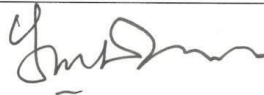




Form A

1.	Name of the Company	L&T Finance Holdings Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	-
5.	To be signed by:	
	Mr. Y. M. Deosthalee Chairman & Managing Director	
	Ms. Upma Goel Deputy Finance Controller	
	Mr. Firdosh D. Buchia Partner, M/s. Sharp & Tannan, Statutory Auditors	
	Mr. S. V. Haribhakti Chairman - Audit Committee	Currently out of India.

L&T Finance Holdings Ltd

City 2, Plot No 177, Vidyanagari Marg
CST Road, Kalina, Santacruz (E)
Mumbai 400 098, India

Registered Office

L&T House, NM Marg
Ballard Estate, Mumbai 400 001, India
CIN: L67120MH2008PLC181833

T +91 22 6621 7300/400

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E igrc@ltfinanceholdings.com www.ltfinanceholdings.com

L&T Finance Holdings Limited

Regd. Office: L&T House, N.M. Marg, Ballard Estate, Mumbai - 400 001 CIN: L67120MH2008PLC181833 E-mail: igrc@ltfinanceholdings.com.
website: www.ltfinanceholdings.com Phone: +91 22 6621 7300 Fax: +91 22 6621 7509

Notice of the Seventh Annual General Meeting

Notice is hereby given that the **Seventh Annual General Meeting ("AGM")** of the Members of **L&T Finance Holdings Limited** will be held on Tuesday, September 8, 2015 at 3.00 p.m. at RAMA & SUNDRI WATUMULL AUDITORIUM, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400020, to transact the following :

Ordinary Business:

1. To consider and adopt the audited standalone financial statements together with the reports of the Board of Directors and the Auditors thereon and the audited consolidated financial statements for the financial year ended March 31, 2015.
2. To declare a dividend on Equity Shares.
3. To appoint a director in place of Mr. N. Sivaraman (DIN: 00001747), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s. Sharp & Tannan, Chartered Accountants (ICAI Registration No. 109982W), Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business:

5. To consider and, if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Thomas Mathew T. (DIN: 00130282), who was appointed as an Additional Director of the Company with effect from July 23, 2015 and whose term of office as per Section 161 of the Act, expires at this Annual General Meeting and who has offered himself for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to June 30, 2020."

6. To consider and, if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue & Listing of Debt Securities)

Regulations, 2008, the Rules, Regulations, Guidelines and Circulars, as amended from time to time, the Memorandum and Articles of Association of the Company, the Listing Agreement(s) entered into by the Company with the Stock Exchanges where the securities of the Company are listed, any other applicable laws for the time being in force and subject to such other approvals as may be required from regulatory authorities from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) to offer, issue and allot, in one or more series/tranches Secured or Unsecured Non-Convertible Debentures/Bonds, on private placement basis for an amount not exceeding ₹ 20,000,000,000/- (Rupees Two Thousand Crore only) on such terms and conditions and at such times at par or at such premium or such discount, as may be decided by the Board to such person or persons, including one or more companies, bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or to such other person/ persons as the Board may from time to time determine and consider proper and most beneficial to the Company including the utilization of issue proceeds and all matters connected with or incidental thereto, however that the aggregate amount of funds to be raised by issue of Non-Convertible Debentures/Bonds shall not exceed ₹ 20,000,000,000/- (Rupees Two Thousand Crore only).

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

7. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 23, 40, 42, 55, 62, and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, the Rules, Regulations, Guidelines and Circulars, as amended from time to time, the Memorandum and Articles of Association of the Company, the Listing Agreement(s) entered into by the Company with the Stock Exchanges where the securities of the Company are listed, any other applicable laws for the time being in force and subject to such other approvals as

may be required from regulatory authorities from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) to create, offer, issue and allot, in one or more tranches 150,000,000 Cumulative Compulsorily Redeemable Non-Convertible Preference Shares (hereinafter referred to as "Preference Shares") of the face value of ₹ 100/- each for cash at par or at a premium aggregating to a nominal value of ₹ 15,000,000,000/- (Rupees One Thousand Five Hundred Crore only) either to various persons through Public Offer or on private placement basis, in one or more tranches to various institutions/entities viz. company(ies)/bodies corporate/ persons including Promoters / Promoter Group & Associates, whether or not they are Member(s) of the Company on such terms and conditions as may be decided by the Board and subject to the following rights:

- The Preference Shares shall carry a fixed cumulative preference dividend to be determined by the Board at the time of issue of the Preference Shares, on the capital for the time being paid-up thereon and shall be redeemable not later than the date determined by the Board at the time of issue or such other date as may be determined by the Board but not later than a period exceeding 7 (Seven) years.
- The said Preference Shares rank for dividend in priority to the equity shares for the time being of the Company.
- The said Preference Shares in winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets.
- The voting rights of the persons holding the said Preference Shares be in accordance with the provisions of Section 47 of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make arrangements with any financial institution / bank or any other body or person(s) to underwrite the whole or any part of the issue of the said Preference Shares, subject to the provisions of Section 40(6) of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

8. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr. N. Sivaraman (DIN: 00001747) as President & Whole-time Director

of the Company for a period of 5 (Five) years commencing from October 25, 2015 to October 24, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) to alter and vary the terms and conditions of the said re-appointment as it may deem fit and as may be acceptable to Mr. Sivaraman, subject to any variation in remuneration not exceeding the ceiling approved by the Members herein and the limits specified under Schedule V to the Act, or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

9. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 61 and any other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory modifications or re-enactments thereof for the time being in force), the existing Authorised Share Capital of ₹ 80,000,000,000/- (Rupees Eight Thousand Crore only) divided into 5,000,000,000 (Five Hundred Crore) Equity Shares of ₹10/- (Rupees Ten only) each and 300,000,000 (Thirty Crore) Preference Shares of ₹ 100/- (Rupees One Hundred only) each be increased to ₹100,000,000,000/- (Rupees Ten Thousand Crore only) divided into 5,000,000,000 (Five Hundred Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each and 500,000,000 (Fifty Crore) Preference Shares of ₹ 100/- (Rupees One Hundred only) each and existing Clause V.A. of the Memorandum of Association of the Company be substituted with new Clause V.A. as under:-

'V.A. The Authorised Share Capital of the Company is ₹ 100,000,000,000/- (Rupees Ten Thousand Crore only) divided into 5,000,000,000 (Five Hundred Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each and 500,000,000 (Fifty Crore) Preference Shares of ₹ 100/- (Rupees One Hundred only) each.'

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

10. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 13 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded for alteration of Clause III (B) and III (C) and Clause V.A of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

11. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard."

By Order of the Board of Directors
For L&T Finance Holdings Limited

N. Suryanarayanan
Company Secretary
ACS No. - 12343

Date: August 4, 2015

Place: Mumbai

Notes:

1. The Statement as required under Section 102 of the Companies Act, 2013 ("the Act") is annexed to the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.

3. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and

Administration) Amendment Rules, 2015 and Clause 35B of the Equity Listing Agreement, the Members are informed that the Company is pleased to offer 'Remote e-voting' (e-voting from a place other than venue of the AGM) facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate remote e-voting. Remote e-voting is optional and Members shall have the option to vote either through remote e-voting or in person at the AGM. The detailed procedure with respect to remote e-voting is mentioned below. For the aforesaid purpose, the Company has appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary or failing him Ms. Malati Kumar, Practising Company Secretary as Scrutinizer for scrutinizing the Remote e-voting process as well as voting at the Meeting in a fair and transparent manner.

4. The Members attending the Meeting should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote at the AGM through ballot for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but shall not vote at the AGM.
5. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owner as on the cut-off date i.e. Wednesday, September 2, 2015.
6. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on cut-off date, i.e. Wednesday, September 2, 2015 only shall be entitled to avail the facility of remote e-voting or Voting at the Meeting.
7. Any Person who becomes a Member of the Company after dispatch of Annual Report and holding shares as on the cut-off date i.e. Wednesday, September 2, 2015 shall also follow the same procedure as is mentioned in point No. 3 above.
8. A person who is not a Member as on the cut-off date i.e. Wednesday, September 2, 2015 should treat this Notice for information purposes only.
9. The Register of Members and Share Transfer Books will remain closed from Thursday, September 3, 2015 to Tuesday, September 8, 2015 (both days inclusive).
10. The Members are requested to bring their copy of the Annual Report to the Meeting.
11. The Members/Proxies should fill the Attendance Slip for attending the Meeting.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. The Members who hold shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Folio No., in the Attendance Slip for attending the Meeting.

14. Corporate Members intending to send their authorised representative(s) to attend the AGM are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote at the Meeting.
15. The Members who still hold share certificate(s) in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
16. If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or before Wednesday, October 7, 2015:
 - a) to all the Members in respect of shares held in physical form whose names appear on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Wednesday, September 2, 2015; and
 - b) to all Beneficial Owners in respect of shares held in electronic form whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Wednesday, September 2, 2015.
17. The facility of electronic credit of dividend directly to the respective bank accounts of the Members either through National Electronic Clearing Service (NECS) or Electronic Clearing Service (ECS) is arranged by the Company. This facility is currently available at the locations specified by RBI. This facility is in addition to the Bank Mandate Facility that already exists whereby bank account details are printed on the dividend warrants. The Members who would like to avail of the NECS/ECS Mandate Facility or the Bank Mandate Facility (if not done earlier) are requested to complete and submit the NECS/ECS Mandate Form to the Company/Registrar and Share Transfer Agent (for shares held in physical form) or their Depository Participants (for shares held in electronic form) latest by Tuesday, August 25, 2015.
18. Brief profile of the Directors appointed/retiring by rotation and eligible for re-appointment, as required under Clause 49 of the Equity Listing Agreement entered into with the Stock Exchanges, is annexed to the Notice.
19. The Annual Report of the Company, circulated to the Members of the Company, will also be made available on the Company's website at www.ltfinanceholdings.com.
20. Electronic copy of the Notice of the AGM, Annual Report for Financial Year 2014-2015 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, a physical copy each of the Notice of the AGM and Annual Report is being sent by the permitted mode. Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014 requires a Company to provide advance opportunity atleast once in a financial year, to the member to register his e-mail address and any changes therein. In compliance with the same, we request the Members who do not have their e-mail id registered with the Company to get the same registered with the Company. Members are also requested to intimate to the Company the changes, if any in their e-mail address.
21. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 5.00 p.m., upto the date of the AGM.
22. **Investor Grievance Redressal:** The Company has designated an exclusive e-mail id i.e. igrc@ltfinanceholdings.com to enable investors to register their complaints/correspondence, if any.
23. **Note for Preference Shareholders:** A Member holding preference shares is entitled to attend the Meeting and vote thereat subject to the applicable provisions of the Act.

Procedure for voting through electronic means

The Company is pleased to offer remote e-voting facility for its Members to enable them to cast their votes electronically. The procedure and instructions for the same are as follows:

- (i) The voting period begins on Saturday, September 5, 2015 from 9.30 a.m. and ends on Monday, September 7, 2015 at 5.00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 2, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the remote e-voting website at www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio No. registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	: Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
OR	
Dividend Bank Details	: Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(xi) Click on the Electronic Voting Sequence Number (EVSN) of "L&T Finance Holdings Limited".

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate(s).
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com or call at 18002005533.

Declaration of Results:

- The Scrutinizer shall after the conclusion of the AGM submit the Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman of the Company or the person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The results declared alongwith the Scrutinizer's report, will be posted on the website of the Company at www.ltfinanceholdings.com and on the website of CDSL and will be displayed on the Notice Board of the Company at its Registered Office as well as Corporate Office immediately after the declaration of the result by the Chairman or any person authorised by him in writing and communicated to the Stock Exchanges.

