</b>	<b>1,823.82</b>	<b>21,523.02</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	23	38,643.17	18,603.96	15,569.05
(ii) Current Maturities of Long term Borrowings	24	-	20,258.69	13,179.66
(iii) Other financial liabilities	25	466.64	450.88	662.41
(b) Other current liabilities	26	129.10	19.69	24.62
(c) Provisions	27	13.53	15.94	8.59
		<b>39,252.44</b>	<b>39,349.16</b>	<b>29,444.33</b>
<b>TOTAL</b>		<b>51,333.52</b>	<b>50,153.58</b>	<b>62,439.01</b>

Significant accounting policies 1  
Other notes to financials statements 34  
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

Place: Mumbai  
Date: 02 May, 2017

**For and on behalf of the board of directors of  
L&T Financial Consultants Limited**

**Raju Dodti**  
Director  
(DIN-06550896)

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

**Sunil Prabhune**  
Director  
(DIN-07517824)

**Kailash Purohit**  
Company Secretary

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

(₹ In Lakh)

Particulars	Notes	Year ended 31st March 17	Year ended 31st March 16
<b>I. INCOME:</b>			
Revenue from operations	28	4,548.64	1,198.12
Other income	29	806.12	465.07
<b>Total Income</b>		<b>5,354.76</b>	<b>1,663.19</b>
<b>II. EXPENSES:</b>			
Employee benefits expense	30	362.04	55.44
Finance costs	31	4,075.31	3,214.20
Depreciation and amortization expense	2,3,4	756.19	239.73
Other expenses	32	427.34	411.68
Provisions and contingencies	33	550.44	-
<b>Total Expenses</b>		<b>6,171.32</b>	<b>3,921.05</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(816.56)</b>	<b>(2,257.85)</b>
<b>Exceptional Items</b>		-	-
<b>Profit/(loss) before tax</b>		<b>(816.56)</b>	<b>(2,257.85)</b>
<b>Less:</b>			
<b>Tax expense:</b>			
Deferred tax		(1,234.57)	226.96
MAT Credit Entitlement		(1,249.00)	-
		<b>(2,483.57)</b>	<b>226.96</b>
<b>Profit/(Loss) for the period/ year from Continuing operations</b>		<b>1,667.01</b>	<b>(2,484.81)</b>
Profit/(loss) from discontinued operations			
Less: Tax expense of discontinued operations		-	-
<b>Profit/(loss) from Discontinued operations (after tax)</b>		-	-
<b>Profit/(loss) for the period/ year</b>		<b>1,667.01</b>	<b>(2,484.81)</b>
<b>III. Other comprehensive income for the year</b>			
<b>Items that may be reclassified to profit or loss</b>			
Remeasurements of the net defined benefit plans		(1.05)	(6.34)
Income tax relating to these items		-	-
<b>Items that will not be reclassified to profit or loss</b>		-	-
<b>Total comprehensive income for the year</b>		<b>1,665.96</b>	<b>(2,491.15)</b>
<b>Earnings per equity share :</b>			
Basic	34.5	8.89	(13.25)
Diluted	34.5	8.89	(13.25)

Significant accounting policies 1  
Other notes to financials statements 34  
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

Place: Mumbai  
Date: 02 May, 2017

**For and on behalf of the board of directors of  
L&T Financial Consultants Limited**

**Raju Doddi**  
Director  
(DIN-06550896)

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

**Sunil Prabhune**  
Director  
(DIN-07517824)

**Kailash Purohit**  
Company Secretary

# Statement of changes in equity for the year ended March 31, 2017

## a. Equity Share Capital

Balance as at 1st April 2015	Change during period	Balance as at 31st March 2016
1,875.00	-	1,875.00
Balance as at 1st April 2016	Change during period	Balance as at 31st March 2017
1,875.00	-	1,875.00

## b. Other Equity

Particulars	Reserves and Surplus				Total
	Debenture Redemption Reserve	Retained Earnings	Other Reserve (arising on the grant of ESOPs)	General Reserve	
<b>Balance at 1 April 2015</b>	1,696.00	7,900.28	0.39	-	9,596.67
Total Comprehensive Income for the year	-	(2,491.15)		-	(2,491.15)
Transferred from surplus in the Statement of Profit and Loss	1,672.37	(1,672.37)	0.08	-	0.08
<b>Balance at 31 March 2016</b>	<b>3,368.37</b>	<b>3,736.76</b>	<b>0.47</b>	<b>-</b>	<b>7,105.60</b>

Particulars	Reserves and Surplus				Total
	Debenture Redemption Reserve	Retained Earnings	Other Reserve (arising on the grant of ESOPs)	General Reserve	
<b>Balance at 1 April 2016</b>	3,368.37	3,736.76	0.47		7,105.60
Total Comprehensive Income for the year		1,665.96			1,665.96
Transfer from Debenture Redemption Reserve	(3,368.37)			3,368.37	-
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>5,402.72</b>	<b>0.47</b>	<b>3,368.37</b>	<b>8,771.56</b>

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  
Place: Mumbai  
Date: 02 May, 2017

**For and on behalf of the board of directors of  
L&T Financial Consultants Limited**

**Raju Dodti**  
Director  
(DIN-06550896)  
  
**Romesh S.A. Sankhe**  
Head Accounts

**Sunil Prabhune**  
Director  
(DIN-07517824)  
  
**Kailash Purohit**  
Company Secretary

# Cash Flow Statement for the year ended March 31, 2017

(₹ In Lakh)

	2016-17	2015-16
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax as per statement of profit and loss	(816.56)	(2,257.85)
<b>Adjustment for:</b>		
Provision for employee benefits	14.65	11.09
Depreciation	756.19	239.73
Profit on sale of current investment	(16.39)	(49.63)
Profit on sale of Fixed Assets	(156.94)	-
Interest/Dividend income on ICD/FD/ Investment	(627.72)	(415.41)
Lease rental income on amortisation of security deposit	(124.03)	(111.23)
Expense on fair valuation of ESOP	-	0.08
Interest expenses	4,067.25	3,206.12
Provisions and contingencies	550.44	
<b>Operating profit before working capital changes</b>	<b>3,646.89</b>	<b>622.89</b>
<b>Changes in working capital</b>		
(Increase)/ Decrease in Financial Assets-Loans	73.07	301.31
(Increase)/ Decrease in Trade Receivables	1.87	12.55
(Increase)/ decrease in other financial assets and other current assets	(255.01)	113.17
Increase/ (decrease) in current and non current liabilities and financial liabilities and provisions	29.29	(132.45)
<b>Cash generated from operations</b>	<b>3,496.11</b>	<b>917.47</b>
Direct taxes paid	(587.48)	(189.43)
<b>Net cash generated from operating activities (A)</b>	<b>2,908.63</b>	<b>728.04</b>
<b>B. Cash flows from investing activities</b>		
<b>Add : Inflows from investing activities</b>		
Sale/ Redemption of current investments	1,500.00	15,777.90
Inter corporate deposits recovered	385.27	2,898.95
Interest received from investing activities	627.72	415.41
Sale of Investment Properties	500.00	-
	3,012.99	19,092.26
<b>Less : Outflow for investing activities</b>		
Inter corporate Deposit given	767.29	3,861.38
Purchase of property, plant and equipment and Investment properties	646.89	3,229.14
	1,414.18	7,090.52
<b>Net cash from generated from investing activities (B)</b>	<b>1,598.81</b>	<b>12,001.73</b>