ANNEXURE TO THE NOTICE**(The Statement under Section 102 of the Companies Act, 2013 ("the Act"))****ITEM NO. 5**

The Board at its meeting held on July 23, 2015 had appointed Mr. Thomas Mathew T. as an Additional Director of the Company in accordance with the provisions of Section 161 of the Act, on the recommendation of Nomination and Remuneration Committee. Mr. Mathew holds office as director till the date of Seventh Annual General Meeting. Since, Mr. Mathew fulfils the criteria laid out in Section 149(6) of the Act and Clause 49 of the Equity Listing Agreement, the Board recommends Mr. Mathew's appointment as an Independent Director of the Company. Section 149(10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years. In compliance with Section 149 of the Act, it is proposed to appoint Mr. Thomas Mathew T. as an Independent Director of the Company to hold office for a term up to June 30, 2020.

Mr. Thomas Mathew T. has close to four decades of experience in the Life Insurance industry in India. After acquiring grass root operational experience in Branch and Divisional level, Mr. Mathew moved to leadership positions as Senior Divisional Manager, Zonal Manager and Executive Director of Life Insurance Corporation (LIC). He acquired business and people acumen through several years of strategizing and innovating in the entire spectrum of Life Insurance in a competitive market. He was then elevated to the position of Managing Director of LIC. He retired as the Current-in-Charge Chairman of LIC.

Mr. Mathew has handled successfully, almost all the functions in LIC of India including Marketing, Investment, Information Technology and International Operations. He was instrumental in many far reaching decisions for the LIC.

Mr. Mathew is currently the Managing Director & CEO of the Reinsurance Group of America for India, Sri Lanka and Bangladesh.

Mr. Mathew holds a Post-graduate Diploma in Management, a Post-graduation in Economics and is a graduate in Law. He is also an Associate of the Insurance Institute of India and has a Diploma in the Spanish language.

He is currently on the Board of Larsen and Toubro Limited, Metropolitan Stock Exchange of India Limited, L&T Capital Markets Limited, L&T Infra Debt Fund Limited and RGA Services India Private Limited. The induction of Mr. Mathew having rich experience in handling key functions at LIC, would further the objective of diversity of thought, experience, knowledge and perspective of the Board, which would add value and eminence to the Board.

The Company has received a notice in writing from a Member of the Company along with deposit of requisite amount in accordance with Section 160 of the Act proposing the candidature of Mr. Mathew for the office of Director.

The Board is of the view that the Company would greatly benefit from the rich and varied experience of Mr. Mathew and accordingly recommends the Ordinary Resolution set forth in Item No. 5 of the Notice for approval of the Members.

In the opinion of the Board, Mr. Mathew fulfils the conditions specified in the Act and the Equity Listing Agreement and he is independent of the Management.

Save and except Mr. Mathew, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 6

To augment the long term resources and in order to meet the working capital and normal capex requirements of the Company and its subsidiary companies, the Board at its meeting held on March 20, 2015 has, subject to the approval of Members in the Annual General Meeting, proposed to issue Non-Convertible Debentures/Bonds to various person(s), as the case may be, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any, and as may be finalized by the Board. The amount to be raised by way of issue of Debentures/Bonds on a private placement basis, however shall not exceed ₹ 20,000,000,000 (Rupees Two Thousand Crore only) in aggregate.

In terms of, Section 42 of the Act, read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Members of a Company can pass a Special Resolution once in a year for all the offers or invitations for Non-Convertible Debentures to be made during the year through a private placement basis in one or more tranches.

Consent of the Members is therefore sought in connection with the aforesaid issue of Debentures/Bonds and they are requested to authorise the Board to issue Debentures/Bonds up to ₹ 20,000,000,000 (Rupees Two Thousand Crore only) from time to time for a period of one year from the date of conclusion of the ensuing Annual General Meeting, in one or more tranches, as the case may be.

The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 7

The steady growth in the operations of subsidiaries of the Company has necessitated regular infusion of equity and Tier I or Tier II debt in its subsidiaries and being the holding Company, the Company would need to raise funds for such infusion. The Company would also need funds for its operations.

In connection with the above, approval of the Members is sought for the issue of Preference Shares. The Preference Shares may be issued either by way of a public offer or on a private placement basis in one or more tranches to various institutions/entities viz. company(s)/bodies corporate/persons including Promoters/Promoter Group & Associates, whether or not they are Member(s) of the Company, considering the viable options available. The said enabling Resolution empowers the Board to create, offer, issue and allot 150,000,000 (Fifteen Crore) Cumulative Compulsorily Redeemable Non-Convertible Preference Shares of the face value of ₹ 100/- each for cash at par or premium and on such terms and conditions including but not limited as to the rate of dividend, period and manner of redemption, amount of premium, if any, as the Board in its absolute discretion may determine, provided

the aggregate amount up to which the Preference Shares shall be issued shall not exceed ₹ 15,000,000,000/- (Rupees One Thousand Five Hundred Crore only). The Board shall also be authorised to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time-to-time in consultation and agreement with the subscribers/ holders of Preference Shares. The

terms and conditions of the Preference Shares shall however be subject to provisions of the Act, or any modification/re-enactment thereof and the Memorandum and Articles of Association of the Company, if any.

As required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014, the material facts in connection with the aforesaid issue of Preference Shares are as follows:

(a)	Size of the issue and number of preference shares to be issued and nominal value of each share	The Company proposes to create, offer, issue and allot Preference Shares for cash at par or at a premium either by way of a public offer or to various entities/ persons including Promoters/ Promoter Group & Associates, whether or not they are Member(s) of the Company on a private placement basis.												
(b)	Nature of such shares i.e. cumulative or non - cumulative, participating or non - participating , convertible or non - convertible	Cumulative, Non-Participating and Non-Convertible												
(c)	Objectives of the issue	To maintain adequate working capital as may be required for funding the operations of the Company and that of its subsidiaries.												
(d)	Manner of issue of shares	Public Offer/Private Placement												
(e)	Price at which such shares are proposed to be issued	At par or at premium												
(f)	Basis on which the price has been arrived at	While the issuances would generally be made at par, in case the issuance is made at premium, the same would be at a price determined on the basis of valuation by a registered valuer in accordance with applicable rules.												
(g)	Terms of issue, including terms and rate of dividend on each share, etc.	The tenor shall be for a period not exceeding 7 (Seven) years. The issuances would be subject to conditions of money market, appetite of the investors, prevalent tax regulations, credit rating of the instrument etc, and the rate of dividend would be linked to the returns provided by similar instruments.												
(h)	Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	Tenure of redemption would be based on cash flow forecasts of the Company which in turn would be linked to ongoing performance of its subsidiaries and the growth opportunities.												
(i)	Manner and modes of redemption	Out of profit and/or out of fresh issue of capital												
(j)	Current shareholding pattern of the Company	Equity Shareholding Pattern as on June 30, 2015*: <table border="1"> <thead> <tr> <th>Category</th><th>No. of Shares</th><th>% to Equity Capital</th></tr> </thead> <tbody> <tr> <td>Promoter</td><td>1,254,936,010</td><td>72.93</td></tr> <tr> <td>Public</td><td>465,763,301</td><td>27.07</td></tr> <tr> <td>Total</td><td>1,720,699,311</td><td>100.00</td></tr> </tbody> </table> <p>*Detailed shareholding pattern is available on the website of the Company i.e. www.ltfinanceholdings.com and is also available on the website of BSE Ltd. i.e. www.bseindia.com and National Stock Exchange of India Ltd. i.e. www.nseindia.com.</p>	Category	No. of Shares	% to Equity Capital	Promoter	1,254,936,010	72.93	Public	465,763,301	27.07	Total	1,720,699,311	100.00
Category	No. of Shares	% to Equity Capital												
Promoter	1,254,936,010	72.93												
Public	465,763,301	27.07												
Total	1,720,699,311	100.00												
(k)	Expected dilution in equity share capital upon conversion of preference shares	Not applicable												

The Members are requested to authorise the Board to issue and allot such number of Preference Shares up to nominal value of ₹ 15,000,000,000 (Rupees One Thousand Five Hundred Crore only) as stipulated above.

The Board recommends the Special Resolution set forth in Item No. 7 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 8

The Members of the Company at their Third Annual General Meeting held on June 30, 2011 had appointed Mr. N. Sivaraman as President & Whole-time Director for a period of 5 (Five) years with effect from October 25, 2010 on such terms and conditions as was agreed between the Company and Mr. Sivaraman. The current term of office of Mr. Sivaraman as President & Whole-time Director is due to expire on October 24, 2015.

Mr. Sivaraman has been overseeing all the entities under L&T Financial Services from 2006. Under his Leadership, L&T Finance Holdings became the first subsidiary of Larsen & Toubro Limited (L&T) to be publicly listed. He has strategised expansion of the business across lending, asset management and insurance, and has led inorganic growth as well, overseeing key acquisitions in asset management, housing and personal vehicle finance. In his 32 years of association with L&T, Mr. Sivaraman has held many key roles in Finance & Accounts, Mergers & Acquisitions, Treasury, Project Finance, Corporate Finance and Investor Relations. He is a Bachelor of Commerce from Madras University and a Chartered Accountant.

In view of the vast experience and valuable contribution made by Mr. Sivaraman towards the growth of the businesses of the Company and its Subsidiaries, it is now proposed to re-appoint Mr. Sivaraman as the President & Whole-time Director for a further period of 5 (Five) years commencing from October 25, 2015. The Board at its meeting held on Tuesday, August 4, 2015, has approved the proposal for re-appointment of Mr. Sivaraman as President & Whole-time Director of the Company.

In view of the proposed re-appointment of Mr. Sivaraman as President & Whole-time Director of the Company for a further period of 5 (Five) years and considering the responsibilities bestowed upon him, it is also proposed to revise the compensation structure payable to Mr. Sivaraman, subject to approval of Members at the AGM. The revised remuneration will be subject to the overall limits as provided under Section 197 and 198 of the Act, read with Schedule V and other applicable provisions, as may be applicable of the Act.

As required under Section 196(4) of the Act, the material terms and conditions of the Agreement proposed to be entered into with Mr. Sivaraman are as under:

1. Period of appointment: 5 (five) years commencing from October 25, 2015.
2. Duties: Mr. Sivaraman shall, subject to the supervision and control of the Board of Directors and/or Chairman & Managing Director of the Company, carry out such duties as may be entrusted to him and he shall also perform such other duties and services as shall from time to time be delegated to him by the Board of Directors and/or Chairman & Managing Director of the Company.
3. The President & Whole-time Director shall devote his whole time and attention to the business of the Company. The President & Whole-time Director undertakes, to the best of his skill and ability, to use his utmost endeavours to promote the interest and welfare of the Company and to confirm to and comply with the directions and regulations of the Company and all such instructions/directions as may from time to time be given by the Board of Directors and/or Chairman & Managing Director of the Company or by the Company.
4. **Remuneration:**
 - (a) Basic Salary:
₹ 1,375,000/- (Rupees Thirteen Lakh Seventy Five Thousand only) per month in the scale ₹ 1,375,000/- – 115,000/- – 1,950,000/- with the annual increment due on August 1 every year.
 - (b) Variable Remuneration:
In the range of up to ₹ 30,000,000/- to ₹ 50,000,000/- per annum, based on guidelines formulated by the Nomination and Remuneration Committee and approved by the Board.
 - (c) House Rent Allowance:
₹ 115,000/- (Rupees One Lakh Fifteen Thousand only) per month where free, furnished accommodation is not availed.
 - (d) Special Allowance:
In the scale of ₹ 700,000/- – 70,000/- – 1,050,000/- per month with an increment due on August 1 every year.
 - (e) Perquisites:
 - i. The President & Whole-time Director shall be entitled to perquisites in the form of reimbursement or allowance but will be restricted to ₹ 750,000/- (Rupees Seven Lakh Fifty Thousand only) per annum excluding perquisite value of free, furnished accommodation, if availed.
 - ii. The President & Whole-time Director shall be entitled to Company's contribution to Provident Fund, Superannuation Fund, benefits of Gratuity and Pension Scheme for Senior Management Staff, earned leave and encashment of

earned leave at the end of the tenure and long service awards, as per the rules of the Company. These shall not be included in the computation of perquisites.