# Cash Flow Statement for the year ended March 31, 2017

(₹ In Lakh)

	2016-17	2015-16
<b>C. Cash flows from financing activities</b>		
<b>Add : Inflows from financing activities</b>		
Proceeds from long term borrowings	-	290.00
Proceeds from short term borrowings (net)	19,598.65	3,804.19
	19,598.65	4,094.19
<b>Less : Outflows for financing activities</b>		
Interest expenses paid	3,776.29	3,673.25
Repayment of long term borrowings	20,290.00	13,156.58
	24,066.29	16,829.83
<b>Net cash used in financing activities (C)</b>	<b>(4,467.64)</b>	<b>(12,735.64)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>39.80</b>	<b>(5.87)</b>
Cash and cash equivalents as at beginning of the year	44.44	50.31
<b>Cash and cash equivalents as at end of the year</b>	<b>84.24</b>	<b>44.44</b>

## Notes:

1. Cash flow statement has been prepared under indirect method as set out in the Ind AS 7.
2. Cash and cash equivalents represent cash and bank balances.
3. 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**

Membership no. 039920

Place: Mumbai

Date: 02 May, 2017

**For and on behalf of the board of directors of  
L&T Financial Consultants Limited**

**Raju Dodti**

Director  
(DIN-06550896)

**Romesh S.A. Sankhe**

Head Accounts

**Sunil Prabhune**

Director  
(DIN-07517824)

**Kailash Purohit**

Company Secretary

# Notes to the Financial Statements for the year ended March 31, 2017

## 1. Significant accounting policies

### A. Basis of preparation of financial statements

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 read with Section 133 of the Companies Act, 2013 with effect from 1st April 2016. Previous period numbers in the financial statements have been restated to Ind AS.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 34.12 for an explanation of how the transition from previous GAAP to Ind AS has affected the financial position, financial performance and cash flows. The Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 31st March 2016 and 1st April 2015 and of the comprehensive net income for the year ended 31st March 2016.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in 'Indian Rupees' (INR), which is Company's functional and presentation currency and the same has been rounded off to the nearest lakhs.

### B. Financial Instruments

#### (a) Financial Assets:

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are added to the fair value measured on initial recognition of financial assets.

Financial assets are subsequently measured either at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) based on assessment of its business model test and contractual cash flows characteristics.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The gains/ losses on sale of investments are recognised in the statement of profit and

loss on the trade day. Profit or loss on sale of investments is determined on weighted average cost basis.

#### (b) Financial Liabilities:

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost.

### C. 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.

### D. 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..
- Dividend is accounted when the right to its receipt is established.
- Rental income is recognised on accrual basis.

### E. Property, plant and equipment and intangible assets

Property, plant and equipment 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.



# Notes to the Financial Statements for the year ended March 31, 2017

Property, plant and equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work in Progress".

## **Transition to Ind AS**

On Transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment recognised at 1st April, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

## **F. Investment Properties**

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the straight line method over their estimated useful lives.

## **Transition to Ind AS**

On transition to Ind AS, the group has elected to continue with carrying value of all its investment properties recognised at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

## **G. 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 provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. 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 it is probable 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.

## **H. Provisions and Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. 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.

## **I. 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.

# Notes to the Financial Statements for the year ended March 31, 2017

## J. Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## K. 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. 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.

## L. 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.

## M. Earnings per share

Basic and diluted earnings per share are computed in accordance with Ind AS 33 – 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.

## N. 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

# Notes to the Financial Statements for the year ended March 31, 2017

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 recognized in the period in which they incur directly in the other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

## **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.

## **O. Impairment of Assets**

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

## **P. 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.

## **Q. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest rate method.

## **R. 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.

## **S. 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.

## **T. 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, 2017

(₹ In Lakh)

2	Particulars	Cost/Valuation			Depreciation			Book Value		
		Deemed Cost as at 1st April, 2015	Additions	Deduct-ions	As at 31st March 2016	Revised Opening as at 1st April, 2015	For the year	Deduct-ions 31-March-16	As at 31st March 2016	As at 31st March 2015
	Office equipments	60.30	490.25	-	550.55	-	51.69	-	51.69	498.86
	Computers	1.75	17.63	-	19.38	-	6.08	-	6.08	13.30
	Furniture and Fixtures	40.48	507.85	-	548.33	-	12.49	-	12.49	535.84
	Electrical & Installation	-	2,711.11	-	2,711.11	-	42.94	-	42.94	2,668.17
	<b>Total</b>	<b>102.53</b>	<b>3,726.84</b>	<b>-</b>	<b>3,829.37</b>	<b>-</b>	<b>113.20</b>	<b>-</b>	<b>113.20</b>	<b>3,716.17</b>

(₹ In Lakh)

2	Particulars	Cost/Valuation			Depreciation			Book Value		
		Deemed Cost as at 1st April, 2016	Additions	Deduct-ions	As at 31st March 2017	Revised Opening as at 1st April, 2016	For the year	Deduct-ions 31-March-17	As at 31st March 2017	As at 31st March 2016
	Office equipments	550.55	16.84	-	567.39	51.69	112.25	-	163.94	403.45
	Computers	19.38	3.26	-	22.64	6.08	7.22	-	13.30	9.34
	Furniture and Fixtures	548.33	-	-	548.33	12.49	52.70	-	65.19	483.14
	Electrical & Installation	2,711.11	-	-	2,711.11	42.94	257.56	-	300.50	2,410.61
	<b>Total (a)</b>	<b>3,829.37</b>	<b>20.10</b>	<b>-</b>	<b>3,849.47</b>	<b>113.20</b>	<b>429.73</b>	<b>-</b>	<b>542.93</b>	<b>3,306.54</b>