- iii. Company car with driver (owned/leased or hired) for use on Company's business, telephone and other communication facilities at residence, reimbursement of medical expenses for self and family including children upto 21 years of age as per the rules of the Company and membership of one club at Mumbai shall also not be considered as perquisites for the purpose of computing the aforesaid limit.
- iv. For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per the Income-Tax Rules, 1962, wherever applicable.
- v. The above perquisites will exclude value of Stock Option benefits computed as per the Income Tax Act/Rules, tax on which will be borne by the Company.
5. The President & Whole-time Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof of the Company or its subsidiaries from the date of his appointment.
6. The Company shall reimburse to the President & Whole-time Director entertainment, travelling and all other expenses incurred by him for the business of the Company.
7. Termination of employment:
This Agreement may be terminated at any time by either party hereto by giving to the other party six months' notice in writing of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination. In any event the President & Whole-time Director shall not be entitled to any compensation in cases mentioned in Section 202 of the Act.

Further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to re-appointment of Whole-time Director, which are mentioned below:

Date of Birth	April 12, 1958
Qualifications	B.Com, Chartered Accountant
Remuneration last drawn	₹ 654.73 Lakhs
Date of Appointment on the Board	May 1, 2008
Directorships held in other companies (excluding foreign companies) as on July 3, 2015	Please refer Page No. 10
Memberships of committees across companies (includes only Audit & Stakeholders Relationship Committee)	Please refer Page No.10
Shareholding in the Company (Equity)	Nil
Relationship with other Directors/ Manager/Key Managerial Personnel	None
Number of Board meetings attended	Seven out of Eight Board meetings

The Agreement entered into between the Company and Mr. Sivaraman is available for inspection by the Members at the Registered Office/Corporate Office of the Company on all working days except Saturdays, Sundays and holidays between 11.00 A.M. to 5.00 P.M. up to the date of the AGM. The aforesaid documents will also be available for inspection at the AGM.

The Board recommends the Ordinary Resolution set forth in Item No. 8 of the Notice for approval of the Members.

Save and except Mr. Sivaraman, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 9

Currently, the Authorised Share Capital of the Company is ₹ 80,000,000,000/- (Rupees Eight Thousand Crore only) divided into 5,000,000,000 (Five Hundred Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each and 300,000,000 (Thirty Crore) Preference Shares of ₹ 100/- (Rupees One Hundred only) each. Out of the above, the Company has issued 1,720,699,311 Equity Shares of the face value of ₹ 10/- each aggregating to ₹ 17,206,993,110/- and 196,340,000 Preference Shares of the face value of ₹ 100/- each aggregating to ₹ 19,634,000,000/- till date.

The Company recently has been issuing Preference Shares in order to meet the funding requirements of its subsidiaries and for its working capital purpose. Considering that the Company has already issued 196,340,000 Preference Shares of the face value of ₹ 100/- each till date and considering its intention to generate medium / long term resources in the near future by issuing further Preference Shares, it was thought appropriate to alter the Authorised Share Capital by increasing the Preference Share Capital of the Company. It is proposed to increase the Authorised Share Capital to ₹ 100,000,000,000/- (Rupees Ten Thousand Crore only) divided into 5,000,000,000 (Five Hundred Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each and 500,000,000 (Fifty Crore) Preference Shares of ₹ 100/- (Rupees One Hundred only) each.

The Board recommends the Ordinary Resolution set forth in Item No. 9 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 10

As per the provisions of Section 4 of the Act, read with the Companies (Incorporation) Rules, 2014, the format of Memorandum of Association (MOA) of the Company has undergone certain changes.

In order to comply with Section 4 of the Act, with a view to align the existing MOA of the Company, with the format stipulated by the Act, it is proposed to alter the MOA of the Company by deleting Clause C – 'Other Objects'. It is also proposed to delete some irrelevant matters from Clause B – 'Objects Incidental or Ancillary to the attainment of the Main Objects'.

Further, it is also proposed to alter the Authorised Share Capital of the Company. In order to reflect the increased authorised share capital of the Company in the MOA, the aforesaid change is required.

The Board at its meeting held on Friday, July 3, 2015 has approved alteration of the MOA of the Company and the Board now seek Members' approval for the same.

The Board recommends the Special Resolution set forth in Item No. 10 of the Notice for approval of the Members.

The proposed new draft MOA is being uploaded on the Company's website for perusal by the Members. Further, a copy of the proposed set of new MOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents will also be available for inspection at the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 11

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal")). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act, several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to replace wholly the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AOA of the Company viz:

- The AOA provide for participation of directors at meetings of the Board/Committee either through video conferencing or audio visual means or teleconferencing, as the case may be.
- The AOA provide for allowing Circular Resolution to be sent electronically to directors in addition to physical mode.
- The AOA allows key managerial personnel to be appointed as director in any other company.
- The AOA allow maintenance of statutory registers physically as well as in electronic mode.
- The AOA provide for maintenance of books of account in electronic mode as well.
- The AOA allow the same individual to be appointed as Chairperson as well as Managing Director or Chief Executive Officer of the Company.
- The AOA is aligned with the provisions of Act.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company.

The Board recommends the Special Resolution set forth in Item No. 11 of the Notice for approval of the Members.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the Members. Further, a copy of the proposed set of new AOA of the Company would be available for inspection for the

Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Additional Information of Directors seeking re-appointment/appointment at the Seventh Annual General Meeting pursuant to Clause 49 of the Equity Listing Agreement :

Name of the Director	Mr. N. Sivaraman	Mr. Thomas Mathew T.
Date of Birth	April 12, 1958	June 3, 1953
Qualifications	B.Com, Chartered Accountant	Post-graduate Diploma in Management, a Post-graduation in Economics and is a graduate in Law. He is also an Associate of the Insurance Institute of India and has a Diploma in the Spanish language.
Date of Appointment on the Board	May 1, 2008	July 23, 2015
Brief Profile	A brief profile is given in above Point No. 8 of the Statement annexed to the Notice.	A brief profile is given in above Point No. 5 of the Statement annexed to the Notice.
Directorships held in other companies (excluding foreign companies) as on	1) L&T Finance Limited 2) L&T FinCorp Limited 3) L&T Infrastructure Finance Company Limited 4) L&T General Insurance Company Limited 5) L&T Infra Investment Partners Advisory Private Limited 6) L&T Vrindavan Properties Limited 7) Family Credit Limited 8) L&T Infra Debt Fund Limited 9) Financial Planning Standards Board India	1) Larsen and Toubro Limited 2) Metropolitan Stock Exchange of India Limited 3) L&T Capital Markets Limited 4) L&T Infra Debt Fund Limited 5) RGA Services India Privated Limited
Memberships of committees across companies (includes only Audit & Stakeholders Relationship Committee)	A. Audit Committee: 1) L&T Infrastructure Finance Company Limited 2) L&T Vrindavan Properties Limited 3) L&T FinCorp Limited B. Stakeholders Relationship Committee: 1) L&T Infrastructure Finance Company Limited 2) L&T Finance Limited	A. Audit Committee : 1) L&T Infra Debt Fund Limited 2) L&T Capital Markets Limited 3) Metropolitan Stock Exchange of India Limited B. Stakeholders Relationship Committee: 1) Metropolitan Stock Exchange of India Limited
Shareholding in the Company (Equity)	Nil	Nil
Relationship with other Directors/Manager/Key Managerial Personnel	None	None

By order of the Board of Directors
For L&T Finance Holdings Limited

N. Suryanarayanan
Company Secretary
ACS No. - 12343

Date: August 4, 2015
Place: Mumbai

L&T Finance Holdings Limited

Regd. Office: L&T House, N.M. Marg, Ballard Estate, Mumbai - 400 001
CIN: L67120MH2008PLC181833 E-mail: igrc@ltfinanceholdings.com website: www.ltfinanceholdings.com
Phone: +91 22 6621 7300 Fax: +91 22 6621 7509

ATTENDANCE SLIP

SEVENTH ANNUAL GENERAL MEETING - SEPTEMBER 8, 2015 AT 3.00 P.M.

Folio No./ DP ID & Client ID:

Name :

Address :

PLEASE COMPLETE THIS ATTENDANCE SLIP
AND HAND OVER AT THE ENTRANCE OF
THE MEETING HALL

I certify that I am a registered member/proxy for the registered member of the Company.

I hereby record my presence at the Seventh Annual General Meeting of the Company at RAMA & SUNDRI WATUMULL AUDITORIUM, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400020 on **Tuesday, September 8, 2015.**

.....
First / Sole holder / Proxy

.....
Second holder / Proxy

.....
Third holder / Proxy

L&T Finance Holdings Limited

Regd. Office: L&T House, N.M. Marg, Ballard Estate, Mumbai - 400 001
CIN: L67120MH2008PLC181833 E-mail: igrc@ltfinanceholdings.com website: www.ltfinanceholdings.com
Phone: +91 22 6621 7300 Fax: +91 22 6621 7509

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :

Registered address :

E-mail ID :

Folio No./DP ID & Client ID :

I/We, being the member(s) of shares of the above named company, hereby appoint:

(1) Name :

Address :

E-mail Id : , or failing him

(2) Name :

Address :

E-mail Id : , or failing him

(3) Name :

Address :

E-mail Id :

and whose signature(s) are appened below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company, to be held on the **Tuesday, September 8, 2015 at 3.00 p.m.** at RAMA & SUNDRI WATUMULL AUDITORIUM, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.

Route map to the venue of the AGM



Ordinary Business:	Special Business:
<ol style="list-style-type: none"> Adoption of Financial statements for the year ended March 31, 2015 and the Directors' and Auditors' Reports thereon. Declaration of dividend on Equity Shares. Appointment of a director in place of Mr. N. Sivaraman, who retires by rotation and being eligible offers himself for re-appointment. Re-appointment of M/s. Sharp & Tannan, Chartered Accountants, Statutory Auditors of the Company and fixing their remuneration. 	<ol style="list-style-type: none"> Appointment of Mr. Thomas Mathew T., as an Independent Director. Issue of Non Convertible Debentures (NCDs) on Private Placement basis. Issue of Cumulative Non-Convertible Redeemable Preference Shares by way of Public Offer or on Private Placement basis. Re-appointment of Mr. N. Sivaraman as President & Whole-time Director. Increasing the Authorised Share Capital of the Company. Alteration of Memorandum of Association of the Company. Alteration of Articles of Association of the Company.

Signed this day of 2015

.....
Signature of shareholder

Affix
revenue
stamp of
Re 1

.....
Signature of first Proxy Holder

.....
Signature of second Proxy Holder

.....
Signature of third Proxy Holder

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Creating Enduring Value



Annual Report 2014-15



L&T Finance Holdings

Our Vision

To be an admired and inspirational financial institution, creating sustainable value for all our stakeholders.



Creating Enduring Value

Our financial services business was born in the mid-nineties to primarily service small and mid-sized enterprises. Since then, our desire to serve all segments of society with comprehensive financial solutions has seen us journey through well-conceived expansion profitably, and has brought us ever closer to the Indian consumer. In a village, in a town, in a metropolis, across 700 touch points in 24 states, we are many things to over 2.5 million customers — the knowledge bank, the expert adviser, and above all, the answer to a need.

We are outlining the roadmap for a new level of innovation and excellence to deliver a quality customer experience. Over 8,000 personnel are at the heart of our service promise and our core values continue to be the bedrock of our businesses.

As a multi-faceted institution, we look forward to making an affirmative impact on customers across the social pyramid and a positive impact on the economic development of our country. And, we commit to creating enduring value for our stakeholders.

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Corporate Information

Board of Directors

As at March 31, 2015

Mr. Y. M. Deosthalee

Chairman & Managing Director

Mr. N. Sivaraman

President & Whole-time Director

Mr. R. Shankar Raman

Non-Executive Director

Mr. S. V. Haribhakti

Independent Director

Mr. B. V. Bhargava

Independent Director

Mr. P. V. Bhide

Independent Director

Ms. Kamakshi Rao

Independent Director

Mr. Harsh Mariwala

Independent Director

Company Secretary

Mr. N. Suryanarayanan

Statutory Auditors

M/s. Sharp & Tannan

Registered Office

L&T House, N.M. Marg, Ballard Estate
Mumbai – 400 001

Investor Service Centre

City 2, Plot No. 177, C.S.T Road, Kalina
Santacruz (East), Mumbai – 400 098
Tel: +91 22 6621 7300
Fax: +91 22 6621 7509
Email: igrc@ltfinanceholdings.com
www.ltfinanceholdings.com

Registrar and Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.