## 3 Investment Properties (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16
<b>Gross Carrying Amount</b>		
Opening gross carrying amount/ Deemed cost	38,470.77	38,977.02
Add: Additions	626.80	(506.25)
Less: Classified as Assets held for sale	(2,178.60)	
Less: Sale during the year	(366.37)	
<b>Closing gross carrying amount</b>	<b>36,552.60</b>	<b>38,470.77</b>
<b>Accumulated Depreciation and Impairment</b>		
Opening accumulated depreciation	123.92	
Add: Depreciation and Impairment	323.62	123.92
Less: Classified as Assets held for sale	(124.40)	
Less: Deduction due to sale	(23.31)	-
<b>Closing accumulated depreciation</b>	<b>299.83</b>	<b>123.92</b>
<b>Net Carrying Amount</b>	<b>36,252.77</b>	<b>38,346.85</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## (i) Amount recognised in profit or loss for investment properties

(₹ In Lakh)

	As at 31-March-17	As at 31-March-16
Rental Income	3,711.64	1,198.12
Direct Operating Expenses from property that generated rental income	284.19	358.60
Direct Operating Expenses from property that did not generate rental income	-	-
<b>Profit from investment properties before depreciation</b>	<b>3,427.45</b>	<b>839.52</b>
Depreciation and impairment	323.62	123.92
<b>Profit from investment properties</b>	<b>3,103.83</b>	<b>715.60</b>

## (ii) Contractual obligations

Refer to Note 34.7 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repairs, maintenance or enhancements.

## (iii) Leasing arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly.

Minimum lease payments receivable under non-cancellable operating leases of investment properties are:

Particulars	As at 31-March-17	As at 31-March-16
Within one year	2,265.88	3,104.43
Later than one year but not later than 5 years	2,583.33	7,003.80
Later than 5 years	-	-
	<b>4,849.21</b>	<b>10,108.23</b>

(₹ In Lakh)

4	Particulars	Cost/Valuation				Depreciation			Book Value		
		Deemed Cost as at 1st April, 2015	Additions	Deduct-ions	As at 31st March 2016	Revised Opening as at 1st April, 2015	For the year	Deduct-ions	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
	Computer Sotware	-	8.55	-	8.55	-	2.61	-	2.61	5.94	-
	<b>Total</b>	<b>-</b>	<b>8.55</b>	<b>-</b>	<b>8.55</b>	<b>-</b>	<b>2.61</b>	<b>-</b>	<b>2.61</b>	<b>5.94</b>	<b>-</b>

(₹ In Lakh)

4	Particulars	Cost/Valuation				Depreciation			Book Value		
		Deemed Cost as at 1st April, 2016	Additions	Deduct-ions	As at 31st March 2017	Revised Opening as at 1st April, 2016	For the year	Deduct-ions	As at 31-March-17	As at 31-March-17	As at 31st March 2016
	Computer Sotware	8.55	-	-	8.55	2.61	2.85	-	5.46	3.09	5.94
	<b>Total (a)</b>	<b>8.55</b>	<b>-</b>	<b>-</b>	<b>8.55</b>	<b>2.61</b>	<b>2.85</b>	<b>-</b>	<b>5.46</b>	<b>3.09</b>	<b>5.94</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## 5 Non Current Financial Assets- Investments (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>Investments in Equity Instruments:</b>			
<b>Investments in Subsidiary Companies</b>			
Mudit Cements Private Limited	426.10	426.10	426.10
(21,04,800 Equity Shares of ₹ 10 each fully paid)			
<b>Total</b>	<b>426.10</b>	<b>426.10</b>	<b>426.10</b>

## 6 Non Current Financial Assets- Loans (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Security Deposit			
Secured Considered Good:	19.88	16.86	16.51
Loans and advances to related parties			
Secured Considered Good:	-	-	-
Unsecured Considered Good:	39.80	3,809.26	254.25
<b>Total</b>	<b>59.68</b>	<b>3,826.12</b>	<b>270.76</b>

## 7 Non Current Financial Assets- Others (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Capital Advance	-	-	379.63
<b>Total</b>	<b>-</b>	<b>-</b>	<b>379.63</b>

## 8 Non Current Assets- Current Year Income Tax (net) (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Advance Tax Instalments current year	587.48	156.03	-
MAT Credit Entitlement	1249.00	-	1200.00
	1,836.48	156.03	1,200.00
Less: Provision for current year tax	-	-	-
<b>Total</b>	<b>1,836.48</b>	<b>156.03</b>	<b>1,200.00</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## 9 Other Non Current Assets

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Income Tax prior years			
MAT Credit Entitlement	1200.00	1,200.00	-
Income Tax balance net of provisions	156.03	-	-
Others	-	-	6.61
<b>Total</b>	<b>1,356.03</b>	<b>1,200.00</b>	<b>6.61</b>

## 10 Current Financial Assets- Investments

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>Investment in Non Convertible Debentures</b>			
(Listed but not quoted)			
9.63% Jindal Steel & Power Limited (150 debentures of ₹ 10 lakh each)	-	1,483.61	-
<b>Investment in Mutual Fund</b>			
L&T Short Term Opportunities Fund Direct Plan - Dividend	-	-	10,378.12
L&T Liquid Fund Direct Plan - Daily Dividend	-	-	4,698.09
L&T Arbitrage Opportunities Fund Direct Monthly Dividend	-	-	2,135.67
<b>Total</b>	<b>-</b>	<b>1,483.61</b>	<b>17,211.88</b>

## 11 Current Financial Assets- Trade receivables

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Trade Receivable			
Secured, considered good			
Unsecured, considered good	9.67	11.54	24.09
Doubtful			
<b>Total</b>	<b>9.67</b>	<b>11.54</b>	<b>24.09</b>
Trade Receivable from related parties out of the above	9.67	11.54	24.09
<b>Total</b>	<b>9.67</b>	<b>11.54</b>	<b>24.09</b>

## 12 Current Financial Assets-Cash and cash equivalents

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Balances with banks			
in current accounts	84.24	44.44	50.31
Cash on Hand	-	-	-
<b>Total</b>	<b>84.24</b>	<b>44.44</b>	<b>50.31</b>

Note- There is no cash on hand as on 8th November, 2016. Also, the company has no transaction in cash during the period from 8th November, 2016 to 30th December, 2016.

# Notes to the Financial Statements for the year ended March 31, 2017

## 13 Current Financial Assets- Loans

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Loans and advances to related parties			
Secured Considered Good	-	-	-
Unsecured Considered Good	730.29	131.02	32.30
Doubtful	-	-	-
Less: Allowance for bad and doubtful loans	-	-	-
<b>Total</b>	<b>730.29</b>	<b>131.02</b>	<b>32.30</b>

## 14 Other Financial Assets

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Current maturity of loans and advances to related parties	4,158.33	432.85	3,202.23
Less: Provision on Advances	(500.00)	-	-
	3,658.33	432.85	3,202.23
<b>Total</b>	<b>3,658.33</b>	<b>432.85</b>	<b>3,202.23</b>

## 15 Other current assets

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Others	60.16	61.10	16.78
<b>Total</b>	<b>60.16</b>	<b>61.10</b>	<b>16.78</b>

## 16 Assets classified as held for sale

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Land	81.61	-	-
Building	1922.15	-	-
<b>Total</b>	<b>2,003.76</b>	<b>-</b>	<b>-</b>

Land and Building classified as held for sale was measured at lower of carrying amount and fair value less costs to sell at the time of the reclassification, resulting in write down of ₹ 50.44 lakhs as provision on assets held for sale.



# Notes to the Financial Statements for the year ended March 31, 2017

## 17 Equity share capital

(₹ In Lakh)

Particulars	As at 31-March-17		As at 31-March-16		As at 1-April-15	
	Number	₹ In Lakh	Number	₹ In Lakh	Number	₹ In Lakh
<b>Authorised</b>						
Equity shares of ₹ 10 each	25,000,000	2,500.00	25,000,000	2,500.00	25,000,000	2,500.00
<b>Issued, Subscribed &amp; Paid up shares</b>						
Equity shares of ₹ 10 each	18,750,000	1,875.00	18,750,000	1,875.00	18,750,000	1,875.00
<b>Total Issued, Subscribed &amp; Paid up shares capital</b>	<b>18,750,000</b>	<b>1,875.00</b>	<b>18,750,000</b>	<b>1,875.00</b>	<b>18,750,000</b>	<b>1,875.00</b>

(I) Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting year	As at 31-March-17		As at 31-March-16		As at 1-April-15	
	Number	₹ lakh	Number	₹ lakh	Number	₹ lakh
Shares outstanding at the beginning of the year	18,750,000	1,875.00	18,750,000	1,875.00	18,750,000	1,875.00
Shares issued during the year	-	-	-	-	-	-
<b>Shares 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>	<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) Equity shares in the Company held by the holding company	As at 31-March-17		As at 31-March-16		As at 1-April-15	
	Number	₹ lakh	Number	₹ lakh	Number	₹ lakh
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	18,750,000	1,875.00	18,750,000	1,875.00	18,750,000	1,875.00

(IV) Details of shareholders holding more than 5% shares in the Company	As at 31-March-17		As at 31-March-16		As at 1-April-15	
	Number	% Holding	Number	% Holding	Number	% Holding
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominees.	18,750,000	100%	18,750,000	100%	18,750,000	100%

# Notes to the Financial Statements for the year ended March 31, 2017

## 18 Other Equity

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>(I) Debenture Redemption Reserve</b>			
As per last Balance sheet	3,368.37	1,696.00	-
Add : Transferred from surplus in the Statement of Profit and Loss	-	1,672.37	1,696.00
Less: Transferred to General Reserve	(3,368.37)	-	-
<b>Closing balance</b>	<b>-</b>	<b>3,368.37</b>	<b>1,696.00</b>
<b>(II) Other Reserve (arising on the grant of ESOPs)</b>			
As per last Balance sheet	0.47	0.39	-
Add : Transferred from surplus in the Statement of Profit and Loss	-	0.08	0.39
<b>Closing Balance</b>	<b>0.47</b>	<b>0.47</b>	<b>0.39</b>
<b>(III) General Reserve</b>			
As per last Balance sheet	-	-	-
Add: Transferred from Debenture Redemption Reserve	3,368.37	-	-
<b>Closing balance</b>	<b>3,368.37</b>	<b>-</b>	<b>-</b>
<b>(III) Surplus in the Statement of Profit and Loss</b>			
As per last Balance sheet	3,736.76	7,900.28	(1,927.23)
Add : Profit for the year	1,667.01	(2,484.81)	11,523.51
Add : Other comprehensive income	(1.05)	(6.34)	-
Less: Transferred to Debenture Redemption Reserve	-	1,672.37	1,696.00
<b>Closing balance</b>	<b>5,402.71</b>	<b>3,736.76</b>	<b>7,900.28</b>
<b>Total reserves and surplus</b>	<b>8,771.56</b>	<b>7,105.60</b>	<b>9,596.66</b>

## 19 Non Current Financial Liabilities - Borrowings

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>Secured</b>			
Redeemable non-convertible debentures	-	-	20034.19
<b>Unsecured</b>			
Inter corporate borrowings	-	291.43	5.00
<b>Total (a+b)</b>	<b>-</b>	<b>291.43</b>	<b>20,039.19</b>

## 20 Other financial liabilities

(₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Security deposit	1275.62	1,232.58	1053.04
<b>Total</b>	<b>1,275.62</b>	<b>1,232.58</b>	<b>1,053.04</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## 21 Provisions (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>For employee benefit</b>			
Gratuity	18.77	18.43	10.06
<b>Other</b>			
Tax provisions (net of advance tax)	-	-	32.48
<b>Total</b>	<b>18.77</b>	<b>18.43</b>	<b>42.54</b>

## 22 Other Non Current Liabilities (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Other Non Current Liabilities	140.13	281.38	388.25
<b>Total</b>	<b>140.13</b>	<b>281.38</b>	<b>388.25</b>

## 23 Current Financial Liabilities - Borrowings (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>Unsecured</b>			
Inter corporate borrowings	38,643.17	18,603.96	15569.05
<b>Total (a+b)</b>	<b>38,643.17</b>	<b>18,603.96</b>	<b>15,569.05</b>

## 24 Current Financial Liabilities - Current Maturities of Long term Borrowings (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
<b>Secured</b>			
Current maturities of Redeemable non convertible debenture	-	20,258.69	-
Total (a)	-	20,258.69	-
<b>Unsecured</b>			
Inter corporate borrowings	-	-	13,179.66
Total (b)	-	-	13,179.66
<b>Total</b>	<b>-</b>	<b>20,258.69</b>	<b>13,179.66</b>

## 25 Current Financial Liabilities -Other financial liabilities (₹ In Lakh)

Particulars	As at 31-March-17	As at 31-March-16	As at 1-April-15
Accrued expenses	273.48	114.37	35.76
Payable to related parties	8.51	69.77	479.99
Advance money received	24.48	-	-
Other Liabilities	160.17	266.74	146.66
<b>Total</b>	<b>466.64</b>	<b>450.88</b>	<b>662.41</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## 26 Other Current Liabilities

(₹ In Lakh)

	As at 31-March-17	As at 31-March-16	As at 1-April-15
Statutory dues	129.10	19.69	24.62
<b>Total</b>	<b>129.10</b>	<b>19.69</b>	<b>24.62</b>

## 27 Provision

(₹ In Lakh)

	As at 31-March-17	As at 31-March-16	As at 1-April-15
Provision for employee benefit			
Gratuity	0.26	0.34	0.22
Leave encashment	13.27	15.60	8.37
<b>Total</b>	<b>13.53</b>	<b>15.94</b>	<b>8.59</b>

## 28 Revenue from operations

(₹ In Lakh)