Our Business at a glance

Our offerings span the geo-socio-economic spectrum and comprise four core business groups – retail finance, wholesale finance, investment management and wealth management. These strategically different and independent business units ride on three de-linked levers – rural,

LENDING BUSINESS

CUSTOMERS

ASSETS

MICRO FINANCE

8,27,648

₹916 Cr.

RURAL PRODUCTS

1,84,600

₹6,286 Cr.

PERSONAL VEHICLES & CV/CE^

7,30,721

₹4,851 Cr.

HOUSING FINANCE

14,643

₹4,258 Cr.

SME & MID CORPORATE

1,450

₹8,682 Cr.

WHOLESALE FINANCE

246

₹22,238 Cr.

industry and infrastructure growth cycles – and the low correlation between them helps us to deliver consistent results.

We finance farm equipment, encourage rural enterprise and offer micro loans to uplift the socially challenged. We fulfil the desire for mobility and home ownership and help millions to create wealth and manage it. We channelize business and corporate endeavours and fund infrastructure. We finance tomorrow, one customer, one dream at a time.

NON-LENDING BUSINESS

CUSTOMERS

ASSETS

ASSET MANAGEMENT

~8,00,000+

₹22,497 Cr.
AAUM*

WEALTH MANAGEMENT

~3,000+

₹6,967 Cr.
AAUS#

^ Commercial Vehicle/Construction Equipment

* Average Assets Under Management

Average Assets Under Service



Our Journey

Building scale with the right risk profile

Strong track record of assimilation and integration of assets and capabilities

L&T Finance incorporated

1994

L&T Infrastructure Finance (LTIF) established

Commercial Vehicle Financing commenced

2007

Total Assets cross ₹ 10,000 crore

Start of Micro Finance & Loan Against Shares

2008

Foray into Mutual Fund (MF) business—acquisition of DBS Cholamandalam Asset Management Limited

LTIF secures Infrastructure Finance Company (IFC) status, launches Infra Bonds

2010

Enabled through an
under-levered balance sheet and
focus placed on ROE friendly verticals

Total Assets
cross
₹ 20,000 crore

IPO of L&T
Finance Holdings

LTIF notified as
Public Financial
Institution (PFI)

2011

Total Assets
cross
₹ 30,000 crore

MF builds scale –
acquisition of Fidelity's
Mutual Fund business
in India

Entry into
Housing Finance –
acquisition of
Indo Pacific Housing
Finance Limited

Start of Two-wheeler
Finance – acquisition of
Family Credit Limited

2012

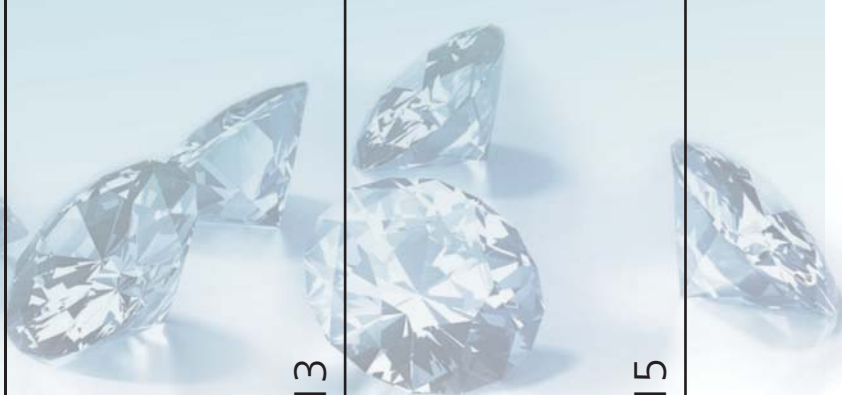
L&T Capital
Markets
incorporated –
Platform for
Wealth
Management

Maiden issue of
preference
shares

2013

Total
Assets
cross
₹ 50,000 crore

2015



Chairman's Message

The strategic shift and focus on B2C products, renewable energy and operational projects enabled our growth through an uncertain environment.

Dear Shareholder,

Financial Year 2015 was a year of hope and aspiration. The new Government at the Centre, under the leadership of our Prime Minister, Shri Narendra Modi, scripted a 10-point agenda for immediate action. Prime among these is the increase in investments particularly in infrastructure – and the implementation of policies in a time-bound manner. A lot remains to be done and the consequent effect on the economic environment has to materialise.

been conducted in a transparent manner, showcasing the way forward for future allocation of natural resources. The dialogue on GST continues, and hopefully, it will soon become a reality. Higher FDI has been permitted in Defence, Insurance and Railways. Inflation is under control; however, one needs to be cautious of the fact that the year witnessed unseasonal rains in many parts of the country. Though the monsoon has arrived well on time, we hope that the overall rainfall is adequate.

Macro Overview

The macro-economic situation of the country is far better than a couple of years ago. The current account deficit is under control, largely due to lower oil prices and reduced imports. The fiscal deficit has been managed reasonably well with a target of touching the 3% level down the line. Significant steps are being taken to improve the ease of doing business. The coal and telecom auctions have

The Infrastructure sector continues to reel under the pressure of delayed projects, poor financial conditions of developers and high level of NPAs of the lending community. The financial health of public sector discoms is indeed precarious. This is the single largest important issue, which needs resolution on a priority basis. The manufacturing sector has experienced lacklustre growth of just 2.3% over the last year. This is primarily due to the low investment sentiment in the country and



Mr. Y. M. Deosthalee - Chairman & Managing Director

uncertain global economic conditions. While India appears to be growing at a healthy rate compared to other emerging markets, it is imperative to substantially accelerate the growth momentum for sustained job creation and eradication of poverty.

On the monetary policy front, while the Reserve Bank of India reduced repo rates twice during the last year, the lending rates continue to be elevated. It is hoped that growth will become the primary theme for the Centre as well as the States in the coming years.

FY 2015 in Perspective

Amidst a very difficult economic environment, your Company demonstrated a stable performance.

Your Company recorded a healthy growth of 18% in its loan book. Tractors, two-wheelers, micro finance, housing finance, as well as SME lending, did well in the retail finance. Renewable energy projects and operational road assets in the wholesale finance business witnessed an increase. Underwriting and

sell-down of bonds to the non-infrastructure segment resulted in new avenues of growth. The year ended with a loan book of ₹ 47,232 crore. The strategic shift and focus on B2C products, renewable energy and operational projects enabled our growth through an uncertain environment.

It is also important to note that there has been a substantial drop in the gross (3.2% to 2.3%) and net (2.3% to 1.3%) non-performing assets, during the year. Alongside, there has been a marked improvement in the provision coverage ratio from 29% to 44%.

Your Company's growth in the micro finance business was robust. Our network now touches over a million lives across eight states.

Your Company has been purposefully de-growing in the construction and commercial vehicle segments. However, it appears that the worst is over for these businesses, and we will cautiously and selectively start lending again in these segments.

Mobile receipting and doorstep tablet services have been implemented across the country, and this has enabled us to reduce service delivery time and gain scope to scale up operations.

Your Company's investment management business continues to grow at a robust pace. Our AAUM (Average Assets Under Management) at ₹ 22,497 crore represents a 23% increase on a year-on-year basis. It is heartening to note that average equity assets grew by 89% on a year-on-year basis to touch ₹ 8,587 crore for the quarter ended March 2015. This number has been led by strong net sales and the launch of three New Fund Offers.

Overall, your Company witnessed a year of profitable growth. Our consolidated profit after tax grew by 23% (excluding exceptional items) to touch ₹ 736 crore.

Outlook

The Top Management of your Company has outlined three filters as the strategy for future growth:

- Potential to scale up the business
- Competitive advantage or strengths
- Possibility of sustained and profitable growth

Consolidating and strengthening your Company's presence in retail B2C products and further enhancing our position as a leading financial institution, with particular

emphasis on renewable energy and roads, will be our main themes for the current year. And our focus on operating assets will receive a greater impetus with the recently announced liberalisation norms for the Infrastructure Debt Fund (IDF).

Subject to expectations of industrial activities picking up and an improvement in the overall investment climate being met during FY 2016, your Company would expect to achieve a healthy asset growth of 25% in the current year.

The trend of improvement in returns is expected to continue, aided by stability in the key operating metrics of your Company and optimisation of leverage.

While sentiment has improved due to steps initiated by the Government, the operating environment is yet to show a significant change for the better. Due to lack of robust order flows and stretched working capital, certain re-structured assets showed continued level of stress. The monsoons could have an impact on the rural sector in the quarter of June - September 2015. Consequently, the improvement in delinquencies and stressed assets could be moderate.

Banking is a logical extension of our business and remains an aspiration that your Company will continue to pursue.

Your Company has made good progress in building an inspirational and admirable long term institution. Several pillars have been erected in terms of systems, processes, risk controls, people and technology. Many more steps will be taken to reach our long-term goal. Your Company's Management and the entire Executive Team of L&T Financial Services are committed to building a respectable and lasting entity.

I take this opportunity to thank my colleagues on the Board for their valuable contribution.

I thank all our employees for nurturing the values we espouse and for their unfettered efforts in the building of this institution.

I thank you for your continued faith in us.

Y. M. Deosthalee
Chairman & Managing Director

Delivering Value

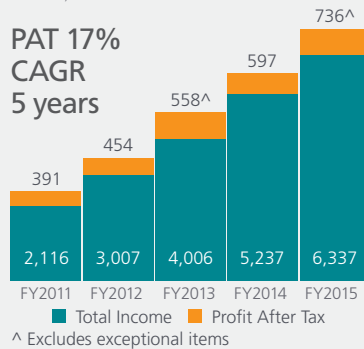


Performance Indicators

Lending Business

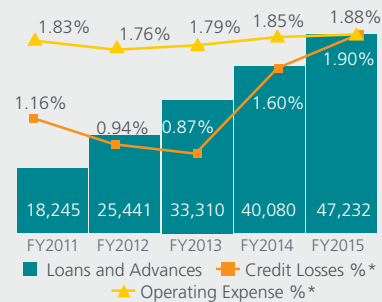
Profitability Trends
(₹ in crore)

**PAT 17%
CAGR
5 years**

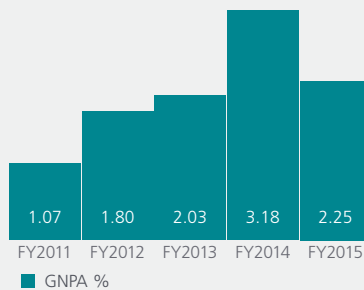


Loans Portfolio and Operating Expenses (₹ in crore)

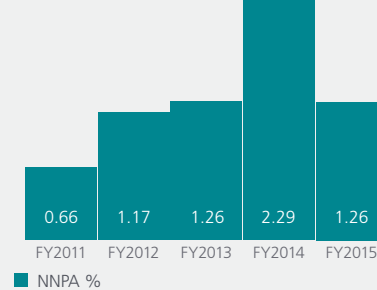
Loans and advances grew at a CAGR of 27%



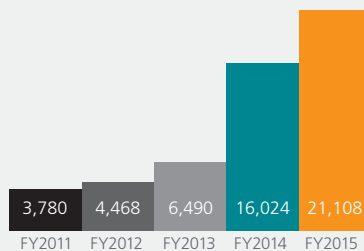
Gross Non-Performing Assets
(%)



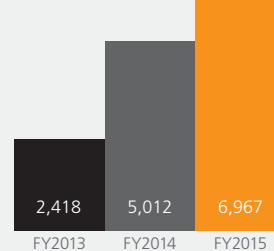
Net Non-Performing Assets
(%)



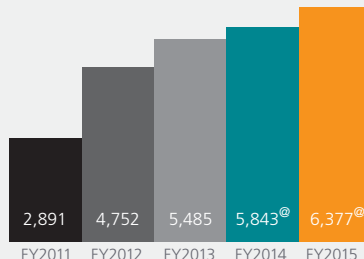
Investment Management Business
Yearly Average AUM*
(₹ in crore)



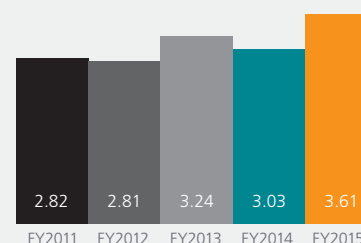
Wealth Management Business
Average AUS**
(₹ in crore)



Consolidated Net Worth
(₹ in crore)



Consolidated Basic Earnings Per Share (EPS) (₹)



* % of Loans and Advances # Assets Under Management ** Assets Under Service @ Excludes Preference Capital

Board of Directors



Harsh Mariwala
Independent Director

Mr. Mariwala leads Marico Limited (Marico) as its Chairman and has transformed a traditional commodities driven business into a leading consumer products and services company in the beauty and wellness space over the past three decades. He has been the erstwhile FICCI President (2011) and was also the FMCG Committee Chairman of FICCI and CII. He has been a part of the Young Presidents Organisation (YPO), and now, he is a part of the World Presidents Organisation (WPO). He has held the position of YPO Education, Membership and Chapter Chair for the Bombay Chapter and was a member of the International Forum Board of YPO International. Mr. Mariwala has also launched ASCENT-Accelerating the Scaling up of Enterprises to identify growth stage entrepreneurs and enable them in their scaling up journey.

R. Shankar Raman
Non-Executive Director

Mr. R. Shankar Raman is the Chief Financial Officer and Member of the Board at Larsen & Toubro Limited (L&T). He is a Non-Executive Director on the Board of our Company and L&T Investment Management Limited. He joined the L&T Group in 1994 to set up L&T Finance Limited and has close to 32 years of experience in Finance across Audit, Accounts, Treasury, Capital Markets, Corporate Finance, Project Finance and General Management. He is a Chartered and Cost Accountant by profession and also has a degree in Commerce from Madras University.

N. Sivaraman
President & Whole-time Director

Mr. N. Sivaraman has been overseeing all the entities under L&T Financial Services from 2006. Under his Leadership, L&T Finance Holdings became the first subsidiary of Larsen & Toubro Limited (L&T) to be publicly listed. He has strategised expansion of the business across lending, asset management and insurance, and has led inorganic growth as well, overseeing key acquisitions in asset management, housing and personal vehicle finance. In his 32 years of association with L&T, Mr. Sivaraman has held many key roles in Finance & Accounts, Mergers & Acquisitions, Treasury, Project Finance, Corporate Finance and Investor Relations. He is a Bachelor of Commerce from Madras University and a Chartered Accountant.

Y. M. Deosthalee
Chairman & Managing Director

Mr. Y. M. Deosthalee assumed the office of Chairman & Managing Director of our Company in September 2011. He has provided strategic direction to the financial services business of the Larsen & Toubro Limited (L&T) Group since its inception and has been the key architect of its growth. Mr. Deosthalee was the Chief Financial Officer and Member of the Board of L&T till September 2011. He is the Chairman of CII's National Committee on NBFCs and a member of its national council and committees on Banking, Financial Sector Development and Smart Cities. He is a Chartered Accountant and a Graduate of Law.



Kamakshi Rao
Independent Director

Ms. Rao is an investment professional with over 20 years' investment experience. She has worked at The Capital Group, an investment management company based in Los Angeles from 1994 to 2010. She has had a wealth of international work experience, having been based in the United States, Singapore and Japan during the course of her career. At the time of her retirement in 2010, Ms. Rao was a Senior Vice-President. She is also affiliated with Ankur Capital, a Mumbai and New York based investment fund. She earned her Undergraduate degree from Harvard University and Master's from the University of Pennsylvania.

S. V. Haribhakti
Independent Director

Mr. Haribhakti's career span of four decades includes successfully establishing and leading many innovative services. His current passion includes outsourcing of knowledge processes, engaged investing, and efficiency and effectiveness enhancement in social, commercial and governmental organisations. He is a Chartered and Cost Accountant, and a Certified Internal Auditor, Financial Planner and Fraud Examiner.

B. V. Bhargava
Independent Director

Mr. B. V. Bhargava has had a distinguished career in development banking and project finance for nearly three decades. Currently, he is on various Boards and has a multi-faceted experience across industries. He was also the Chairman of the Rating Committee of CRISIL Limited. He has participated in a number of seminars on Project Evaluation and Management and has addressed several forums on this topic. He is a Post Graduate in Commerce and also has a degree in Law from Mumbai University.

P. V. Bhide
Independent Director

Mr. P. V. Bhide's career has spanned about four decades. He has held various government positions including the Secretary, Department of Revenue, Ministry of Finance; Secretary and Joint Secretary, Department of Disinvestment, Ministry of Finance; Additional Secretary/Spl. Secretary, Ministry of Home Affairs; Deputy Secretary, Department of Economic Affairs, Ministry of Finance. He has also held various other key positions across Departments. He is a retired IAS Officer with MBA, L.L.B and B.Sc. degrees.

Human Resources

In line with our objective of continuously enhancing the value of our human capital, our focus for Financial Year 2015 was predominantly on three key areas: developing leaders, creating an engaged workforce and building an inclusive workplace.

Developing Leaders

A leader springs up anywhere and at any time as potential does not come with limits. To recognise, develop and channelise leadership capabilities across the board – from entry level to senior management – we created a comprehensive leadership approach. The important aspect was ensuring that every employee completed competency assessment, which is objective, level-specific and anchored in our attributes framework. This has provided the basis for development and career progression.

At the senior level, 360-degree feedback helped leaders to size the impact they make on key stakeholders at work. In order to refresh the talent pool available within the organisation, we launched a rigorous 6-month induction programme for management trainees, who have now been placed in Sales,

Collections, Credit, Product Management, among other functions across the country. These enabling actions are helping leaders to emerge at all levels to take on progressively greater responsibilities.

Creating an Engaged Workforce

The most significant engagement initiative of the year was our “Brindavan” townhalls, which brought 3,000 employees face-to-face and in conversation with the Company’s senior leadership. The focus was our vision and a culture that will enable us to enhance value creation for each stakeholder – customer, partner, employee, shareholder and society. Given our expanding workforce, we launched the “Day-Zero Induction Programme” that centres on our values, businesses and key processes. The launch of an Online Learning



Management System has brought handy e-modules on our products, processes, compliance norms and systems to every employee's desk.

Building an Inclusive Workplace

We have always been a strong merit-based organisation that has recruited, developed, assessed, rewarded and promoted individuals based on their professional and leadership abilities. In FY 2015, we further enhanced inclusivity at the workplace. We introduced a policy framework that enables women employees to work, while attending to

motherhood and family responsibilities. Child care leave in addition to maternity leave, flexibility to work part-time or take a sabbatical are some options that are now available to our women employees.

As we approach the new financial year, we remain dedicated to improving the skill sets of our people to strengthen our competitive advantages.



Risk Management

Our constant endeavour is to embed best practices and create a unique risk culture across the organisation, adopting disciplined processes for assessment, measurement, mitigation and monitoring of risk.

At L&T Financial Services, given the nature of our businesses, risk management is a critical function. Our objective is to have a comprehensive view of risks across all our business lines. Our constant endeavour is to embed best practices and create a unique risk culture across the organisation, adopting disciplined processes for risk assessment, measurement, mitigation and monitoring.

Risk Framework

The risk management framework of the Group is set by the Board and the respective Business Heads. A Risk Management Committee (RMC), with Board Representatives, has been constituted by each operating entity to facilitate focused oversight on identified risks and to provide guidance on emerging and evolving risks. Policies approved by the Board,

and respective committees of the Board, form the governing framework for each type of risk. All business activities are undertaken within this overall policy framework.

Risk Governance

The Senior Management is responsible for ensuring that risks are adequately addressed from a governance perspective. The Senior Management is responsible for regular review, monitoring and developing risk mitigants, which are periodically reviewed by the respective RMCs and Boards. An overview of the risks across entities is presented to the HoldCo RMC and Board as well.

The Group has processes in place to identify and mitigate various risks across all entities and also documented standard operating



procedures. These are periodically reviewed to ensure that the key risks and controls across the Group are well identified.

the risk appetite and risk tolerance levels of each entity are in line with the medium and long term strategies of the entity and the Group.

Way Forward

With the evolving economic scenario – expectations of economic revival tempered with continued pressure on infrastructure/ corporate debt, we would continue to keep a close eye on our portfolio. At the same time, sectors and segments with good potential would be in focus. The aim is to ensure that



Corporate Social Responsibility



In Financial Year 2015, we formulated our Corporate Social Responsibility (CSR) Policy in line with the new CSR legislation under the Companies Act 2013. It is underpinned by one of our core values – Sustainability – and our principal thrust areas are quality education and generating sustainable livelihoods.

Strengthening Quality Education

Our aim is to raise education levels and holistic development among the underprivileged and in FY 2015, we reached out to over 25,000 students. We supported annual education cost, helped enhance nutrition, constructed classrooms and provided residential and medical infrastructure. At Dnyanarpan, our rural primary education project, basic reading and writing, as well as subjects such

as English, Mathematics and Science were taught through learning camps. Educating and enabling the girl child is also our key focus.

Alongside, we also recruited and trained 20 individuals from varied backgrounds and appointed them as teachers in municipal and aided schools across three cities. We provided in-service training to 75 community teachers and 400 existing teachers in Mumbai. These teachers impart education through child-centric, reflective thinking and similar innovative techniques.

Generating Sustainable Livelihoods

Inclusive growth and capacity building are cornerstones for our livelihood generation efforts. To enable governance at grassroot levels, we helped train farmers in rights and

access to entitlements and provided them with technical know-how for agricultural productivity. We helped set up a livelihood programme to sustain tribal households in Madhya Pradesh through the next five years and initiated a partnership in Tamil Nadu to replicate a social engineering programme across 15 villages. We also trained 150 rural youth in finance to help them find jobs in the sector.

Employee Volunteering

During the year, we introduced the Brindavan Learning Centre, a unique initiative at our corporate office premises in Mumbai. Eighty employees periodically contributed an hour of their time to teach basic English, Mathematics and life skills to 42 under-privileged children from the Kurla-Kalina area in Mumbai. In Hyderabad, in association with Kasturi Trust, seven employees taught Biology, Social Sciences, Physics and Mathematics at the Ekalavya school and 40 employees helped in conducting a baseline survey that covered over 440 slum households.

NGO Partner	Location	Outcome
Paragon Charitable Trust (Muktangan)	Mumbai	Training and employment provided to 400 existing and 75 community teachers
Teach For India	Delhi, Mumbai and Pune	Annual fellowship for 20 individuals
Kasturi Trust	Hyderabad	Supported 591 girls from two Eklavya schools
The Akanksha Foundation	Mumbai	Supported 240 primary school children
Parivaar Education Society	West Midnapore, Birbhum, Singbhum and Purulia districts – West Bengal	Formal education, nutrition and quality residential care provided to 104 school girls
Isha Foundation	Dharmapuri – Tamil Nadu	Educated 2,000 students in Mathematics and English across 12 Government schools
Isha Foundation	Salem – Tamil Nadu	Construction of 6 classrooms and providing 100 scholarships
Pratham Education Foundation	West Bengal, Odisha, Maharashtra, Madhya Pradesh	24,000 children attended Dynanarpan earning camps
PRADAN	Betul districts – Madhya Pradesh	Initiated sustainable livelihoods for over 16,000 households and trained 3,197 farmers
Sri Aurobindo Society	Villupuram – Tamil Nadu	Social engineering project in 15 villages
National Udaan Skills Foundation	Belda and Siliguri – West Bengal	150 youth trained for finance sector jobs

Key Management

N. Sivaraman

President &
Whole-Time Director -
L&T Finance Holdings Limited



Dinanath Dubhashi

Managing Director &
Chief Executive -
L&T Finance Limited



G. Krishnamurthy

Chief Executive -
L&T Infrastructure
Finance Company
Limited



Kailash Kulkarni

Chief Executive Officer -
L&T Investment
Management Limited

Dinanath Dubhashi

Mr. Dubhashi has been with L&T Finance Limited since April 2007. Prior to taking over as Chief Executive, Mr. Dubhashi held senior level positions in the organisation and has also been responsible for leading L&T Finance's foray into retail finance including micro finance. He has over 25 years of experience across retail financial services, corporate banking, cash management and trade finance, credit rating and project finance and has worked with reputed Indian and international organisations. He holds a B.E. (Mechanical) degree and has completed his PGDM from IIM Bangalore.