	As at 31-March-17	As at 31-March-16
Lease rental income	3711.64	1,198.12
Arranger Fees	837.00	-
<b>Total</b>	<b>4,548.64</b>	<b>1,198.12</b>

## 29 Other Income

(₹ In Lakh)

	As at 31-March-17	As at 31-March-16
Dividend on investments	-	4.83
Interest on investments	1.18	78.54
Profit on sale of current investments	16.39	49.63
Interest income on inter corporate deposit/ FD	626.54	332.04
Profit on sale of Fixed Assets	156.94	-
Other Income	5.07	0.03
<b>Total</b>	<b>806.12</b>	<b>465.07</b>

## 30 Employee benefits expense

(₹ In Lakh)

	As at 31-March-17	As at 31-March-16
Salaries	320.06	276.22
<u>Contribution to and provision for:</u>		
Provident fund	12.01	10.01
ESIC	-	-
Gratuity	6.36	3.25
Leave encashment	8.29	7.84
	26.66	21.10
Corporate Expenses Charged to group company	-	(263.22)
ESOP charges	-	0.09
Staff welfare	15.32	21.25
<b>Total</b>	<b>362.04</b>	<b>55.44</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## 31 Finance costs (₹ In Lakh)

	As at 31-March-17	As at 31-March-16
Interest on debentures	2041.02	1,624.06
Interest on Inter corporate deposits	1922.32	1,483.85
Interest on Security Deposit	103.91	98.21
Others	8.06	8.08
<b>Total</b>	<b>4,075.31</b>	<b>3,214.20</b>

## 32 Other expenses (₹ In Lakh)

	As at 31-March-17	As at 31-March-16
Professional and legal fees	39.00	25.50
Travelling and conveyance	41.90	2.00
Printing and stationery	0.33	0.62
Electricity charges (net)	42.26	102.43
Insurance	0.78	10.35
Telephone and communication	10.98	2.07
Advertising and publicity	0.06	1.14
Auditors remuneration		
Audit fees	1.50	0.75
Tax Audit Fees	0.50	0.25
Limited review fees	1.55	0.90
Other services	2.12	5.67
		1.28
Rates & taxes	23.33	0.02
Repairs & maintenance (net)	241.93	256.17
Listing and Custodian fees	0.33	0.30
Miscellaneous expenses	20.77	7.90
<b>Total</b>	<b>427.34</b>	<b>411.68</b>

## 33 Provisions and contingencies (₹ In Lakh)

	As at 31-March-17	As at 31-March-16
Provision on loans and advances	500.00	-
Provision on assets held for sale	50.44	-
<b>Total</b>	<b>550.44</b>	<b>-</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## 34.1 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 “Employee Benefits”

i. **Defined contribution plans:** The Company makes provident fund contribution to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. An amount of ₹ 12.01 lakhs, (previous year ₹ 10.01 lakhs) towards contribution to provident fund is recognised as an expense and included in employee benefit expenses in the statement of profit and loss. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

### ii. Defined benefit plans:

The Company offers the gratuity under employee benefit schemes to its employees.

a) The amounts recognised in Balance Sheet are as follows: (₹ In Lakh)

Sr No.	Particulars	Gratuity plan		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Present value of defined benefit obligation			
A)	– Wholly funded	-	-	-
	– Wholly unfunded	19.03	18.77	10.28
		19.03	18.77	10.28
	Less: Fair value of plan assets	-	-	-
	<b>Amount to be recognised as liability or (asset)</b>	<b>19.03</b>	<b>18.77</b>	<b>10.28</b>
B)	Amounts reflected in the Balance Sheet			
	Liabilities	19.03	18.77	10.28
	Assets	-	-	-
	<b>Net liability/(asset)</b>	<b>19.03</b>	<b>18.77</b>	<b>10.28</b>

b) The amounts recognised in Statement of Profit and Loss are as follows: (₹ In Lakh)

Particulars	Gratuity plan	
	FY 2016-17	FY 2015-16
1 Current service cost	4.86	2.44
2 Interest cost	1.50	0.81
3 Expected (Return) on Plan Assets	-	-
4 Interest income on plan assets	-	-
5 Actuarial losses/(gains)	-	-
6 Actuarial losses/(gains)- diff between actual return on plan assets and interest income	-	-
7 Actuarial losses/ (gains)-others	1.05	6.34
8 Past service cost	-	-
9 Effect of any curtailment or settlement	-	-
10 Actuarial gain/(loss) not recognised in books	-	-
11 Adjustment for earlier years	-	-
12 Effect of the limit in para 64(b)	-	-
13 Business Combination	-	-
14 Translation adjustments	-	-
15 Amount capitalized out of the above	-	-
<b>Total</b>	<b>7.41</b>	<b>9.59</b>

# Notes to the Financial Statements for the year ended March 31, 2017

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

(₹ In Lakh)

Particulars	Gratuity plan	
	As at 31.03.2017	As at 31.03.2016
Opening balance of the present value of defined benefit obligation	18.77	10.28
Add: Current service cost	4.86	2.44
Add: Interest cost	1.50	0.81
Add: Contribution by plan participants		
i) Employer	-	-
ii) Employee	-	-
iii) Transfer-in/(out)	-	-
Add/(less): Actuarial losses/(gains)	1.05	6.34
Less: Benefits paid	(9.10)	(1.26)
Add: Past service cost	-	-
Add: Liabilities assumed on transfer of employees	1.95	0.16
Add: Business combination/acquisition	-	-
Add: Adjustment for earlier years	-	-
Add/(less): Translation adjustments	-	-
<b>Closing balance of the present value of defined benefit obligation</b>	<b>19.03</b>	<b>18.77</b>

(₹ In Lakh)

- d) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

Gratuity Plan	As at 31.03.2017	As at 31.03.2016
Discount rate (p.a.)	7.50%	8.05%
Salary Growth rate (p.a.)	8.00%	8.00%

The discount rate as on 31st March 2017 is based on the prevailing market yields of Indian government securities as at 31 March 2017 for the estimated term of the obligations. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

A one percentage point change in actuarial assumptions would have the following effects on the defined benefit obligation of gratuity plan:

(₹ In Lakh)

Particulars	Effect of 1% increase		Effect of 1% decrease	
	2016-17	2015-16	2016-17	2015-16
Impact of change in salary growth rate	3.14	3.18	2.88	2.92
Impact of change in discount rate	(2.88)	(2.92)	(3.17)	(3.21)

- e) The average duration of the defined benefit plan obligations at the end of the reporting period is as follows:

Particulars	As at 31.03.2017	As at 31.03.2016
Gratuity plan	17 years	13.65 years

# Notes to the Financial Statements for the year ended March 31, 2017

## 34.2. Borrowing Cost :

Borrowing costs capitalized during the year is Nil. (previous year : ₹ 462.02 lakh).

## 34.3. Segment Reporting :

The company has a single reportable segment which has similar risk and return for the purpose of AS 17 on "segment reporting". The company operates in a single geographical segment i.e. domestic.

## 34.4. Related party disclosures: Accounting Standard - 24

### (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 (Erstwhile Family Credit Limited)
- L&T Infrastructure Finance Company Limited
- L&T Housing Finance Limited
- L&T Investment Management Limited
- L&T Capital Markets Limited
- L&T Infra Debt Fund Limited
- L&T General Insurance Company Limited (till September 8, 2016)

#### Key Managerial Personnel

- Mr. Pradeep Shintre – Manager (Upto February 26, 2016)
- Mr. Suresh Darak- Manager (From October 25, 2016)

### (b) Related Party Transaction:

(Exclusive of service tax)

Sr. No.	Nature of Transactions	2016-17 ₹ in lakh	2015-16 ₹ in lakh
1	<b>Inter Corporate Borrowings taken from</b>		
	- L&T Finance Holdings Limited	38,179.82	19,146.17
2	<b>NCD repaid:</b>		
	- L&T Finance Holdings Limited	500.00	-
3	<b>Inter Corporate Deposit given to</b>		
	- Mudit Cement Private Limited	767.29	3,861.38
4	<b>Inter Corporate Borrowings repaid</b>		
	- L&T Finance Holdings Limited	18,871.17	28,208.55
5	<b>Inter Corporate Deposit repaid by</b>		
	- Mudit Cement Private Limited	385.27	2,898.95
6	<b>Interest Expended on NCD</b>		
	- L&T Finance Holdings Limited	50.86	52.00



# Notes to the Financial Statements for the year ended March 31, 2017

Sr. No.	Nature of Transactions	2016-17 ₹ in lakh	2015-16 ₹ in lakh
7	<b>Interest expended on Inter Corporate Borrowings</b>		
	- L&T Finance Holdings Limited	1,922.32	1,483.85
8	<b>Lease Rental Income</b>		
	- L&T Finance Limited (Erstwhile Family Credit Limited)	1,514.62	245.79
	- L&T Infrastructure Finance Company Limited	982.62	126.74
	- L&T Housing Finance Limited	214.87	31.46
	- Larsen & Toubro Limited	12.05	13.77
	- L&T Investment Management Limited	744.31	602.58
	- L&T Capital Markets Limited	22.12	14.21
	- L&T Infra Debt Fund Limited	4.82	4.82
	- L&T General Insurance Company Limited	-	47.53
	- L&T Finance Holdings Limited	63.54	-
9	<b>Interest Income on ICD given to</b>		
	- Mudit Cement Private Limited	414.66	332.04
10	<b>Professional Fees paid to</b>		
	- Larsen & Toubro Limited	2.10	1.74
11	<b>ESOP charges debited by</b>		
	- L&T Finance Holdings Limited	-	0.01
12	<b>Construction charges debited by</b>		
	- Larsen & Toubro Limited	532.38	195.00
13	<b>Corporate support charges recovered</b>		
	- L&T Finance Limited	-	263.22
14	<b>Security Deposit taken from</b>		
	- L&T Investment Management Limited	-	81.33
15	<b>Security Deposit repaid to</b>		
	- L&T Finance Limited (Erstwhile Family Credit Limited)	22.69	-
	- L&T General Insurance Company Limited	21.90	-
	- L&T Housing Finance Limited	9.72	-
	- Larsen & Toubro Limited	6.56	-
16	<b>Expenses recovered from</b>		
	- L&T Investment Management Limited	117.85	81.64
	- L&T Finance Limited (Erstwhile Family Credit Limited)	255.36	59.68
	- L&T General Insurance Company Limited	11.74	31.44
	- L&T Housing Finance Limited	47.65	15.38
	- L&T Infrastructure Finance Company Limited	120.82	10.64
	- L&T Capital Markets Limited	6.23	7.07
	- Larsen & Toubro Limited	-	0.21
	- L&T Finance Holdings Limited	11.76	-

# Notes to the Financial Statements for the year ended March 31, 2017

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

Sr. No.	Nature of Transactions	As at March 31, 2017 ₹ in lakh	As at March 31, 2016 ₹ in lakh	As at April 1, 2015 ₹ in lakh
1	<b>Account payable to</b>			
	- Larsen & Toubro Limited	3.46	69.35	67.62
	- L&T Finance Holdings Limited	-	0.42	412.36
	- L&T Finance Limited (Erstwhile Family Credit Limited)	-	-	0.20
2	<b>Outstanding balance of ICB</b>			
	- L&T Finance Holdings Limited	38,179.82	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	463.36	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	4,497.66	4,115.63	3,153.20
7	<b>Interest accrued but not due on ICD</b>			
	- Mudit Cement Private Limited	430.76	114.62	298.52
8	<b>Outstanding Security Deposit taken from</b>			
	- L&T Infrastructure Finance Company Limited	721.18	721.18	721.18
	- L&T Finance Limited (erstwhile Family Credit Limited)	381.43	404.12	404.12
	- L&T Investment Management Limited	352.64	352.64	271.31
	- L&T Finance Holdings Limited	30.63	30.63	30.63
	- L&T General Insurance Company Limited	-	21.90	21.90
	- L&T Housing Finance Limited	2.51	12.23	12.23
	- L&T Capital Markets Limited	6.60	6.60	6.60
	- Larsen & Toubro Limited	-	6.56	6.56
	- L&T Infra Debt Fund Limited	2.41	2.41	2.41
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 Capital Markets Limited	0.39	-	-
	- L&T General Insurance Company Limited	4.22	0.89	1.98
	- L&T Finance Limited (erstwhile Family Credit Limited)	-	0.36	-
10	<b>Equity Investment</b>			
	- Mudit Cement Private Limited	426.10	426.10	426.10

# Notes to the Financial Statements for the year ended March 31, 2017

## 34.5. Earnings Per Share: Ind AS 33

Particulars	2016-17	2015-16
<b>Basic &amp; Diluted</b>		
Profit / (Loss) after tax as per statement of profit and loss (₹ lakh) (i)	1,667.01	(2,484.81)
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>8.89</b>	<b>(13.25)</b>

**34.6.** 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.

**34.7.** Contingent Liabilities and commitment : Ind AS 37

- There are no contingent liabilities as on March 31<sup>st</sup> 2017 (March 31<sup>st</sup> 2016: Nil, April 1<sup>st</sup> 2015: Nil).
- The Company has outstanding capital commitments amounting of ₹ Nil. (March 31<sup>st</sup> 2016: ₹ 155.72, April 1<sup>st</sup> 2015: ₹ 2,984.60).

**34.8.** The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March, 2017. 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.