G. Krishnamurthy

Mr. Krishnamurthy, with over 24 years of experience in project finance and development, provides strategic direction to the wholesale financing business of the Group that includes large ticket lending to infrastructure and non-infrastructure sectors, Infrastructure Debt Fund (IDF) and Financial Advisory Services. He has played a lead role in the emergence of L&T Infrastructure Finance as a leader in financing renewables sector and foraying into the businesses of IDF and non-infrastructure sectors. He is a B. Tech (Mechanical) from IIT Mumbai and PGDM from IIM Bangalore.

Kailash Kulkarni

Mr. Kulkarni has close to 25 years of rich experience in Sales, Business Development and Operations; of which 20 years has been in the Banking, Asset Management and Insurance Industry. In his previous assignments, he has worked in different capacities in the Sales domain. He has done his MBA from Institute of Management Development & Research, Pune.

Management Discussion and Analysis

(I) Macro-economic Review

The Indian economy showed firm signs of macro stabilisation during 2014-15 (FY2015). Its real GDP (i.e., Gross Value added at constant prices) grew by 7.2% in FY2015, while CPI-based inflation eased from 10.02% to 5.93% on a year-on-year basis. Both the Current Account Deficit (CAD) and the government's subsidy burden, fell by nearly 50 basis points, as a percentage of GDP, aiding the process of fiscal consolidation. A favourable external environment, particularly the sharp decline in oil and commodity prices improved the economic outlook significantly. As a result, Moody's, the international rating agency raised India's sovereign rating outlook to "positive" from "stable" and indicated

the probability of a rating upgrade in the next 12-18 months subject to inter alia fiscal consolidation and addressing the weaknesses of the banking sector.

Over the last one year, India's new Government took several steps to unshackle binding growth constraints. In particular, it cleared many infrastructure bottlenecks, sped up decision-making, fast-tracked project clearances, cut red tape and sorted out mining issues.

Nevertheless, several multilateral think tanks observe that the pace of reforms will need to be stepped up to bridge the yawning infrastructure gap, unlock private investments, make Indian firms globally competitive and strengthen the balance sheets of financial intermediaries.

(II) Our Company's Businesses

The businesses of L&T Finance Holdings are carried out by its wholly-owned subsidiaries and are structured as:



The Management's focus is to achieve a healthy return on equity (ROE) on a sustainable basis to deliver attractive returns to all stakeholders. It has been a conscious decision of the Management to have diversified businesses to protect the overall profitability from the cyclical nature of individual businesses. Hence, the Company has focused on comprehensive product offerings, though some have been developed as flagship products.

While creating the product-mix, three parameters are taken into account: profitability, scalability and the Company's ability to have clear market advantage in a particular product segment. These three parameters influence the ultimate choice of the Company's product offerings, for which it has earned admiration in the wider marketplace.

A Retail Finance

The Retail Finance business - including retail, corporate and housing finance businesses - is carried out by the Company's wholly-owned subsidiaries, L&T Finance Limited, Family Credit Limited and L&T Housing Finance Limited.

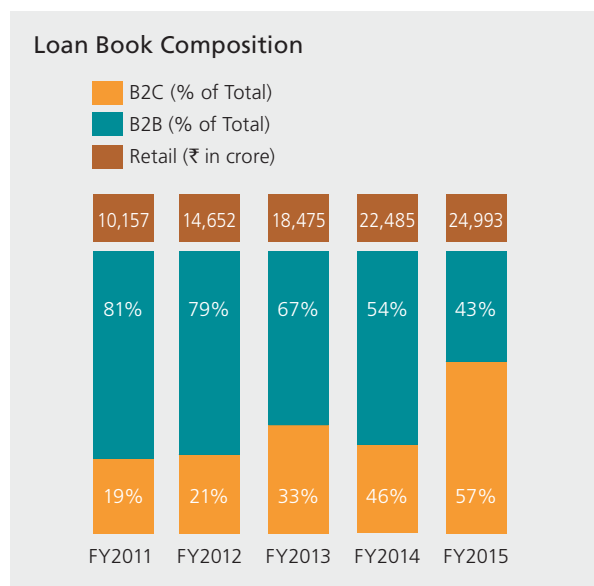
These comprise loans for income generation as well as for the purchase of consumer assets, working capital loans for Small and Medium Enterprises, term loans for Medium and Large Companies, loans under microfinance, loans for purchase of homes and loan against property.

The product portfolio under the Retail Finance includes:

Consumer and Auto Loans	Small and Medium Enterprises	Mid and Large Corporations	Housing Finance	Micro Finance
Farm equipment loans	Supply chain finance	Loans and Leases	Home Loans	Joint Liability Loans
Two-wheeler loans	Term loans	Loan Against Securities	Loan Against Property	Micro Individual Loans
Small & Light Commercial Vehicles' loans (SCV & LCV)	Warehouse Receipt Finance		Construction Funding	
Car Loans	Commercial Assets (Construction Equipment & Commercial Vehicle)			

Strategic Shift in Product Mix

There has been a consistent focus to grow in the B2C segment, which has been achieved through expansion in existing product lines and entry into new businesses.



Product Segment	FY2011	FY2012	FY2013	FY2014	FY2015
B2C					
Consumer & Auto Loan	17%	20%	30%	34%	36%
Micro Finance	3%	1%	1%	2%	4%
Housing Finance	0%	0%	2%	9%	17%
B2B					
Small & Medium Enterprises	44%	43%	33%	21%	15%
Mid & Large Corporate	36%	36%	34%	34%	28%

Consumer and Auto Loans

It may be noted that the products—Farm Equipment Loans and Two-Wheeler Loans—are the Company's primary flagship products. This is due to their existing and future potential for profitability, large market segments, strong OEM tie-ups, well-spread network and the Company's ability to offer customised financing solutions.

↑ 14%
YOY growth in Loans and Advances in Tractor Finance

During FY2015, while the Tractor market shrank by 13%, the Company's Tractor business grew by 14%, facilitating an increase in the market share by 3%. What enabled this

growth was a strong tie-up with some notable manufacturers in the industry. Similarly, in Two-wheeler loans, while the industry volume increased by 8% during FY2015, the Company grew by 21%, leading to an increase in its market share. This performance was facilitated by better penetration in existing locations and active efforts to extend reach to new markets.

Furthermore, the Small & Light Commercial Vehicles (S&L CV) loans act as products that are ancillary to the Company's flagship products, as the Company can leverage its existing branch network to deliver these products. However, their cyclical nature prevents profitability on a sustainable basis, and hence, the Company has limited exposure to this business – to the extent it is remunerative. What has further helped is the Company's dedicated focus on high collection efficiency even in the low buckets of delinquency.



↑ 21%

YOY growth in Loans
and Advances in
Two-wheeler
Finance

Small and Medium Enterprises

Through the Small and Medium Enterprises (SME) business, the Company offers Supply Chain loans (pre-shipment, post shipment and inventory funding), Construction Equipment and Medium and Large Commercial Vehicle loans. The Company is also incubating a business for financing warehouse receipts of agricultural commodities.

During the first half of FY2015, the off-take in Supply Chain loans was limited due to a muted economic environment, but it picked up pace in the second half. The Company has also tied up with marquee names in the automotive segment for financing the inventory of their dealers and this boosted business in the second half of the year.

During the year under review, the continued decline in construction and mining activities, a drop in overall industrial growth and strained liquidity in the system took its toll on the Commercial Vehicle (CV) and Construction Equipment (CE) segment, especially the CV and CE asset owners. The business witnessed a worsening of asset quality and a fall in

the resale value of assets. Accordingly, the Company strategically reduced its exposure to the segment in the last two years to restrict the level of stress in this business. While this has led to negative growth in this portfolio, the damage to asset quality was contained.

The SME segment has been fast emerging as another flagship segment for the Company. During the year under review, the Company undertook appropriate investment in technology for this business to be able to deliver a satisfactory and consistent customer experience. It has already considerably advanced its credit delivery processes by developing parameterised lending models that ensure a fast turnaround time. We believe our efforts will transform this segment into another robust business line of the Company.

Mid and Large Corporations

The Company's portfolio under this segment comprises Corporate Loans & Leases and Loan against Securities.



↑104%

YOY growth in
Loans and Advances
in Housing Finance

Robust collections aided improvement in asset quality across product segments.

It is common knowledge that the combination of low demand, tight liquidity, volatile interest and exchange rates have impacted the manufacturing sector over the last two years. Therefore, the Company adopted a selective strategy for its corporate loans and leases during the year under review. The Company offered credit only to well-rated companies with tight monitoring of loan usage.

During FY2015, the Management's focus in this segment remained two-pronged:

- To be selective in doing deals that strictly satisfy the Company's requirement of risk-return payoff.
- Collection of delinquent accounts which helped reduce the NPAs in this segment substantially.

Housing Finance

The Indian housing finance market crossed the ₹ 10 trillion mark, indicating a steady growth of 17% in FY2015. It is expected that improvement in the operating environment of this business could lead to an increase in new project launches. Further, improvement in the pace of under-construction projects, coupled with a favourable demographic profile, could lead to 20-22% credit growth from FY2016 onwards vis-à-vis 17-19% growth witnessed over the last three years. However, the market is quite concentrated as the top 5 players continue to hold more than 60% of the share. (Source: ICRA, Annual Report/ Financial Reports/ Investor presentation of HFCs/ Banks, Primary Research)

The Company's housing finance business consists of home loans, loan against property and loans for construction. The Company has scaled up its housing finance business by widening its market reach and increasing its share in the existing markets, where during the period under review, business grew. The addition of 14 new markets, has increased its presence to 30 markets.



In line with the Company's vision of providing best-in-class customer service, customer turnaround time in underwriting and operational processes improved during FY2015.

Strong growth in disbursements in home loans led to doubling of loan book.

Micro Finance

The Micro Finance segment is another flagship business of the Company. Robust risk control processes and ability to raise liabilities to match growth aspirations in a timely manner, gives the Company a unique market advantage in this segment.

The Company offers micro loans either through a joint liability group model or as individual micro loans. This business is currently

operational in eight states in India – Tamil Nadu, Karnataka, Maharashtra, Gujarat, Odisha, West Bengal, Madhya Pradesh and Kerala. During FY2015, the Company continued its efforts in Andhra Pradesh – within the overall framework of RBI regulations and the Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending Act, 2010 — to recover loans that were written off in the previous year. Currently, the Company has ceased further disbursements and its onward strategy depends on the evolving regulations in the state.

Customer friendly measures— Retail Finance

- **Mobility solutions:** The Company has adopted mobility solutions for loan origination and collection in the Consumer and Auto Finance businesses. Loan origination via tablets aims to drive sales effectiveness and reduce turnaround time through the use of technology. Alongside, mobile phones linked to printers are used to issue instant receipts.

More than
80,000
 loans originated through
 tablets.



- In order to optimise service quality and to consolidate processes, the Company rationalised the number of processing centres during FY2015. At the same time, the Company also outsourced non-core activities such as loan data entry, which resulted in increased efficiency throughout the period under review.

Organisational Processes – Retail Finance

Risk Management

Risk is an integral part of the financing business and needs to be effectively managed. The Retail business has formulated a Risk Management Framework covering Credit, Operational and Market risks, faced by the organisation on an ongoing basis. The identification, measurement, monitoring and management of these risks remain a key focus area.