## 34.9 Disclosure pursuant to Ind AS 12 "Income Taxes"

**The major components of tax expense for the year ended March 31, 2017 and March 31, 2016**

(₹ In Lakh)

Sr No.	Particulars	2016-17	2015-16
(a)	<u>i) Profit and Loss section</u>		
	Current Income tax :		
	Current income tax charge	-	-
	Deferred Tax:		
	Relating to origination and reversal of temporary difference	536.11	307.30
	MAT credit recognised	(1,249.00)	-
	Effect of previously recognised tax losses and tax offsets used during the current year to reduce deferred tax expense	(1,770.68)	(80.34)
	<b>Income tax expense / (income) reported in the statement of profit or loss</b>	<b>(2,483.57)</b>	<b>226.96</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2017 and March 31, 2016**

Sr No.	Particulars	2016-17	2015-16
1	Profit before tax	(816.56)	(2257.85)
2	Applicable Corporate tax rate as per Income tax Act, 1961	30.90%	30.90%
3	PBT*Tax rate of 30.9%	(252.32)	(697.68)
4 (a)	<u>Items of expense not deductible for tax purposes:</u>		
	Effect of previously recognised tax losses and tax offsets used during the current year to reduce deferred tax expense	(1,770.68)	(80.34)
	Tax Effect of losses of current year on which no deferred tax benefit is recognised	625.20	1,032.77
	Other items	163.21	(27.79)
	MAT Credit	(1,249.00)	-
<b>5</b>	<b>Effective tax Rate</b>	<b>304.15%</b>	<b>-10.05%</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## Items for which no deferred tax asset is recognised in the balance sheet

(₹ In Lakh)

Sr No.	Particulars	As at 31.03.2017			As at 31.03.2016			As at 1.4.2015		
		Base Amount	Deferred Tax	Year of loss/ MAT credit	Base Amount	Deferred Tax	Year of loss/ MAT credit	Base Amount	Deferred Tax	Year of loss/ MAT credit
	<b>Tax losses (revenue in nature) (business loss on which no tax asset is created)</b>									
	<u>Year of expiry:</u>									
	AY 21-22	-	-	AY 13-14	-	-	AY 13-14	-	-	AY 13-14
	AY 22-23	-	-	AY 14-15	-	-	AY 14-15	-	-	AY 14-15
	AY 23-24	-	-	AY 15-16	2,388.03	737.90	AY 15-16	2,648.04	818.24	AY 15-16
	AY 24-25	-	-	AY 16-17	3,342.31	1,032.77	AY 16-17	-	-	AY 16-17
	AY 25-26	2,023.31	625.20	AY 17-18	-	-	-	-	-	-
<b>Total</b>		<b>2023.31</b>	<b>625.20</b>		<b>5,730.34</b>	<b>1,770.68</b>		<b>2,648.04</b>	<b>818.24</b>	

## Components of Deferred Tax Assets and Liabilities recognised in the Balance Sheet and Statement of Profit & Loss

(₹ In Lakh)

Sr No.	Particulars	Balance Sheet			Statement of Profit & Loss	
		31.03.17	31.03.16	01.04.15	2016-17	2015-16
(a)	Fair valuation gain on investments (FVTPL)	-	-	-	-	-
(b)	Difference in Book and Income tax depreciation	1,198.80	662.42	312.11	536.38	350.31
(c)	Carried forward business loss	(2,730.59)	(959.91)	(879.57)	(1,770.68)	(80.34)
(d)	MAT credit receivable	(2,449.00)	(1,200.00)	(1,200.00)	(1,249.00)	-
(e)	Other items	(14.59)	(14.32)	28.69	(0.27)	(43.01)
	<b>Deferred tax expense/ (income)</b>				<b>(2483.57)</b>	<b>226.96</b>
	<b>Net deferred tax (assets) / liabilities</b>	<b>(3,995.38)</b>	<b>(1,511.81)</b>	<b>(1,738.77)</b>		

## Reconciliation of deferred tax (assets) / liabilities

(₹ In Lakh)

Sr No.	Particulars	2016-17	2015-16
(a)	Opening Balance of Deferred tax (assets)/ liabilities on April 1	(1,511.81)	(1,738.77)
(b)	Tax (income) / expense during the period recognised in statement of Profit and Loss in Profit & Loss section	(2483.57)	226.96
(c)	Tax (income) / expense during the period recognised in statement of Profit and Loss under OCI section	-	-
	<b>Closing balance of Deferred tax (assets)/ liabilities as on 31st March</b>	<b>(3,995.38)</b>	<b>(1,511.81)</b>

# Notes to the Financial Statements for the year ended March 31, 2017

## 34.10 Details of Useful life, restrictions and hypothecation of Property Plant and Equipment, Investment property, and Intangible Assets

(₹ In Lakh)

Sr No.	Particulars	As at 31.03.2017			As at 31.03.2016			As at 1.4.2015		
		Restriction on title-Yes	Restriction on title-No	Pledged/Hypothecated	Restriction on title-Yes	Restriction on title-No	Pledged/Hypothecated	Restriction on title-Yes	Restriction on title-No	Pledged/Hypothecated
1	Office Equipments		567.39			550.55			60.30	
2	Computers		22.64			19.38			1.75	
3	Furniture and Fixtures		548.33			548.33			40.48	
4	Electrical & Installation		2,711.11			2,711.11			-	
5	Computer Software		8.55			8.55			-	
6	Investment Property		36,552.60			38,470.77			38,977.02	

## 34.11 Disclosure pursuant to Ind AS 107 "Financial Instruments"

### Fair value measurement

(₹ In Lakh)

Financial instruments by category	March 31, 2017			March 31, 2016			April 1, 2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Trade receivables (incl. related party)	-	-	9.67	-	-	11.54	-	-	24.09
Cash and cash equivalents	-	-	84.24	-	-	44.44	-	-	50.31
Investments	-	-	426.10	1,483.61	-	426.10	17,211.88	-	426.10
Loans to related parties			4,448.30			4,389.99			3,505.29
Others									379.63
<b>Total financial assets</b>	-	-	4,968.31	1,483.61	-	4,872.07	17,211.88	-	4,385.42
<b>Financial liabilities</b>									
Long Term Borrowings			-			291.43			20,039.19
Current maturity of long term borrowings			-			20,258.69			13,179.66
Short Term Borrowings	-	-	38,643.17	-	-	18,603.96	-	-	15,569.05
Security Deposit			1,275.62			1,232.58			1,053.04
Other Financial Liabilities	-	-	466.64	-	-	450.88	-	-	662.41
<b>Total financial liabilities</b>	-	-	40,385.43	-	-	40,837.54	-	-	50,503.35

### Items of Income, expense, gains or losses

(₹ In Lakh)