Credit Risk

(a) Credit Policy

Lending entities under the Retail Finance business (L&T Finance Limited, Family Credit Limited and L&T Housing Finance Limited), have their respective credit policies and credit risk management framework in place. Given the wide range of products offered by the Retail business, the credit policies are supplemented by credit guidelines for different products, which are issued from time to time in consultation with the Risk Department to manage risks at different stages of the financing process, i.e. both pre and post-disbursement.

(b) Credit Risk Management

The business and credit review departments operate independently to manage credit risk better. Retail Finance has a centralised credit underwriting for the business verticals that the company operates in. The credit team is responsible for review, evaluation and sanctioning of loan proposals. The reporting relationship of Head of Credit and Risk is independent to the businesses.

The identification, measurement, monitoring and management of Credit, Operational and Market risks, remain a key focus area.

This is also supported by a dedicated Analytics team providing various trends/early warning indicators for better risk management of the retail portfolio.

(c) Risk Control Unit

The Company's Risk Control Unit (RCU) reviews retail sourcing, collection and branch processes to ensure business is conducted in line with organisational policies and procedures as well as to control fraud risk.

Market Risk

On the market risk front—liquidity, interest rate and concentration risks are the key. On a day-to-day basis, the Treasury team manages these risks under the overall supervision of Asset Liability Management Committee and periodic reviews by the Risk Management Committee.

Operational Risk

Operational risk is inherent to the retail business and the platform has a dedicated Operational Risk Management team that monitors operational risks and incidents including the robustness of various processes. The team also identifies key risk indicators and various risk mitigation measures for effective management of operational risks.

Operations

The Company's operations have been organised to maximise cost efficiency and

customer convenience. Operations are centralised, automated and consolidated into three hubs viz. Mumbai, Chennai and Kolkata. Customer Focus forms the back-bone of the Operations Strategy of the organisation.

During the year under review, Operations further pursued its environment-friendly strategy of paperless processing using a combination of image-flow and work-flow both at our in-house and partnered operations. This has helped in process efficiencies, better controls and customer friendly turnaround time. These efforts are supplemented by Quality Controls and Business Process Excellence initiatives, including ISO 9001-2008 for crucial processes.

Business Process Excellence initiative: ISO 9001-2008 certification for its crucial operational processes.

Information Technology

Key technology initiatives undertaken during FY2015 include:

- Implementation of automated rule-driven credit evaluation for Two-wheeler loans
- Facilitation of convenient retail EMI payments for our customers through tie-ups with payment collection services
- Implementation of unified data warehouse across all retail entities & products



↑ 97%

YoY growth in
Loans and Advances
in Renewable Power



B Wholesale Finance

The Wholesale Finance business of the Company comprises infrastructure financing and non-infra wholesale financing through three wholly-owned subsidiaries viz. L&T Infrastructure Finance Company Limited (L&T Infra Finance), L&T FinCorp Limited and L&T Infra Debt Fund Limited (L&T IDF).

L&T Infra Finance is a “Public Financial Institution” (PFI) under the Companies Act and is categorised by the Reserve Bank of India (RBI) as an Infrastructure Finance Company (NBFC-IFC). L&T Infra Finance, by virtue of being a PFI, has certain enablers, exemptions and relaxations under specific regulations. L&T FinCorp is categorised by RBI as a “Loan Company.” L&T IDF is categorised by RBI as an Infrastructure Debt Fund (NBFC-IDF). All the entities are systemically important non-deposit taking NBFCs, which come under the overall regulatory supervision of the RBI.

The Company’s Wholesale business offers

both fund-based as well as fee-based products and services that attempt to meet the requirements of infrastructure and industrial financing in India. While each segment or Company of the Wholesale business has its own performance indicators and clientele, they work together to position the Wholesale business as a leading infrastructure, industrial and corporate solutions provider. Businesses under the Wholesale Finance are organised broadly under the Project Finance Group, Industrial/Corporate Finance Group and Financial Advisory Services Group (including Debt and Equity Advisory services).

(1) Project Finance Group

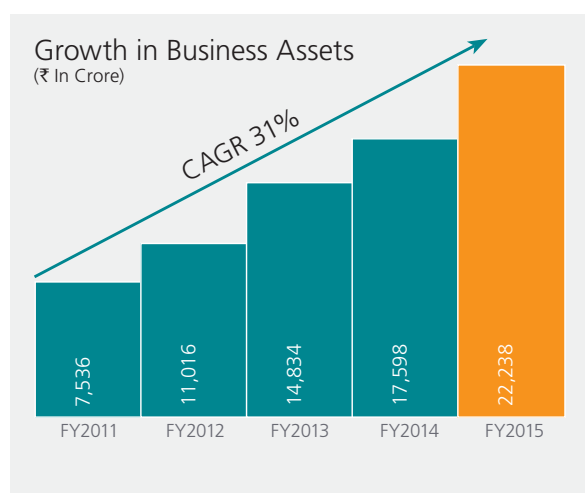
Project Finance Group (PFG) appraises infrastructure projects and borrower groups, of varying complexities and provides innovative financial solutions and products to meet the requisite tenure and cash flow based structuring requirements of customers. Over the last eight years, PFG has been able



to provide financing to several large and medium-sized business groups in the country. PFG had addressed the requirements of key sectors with specific reference to Energy, Transportation, Telecommunications, Industrial Finance and others. Financing solutions are provided to projects under construction as well as refinancing solutions to operational infrastructure projects.

(2) Industrial/Corporate Finance Group

The Industrial/Corporate Finance Group provides corporate debt and capital market related lending products, including loan against shares, to a wide set of borrowers. Over the last two-three years, the Wholesale business has grown in terms of asset size. L&T Infra Finance has emerged as one of India's leading financiers in key sectors including renewable energy, more specifically solar and wind power generation. Chart alongside indicates the growth in business assets for the Wholesale business from FY2011 to FY2015.



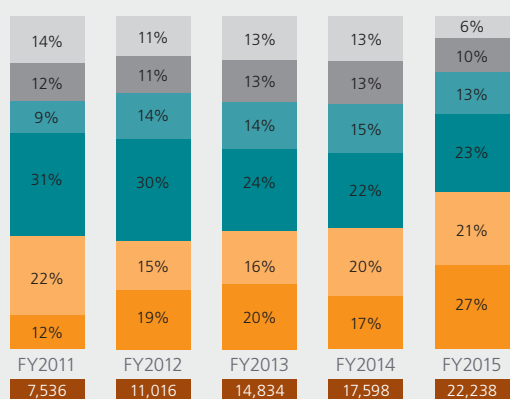
(3) The Financial Advisory Services Group

The Financial Advisory Services (FAS) Group provides advisory services to customers, enabling the raising of debt and equity capital from market sources. FAS also provides financial structuring solutions to customers to optimise their capital and financing structure.

Strategic Shift in Product Mix and Sector Focus

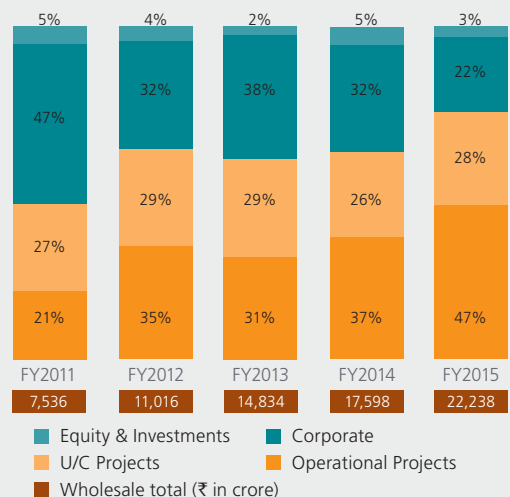
The Wholesale business has evolved from being a corporate lender to a specialised project financier and focused on operating projects to balance overall risk of the portfolio. As is visible from the charts below, the business has also emerged as a leading financier in the renewable energy and road sector.

Sector-wise composition



1. Corporate loans to Power companies
2. Others include IT parks/SEZs, infra project implementers, captive mining for power projects, healthcare, solid waste management, water treatment, select hotels, real estate, bonds etc.

Loan Book Composition



Risk Management Practices - Wholesale Finance

All entities within the Wholesale business have robust risk management practices that enable them to mitigate and manage risks in their businesses. In line with best practices, the Risk and Asset Monitoring Group is structured to operate independently of the other business groups. The Risk Management Framework flowing from the overall Enterprise-wide Risk Management Framework of L&T Financial Services, encompasses credit, market as well as operational risks. The Risk Management Policies are approved by the Risk Management Committee, a Sub-Committee of the Board of Directors.

The Credit Risk function independently evaluates proposals based on well-established sector-specific internal frameworks, in order to identify, mitigate and allocate risks as well as enable risk-based pricing of assets. Regulatory and process risks are identified, mitigated and managed by a separate group.

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

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

C Investment Management

The Investment Management business of the Company is carried out through L&T Investment Management Limited (L&TIM), a wholly owned subsidiary. During the period under review, average assets under management grew by 23% to ₹ 22,497 crore for the quarter ended March, 2015 versus ₹ 18,255 crore for the corresponding period in the previous year. This was achieved through a combination of several positive factors such as consistent fund performance, three unique new product offerings, strong risk management and effective cost management.

Industry Overview

Against the backdrop of positive political sentiment, the Indian mutual fund industry grew by 31% taking average assets under management (AAUM) to ₹ 1,188,690 crore for the quarter ended March 2015 (versus ₹ 905,120 crore for the quarter ended March, 2014). The Equity asset mix for the industry also improved from 22% to 32% with higher net inflows, courtesy elevated stock indices. During the first half of the period under review, the fixed income category as a whole, faced significant pressure post the interim budget, wherein the holding period for debt funds was increased from 12 months to 36 months to

qualify for Long Term Capital Gains. The Fixed Maturity Product category in the asset pie also decreased significantly. However, flows improved for Fixed income in the latter half of FY2015 on the expectations of monetary easing.

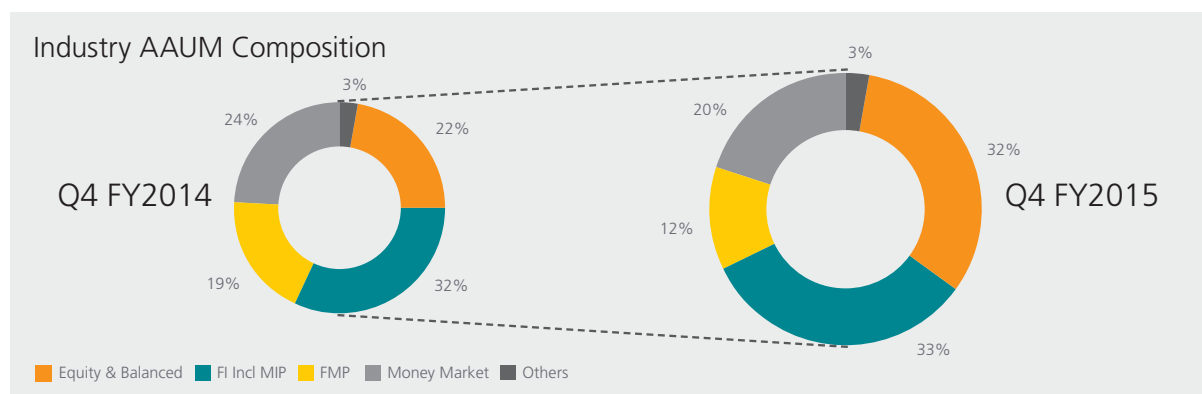
Our Performance

The Equity mix for the Company increased to 38% this year from 25% in the previous year, better than the industry asset mix of 32%. Average equity assets increased by 89% year-on-year to ₹ 8,587 crore for the quarter ended March 2015, with a market share of 2.4%. The asset growth and increase in market was a result of strong gross and net sales as well as market appreciation on the back of fund performance.

Average equity assets increased by 89% YOY to ₹ 8,587 crore for the quarter ended March 2015

During the year, the Company launched three unique fund offerings.