Particulars	FY 16-17	FY 15-16
<u>Net gain/ (losses) on financial assets and financial liabilities</u>		
Dividend Income from Investment measured at FVTPL (Mutual Funds)	-	4.83
Gain / (loss) on fair valuation or sale of investment in mutual funds/ equity	16.39	49.63
<u>Interest Revenue</u>		
Financial assets that are measured at amortised cost	626.54	332.07
<u>Interest Expenses</u>		
Financial liabilities that are not measured at fair value through P&L	4,075.31	3,214.20

# Notes to the Financial Statements for the year ended March 31, 2017

Maturity profile of financial liabilities (Amount at undiscounted value)

(₹ In Lakh)

Financial instruments by category	March 31, 2017			March 31, 2016			April 1, 2015		
	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
Long Term borrowings	-	-	-	321.12	-	321.12	24,113.36	-	24,113.36
Non current financial liability		1,275.62	1,275.62		1,232.58	1,232.58	-	1,053.04	1,053.04
Short Term Borrowings	42,464.98	-	42,464.98	20,499.71	-	20,499.71	17,164.88	-	17,164.88
Current maturity of long term borrowings	-	-	-	22,323.06	-	22,323.06	13,179.66	-	13,179.66
Accrued expenses	273.48	-	273.48	114.37	-	114.37	35.76	-	35.76
Payable to related parties	8.51	-	8.51	69.77	-	69.77	479.99	-	479.99
Advance money received	24.48	-	24.48	-	-	-	-	-	-
Other Liabilities	160.17	-	160.17	266.74	-	266.74	146.66	-	146.66

## (i) Fair value hierarchy

This section explains the estimates and judgements made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ In Lakh)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total	Remarks
Financial assets						
Financial assets at Amortised Cost:						
Loans and advances to related parties						
At March 31, 2017		-	4,428.42	-	4,428.42	Carrying cost approximates FV
At March 31, 2016		-	4,373.13	-	4,373.13	Carrying cost approximates FV
At April 1, 2015		-	3,488.78	-	3,488.78	Carrying cost approximates FV
Financial assets at fair value						
Investments						
Investment in Non Convertible Debentures						
At March 31, 2017		-	-	-	-	
At March 31, 2016		-	-	1,483.61	1,483.61	Carrying cost approximates FV
At April 1, 2015		-	-	-	-	
Investment in Mutual Fund						
At March 31, 2017		-	-	-	-	
At March 31, 2016		-	-	-	-	
At April 1, 2015		17,211.88	-	-	17,211.88	At NAV
Financial Liabilities						
Financial liabilities at Amortised Cost:						
Redeemable non convertible debenture						
At March 31, 2017		-	-	-	-	
At March 31, 2016		-	20,258.69	-	20,258.69	Carrying cost approximates FV
At April 1, 2015		-	20,034.19	-	20,034.19	Carrying cost approximates FV
Inter corporate borrowings						
At March 31, 2017		-	38,643.17	-	38,643.17	Carrying cost approximates FV
At March 31, 2016		-	18,895.39	-	18,895.39	Carrying cost approximates FV
At April 1, 2015		-	28,753.71	-	28,753.71	Carrying cost approximates FV

# Notes to the Financial Statements for the year ended March 31, 2017

Level 1 hierarchy- It includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.. This includes mutual funds which are valued using the closing NAV.

Level 2 hierarchy- It includes financial instruments measured using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 hierarchy- It includes financial instruments measured using valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There are no transfers between levels 1 and levels 2 and levels 3 during the year.

## (ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, other current liabilities and cash and cash equivalents are considered to be the same as their fair values, due to short-term nature.

## (iii) Interest rate risk (₹ In Lakh)

Particulars	31.03.17	31.03.16	01.04.15
<b>Interest Rate Risk:</b>			
Borrowings at fixed interest rates	38,643.17	39,154.09	48,787.91

## (iv) Carrying amount of collateral given (₹ In Lakh)

Particulars	31.03.17	31.03.16	01.04.15
Investment Property	349.40	349.40	349.40

**34.12** Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), the details of the stock options granted to the employees of the Company are as under:

(₹ In Lakh)

Company	Status	2016-17	2015-16
L&T Finance Holdings Limited	Holding Company	-	0.01

## 34.13 Ind AS mandatory exceptions:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as of April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The group made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:-

Investment in Mutual Fund carried at FVPL.

## 34.14 Explanation Of Transition To Ind AS

The transition as at April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below:

### Reconciliations between Previous GAAP and Ind AS

#### (i) Equity reconciliations (₹ In Lakh)

Particulars	As at 31st March 2016	As at 1st April 2015
As reported under previous GAAP	9,034.01	11,464.10
Remeasurement of Security Deposits	(57.99)	(71.01)
Amortised cost of borrowings at EIR (net of tax)	4.58	8.78
Valuation of Investments (net of tax)	-	69.80
<b>Equity under Ind AS</b>	<b>8,980.60</b>	<b>11,471.66</b>

# Notes to the Financial Statements for the year ended March 31, 2017

(ii) Net income reconciliations (₹ In Lakh)

Particulars	Notes	Year ended 31st March 2016
Net income under previous GAAP		(2,430.09)
Remeasurement of Security Deposits	a	13.02
Amortised cost of borrowings at EIR	b	(4.21)
Fair valuation of ESOP	c	(0.08)
Valuation of Investments	d	(69.80)
<b>Net income under Ind AS</b>		<b>(2,491.15)</b>

## Note to reconciliations between Previous GAAP and Ind AS

- (a) Security deposits received, being financial liabilities are remeasured at amortised cost. Consequently, the rental income for year ended 31st March 2016, has increased by ₹ 111.23 lakhs and finance cost has increased by ₹ 98.21, the net effect on profit for year ended 31st March 2016, is increase by ₹ 13.02 lakhs
- (b) Borrowings have been recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost. Consequently, the profit for the year ended 31st March 2016 increased by ₹ 4.21 lakhs (net of deferred tax).
- (c) Under previous GAAP, cost of equity settled employee share-based plan were recognised using intrinsic value method. Under IND AS, the cost of equity settled employee share based plan is recognised based on fair value of the options as at the grant date. Consequently, the profit for the year ended 31st March 2016 decreased by ₹ 0.08 lakhs.
- (d) Investments in mutual funds have been measured at Fair Value through profit or loss as on 31st March 2015, resulting in gain of ₹ 69.80 lakhs (net of deferred tax). In F.Y. 2015-16, the investments have been sold and hence, the gain recognised as on 31st March 2015 has been reversed, resulting in decrease in profit for year ended 31st March 2016 by ₹ 69.80 lakhs (net of deferred tax).

**34.15** 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

Place: Mumbai

Date: 02 May, 2017

**For and on behalf of the board of directors of  
L&T Financial Consultants Limited**

**Raju Dodti**

Director

(DIN-06550896)

**Romesh S.A. Sankhe**

Head Accounts

**Sunil Prabhune**

Director

(DIN-07517824)

**Kailash Purohit**

Company Secretary