- (a) **The L&T Emerging Businesses Fund**, a two year close-ended scheme with automatic conversion into an open-ended



India's first mutual fund application on Facebook - GoInvest

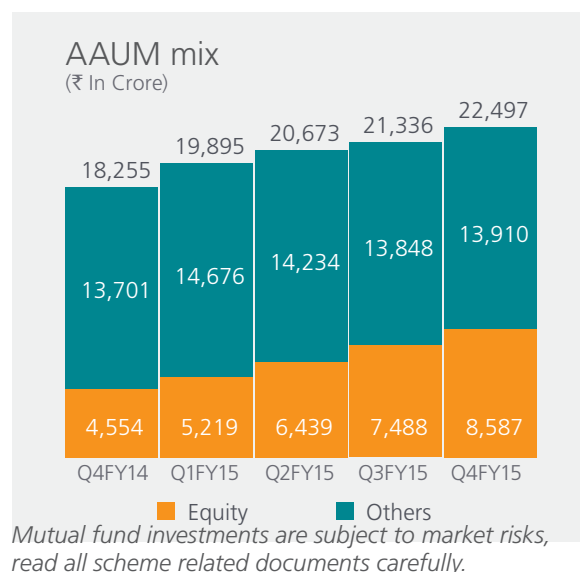


equity scheme after two years. The fund focuses on investing in emerging businesses with potential to grow revenues higher than the market.

- (b) **L&T Business Cycles Fund**, with a unique investment strategy that takes advantage of business cycles in the equity markets through strategic sector allocation. This is a product, that could potentially outperform in both, high as well as low markets.
- (c) **L&T Resurgent India Corporate Bond Fund**, a first of its kind fund that aims to combine the best of duration and accrual strategy to deliver superior medium-term performance.

Most of the Company's funds consistently outperformed their benchmarks across one, three and five years periods. In particular, nine out of ten equity-oriented schemes were in the top two quartiles with five schemes in the top quartile. In the fixed income segment, seven out of nine schemes were in the top two quartiles. These initiatives combined with a strong investment performance resulted in a consistent market share of 2%, an industry rank of 13 and investor folios of over 800,000 as on March 2015.

The Company also launched India's first mutual fund application on Facebook called GoInvest, which allows investors to view their L&T Mutual Fund portfolios and latest valuations.





D Wealth Management

The Company's Wealth Management business is carried out through L&T Capital Markets Limited—its wholly owned subsidiary, offering services to Ultra High Net worth (UHNI) and High Net Worth (HNI) individuals through the Company's Private and Premier Wealth channels.

Industry Performance

The Indian market offers good scope for growth, given its long-term economic prospects, positive demographics, rising income levels and current low penetration. While HNIs in India constitute only 8% of total households, they own around 45% of the total wealth. Furthermore, with nearly 69% of the Indian HNI population being in the age group of 30-55, the demand for financial planning and advisory services is likely to remain strong in the coming years. Using a five-year historical average of HNI wealth/GDP for each year, combined with IMF's GDP projections, it is

estimated that HNI wealth in India could grow to US\$952 billion by 2017, reflecting a 12% CAGR (compound average growth rate) from 2011.

Our Performance

The business has grown well on the back of its business model built on the fundamental tenets of client centricity, intellectual property and execution efficiency. Average assets under service for the quarter ended March 2015 grew to ₹ 6,967 crore, accounting for an increase of 39% from ₹ 5,012 crore for the corresponding period in the previous year. The Wealth Management business has a customer base of over 3,000 and is operational in Mumbai, Delhi, Bangalore, Chennai, Hyderabad, Chandigarh, Ahmedabad, Baroda and Pune. During the period under review, the Company initiated and set up a Representative Office in Dubai in the DIFC campus.

Consolidated Performance

Income

On a consolidated basis, L&T Finance Holding's income increased by 21% from ₹ 5,237.18 crore in FY2014 to ₹ 6,337.45 crore in FY2015. Operating income increased by 23% from ₹ 5,055.94 crore in FY2014 to ₹ 6,196.23 crore in FY2015 and the interest income on loans and advances increased by 16% from ₹ 4,762.42 crore in FY2014 to ₹ 5,547.60 crore in FY2015. This increase was primarily the result of a 18% increase in the loans and advances made by L&T Finance Holdings from ₹ 38,697.15 crore as on March 31, 2014 to ₹ 45,763.13 crore as on March 31, 2015. Due to lower cost of borrowings, the increase in interest cost was contained to 16% resulting in improvement in net interest margins. Fee income from various activities, mainly advisory and investment management, increased by 47% from ₹ 127.98 crore in FY2014 to ₹ 187.52 crore in FY2015.

Expenditure

Total expenditure increased by 20% from ₹ 4,412.30 crore in FY2014 to ₹ 5,306.52 crore in FY2015. Finance cost increased by 16% from ₹ 3,073.88 crore in FY2014 to ₹ 3,567.79 crore in FY2015, primarily as a result of increase in borrowings, due to higher volume of business. Operating expenses increased by 13% from ₹ 558.53 crore in FY2014 to ₹ 629.28 crore in FY2015. Allowances and write-offs increased by 55% from ₹ 426.11 crore in FY2014 to ₹ 661.68 crore in FY2015, mainly on account of higher provision, but on a larger loan book.

Profit

For the reasons stated above, L&T Finance Holding's profit before exceptional items and tax increased by 25% from ₹ 824.88 crore in FY2014 to ₹ 1,030.93 crore in FY2015. Profit after tax excluding exceptional items increased by 23% from ₹ 596.89 crore in FY2014 to ₹ 736.03 crore in FY2015. Profit after exceptional items and before tax substantially increased by 42% from ₹ 824.88 crore in FY2014 to ₹ 1,174.82 crore in FY2015, which included exceptional items of ₹ 143.89 crore pertaining to sale of investments held outside the group. Profit after exceptional items and tax increased by 43% from ₹ 596.89 crore in FY2014 to ₹ 854.68 crore in FY2015, due to the same reason.

Asset Quality

Asset quality improved with both gross non-performing assets (NPA) and net non-performing assets showing a decline. This was achieved by strong collections and judicious sale of certain stressed assets to ARCs. The provisioning coverage on non-performing assets was increased to 44% during the year.

Overall asset quality (including net restructured standard assets and net security receipts) improved from 5.09% in FY2014 to 4.40% in FY2015. The Company carried provisions in excess of RBI norms of ₹ 230 crore. Accelerated provisions to the extent of ₹ 96 crore were made in FY2015. This included increasing the standard asset provisioning to 30 basis points from 25 basis points, recognition of income reversal on 150-180 days past due assets and voluntary provisions against select stressed accounts.

Particulars	FY2014	FY2015	Y-o-Y
Gross NPA (₹ Cr.)	1,243	1,045	(16%)
Net NPA (₹ Cr.)	890	580	(35%)
Gross NPA %	3.18%	2.25%	(93 bps)
Net NPA %	2.29%	1.26%	(103 bps)
Provision Coverage %	29%	44%	15%

Standalone Performance of L&T Finance Holdings

On a standalone basis, L&T Finance Holding's income increased from ₹ 291.23 crore in FY2014 to ₹ 326.93 crore in FY2015, primarily as a result of increased dividend income from subsidiaries. Operating income increased from ₹ 257.57 crore in FY2014 to ₹ 290.62 crore in FY2015. Total expenditure dropped from ₹ 94.33 crore in FY2014 to ₹ 74.90 crore in FY2015 substantially on account of reduction in finance cost. Profit after tax increased from ₹ 196.38 crore in FY2014 to ₹ 261.63 crore in FY2015.

Cautionary Statement/Disclaimer (for this Report)

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

Mutual fund investments are subject to market risks, read all scheme related documents carefully.

Board's Report



Board's Report

Dear Members,

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

Financial Results

The summary of the Company's financial performance, both on a consolidated and standalone basis, for the financial year 2014-15 as compared to the previous financial year 2013-14 is given below:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Total Income	633,744.93	523,718.42	32,693.19	29,122.67
Less: Total Expenses	530,652.08	441,230.35	7,490.42	9,433.44
Profit before exceptional Items & taxes	103,092.85	82,488.07	25,202.77	19,689.23
Exceptional Items	14,389.42	-	-	-
Profit before Tax	117,482.27	82,488.07	25,202.77	19,689.23
Less: Tax Expense	32,410.80	23,003.91	(960.03)	50.92
Profit after Tax	85,071.47	59,484.16	26,162.80	19,638.31
Add: Share in profit of associate company	396.43	205.17	-	-
Profit for the year	85,467.90	59,689.33	26,162.80	19,638.31
Add: Balance brought forward from previous year	84,421.15	84,078.98	12,918.28	17,698.51
Balance Available	169,889.05	143,768.31	39,081.08	37,336.82
Appropriations				
Statutory Reserve	18,931.63	16,861.65	5,233.00	3,928.00
Proposed Dividend on Equity Shares	13,762.29	12,888.37	13,762.29	12,888.37
Dividend paid for previous year	5.04	1.29	5.04	1.29
Dividend Distribution Tax on proposed dividend / dividend paid (Including tax on Dividend paid for previous year)	4,955.37	3,656.03	12.27	3.38
Interim Dividend on Preference Shares	11,016.53	7,597.50	11,016.53	7,597.50
Redemption premium on Cumulative Compulsorily Redeemable Preference Shares	254.60	-	-	-
Transfer to/(from) Debenture Redemption Reserve	2,658.16	11,649.00	-	-
Depreciation rate adjustment	313.92	-	-	-
Amalgamation adjustments	-	51.90	-	-
Transfer to Reserve u/s 36(1)(viii) of Income Tax Act, 1961	4,798.00	6,440.00	-	-
Transfer to Reserve u/s 29-C of National Housing Bank	1,350.00	201.42	-	-
Surplus in the Statement of Profit and Loss	111,843.51	84,421.15	9,051.95	12,918.28

Financial Performance

Being a Core Investment Company, the Company's standalone revenue is substantially, dividend from its subsidiaries and hence, it is meaningful to look at the Consolidated Performance.

Consolidated

- Total income grew by 21% from ₹ 523,718.42 Lakhs in FY 2013-14 to ₹ 633,744.93 Lakhs in FY 2014-15.
- Profit before exceptional items and taxes has grown from ₹ 82,488.07 Lakhs in FY 2013-14 to ₹ 103,092.85 Lakhs in FY 2014-15.

- Profit After Tax (PAT) excluding exceptional items was ₹ 73,603.00 Lakhs in FY 2014-15 as compared to ₹ 59,689.33 Lakhs in FY 2013-14.

During the year, the net loan book size grew from ₹ 3,869,715.04 Lakhs to ₹ 4,576,313.36 Lakhs reflecting a growth of 18%.

The Average Assets Under Management (AAUM) of the Mutual Fund business stood at ₹ 2,249,670 Lakhs for the quarter ended March 31, 2015 as against ₹ 1,825,519 Lakhs for the quarter ended March 31, 2014, a growth of 23%.

Standalone

- Total income grew from ₹ 29,122.67 Lakhs in FY 2013-14 to ₹ 32,693.19 Lakhs in FY 2014-15.
- Profit before tax has grown from ₹ 19,689.23 Lakhs in FY 2013-14 to ₹ 25,202.77 Lakhs in FY 2014-15.
- Profit After Tax (PAT) was ₹ 26,162.80 Lakhs in FY 2014-15 as compared to ₹ 19,638.31 Lakhs in FY 2013-14.

Appropriations

The Company proposes to transfer ₹ 5,233.00 Lakhs (Previous year ₹ 3,928.00 Lakhs) to Special Reserve created u/s 45-IC of the Reserve Bank of India Act, 1934.

The Company proposes to transfer ₹ 13,762.29 Lakhs (Previous year ₹ 12,888.37 Lakhs) to Dividend Account towards payment of proposed dividend on Equity Shares and ₹ 12.27 Lakhs (Previous year ₹ 3.38 Lakhs) towards payment of Dividend Distribution Tax on the proposed dividend and retain ₹ 9,051.95 Lakhs (Previous year ₹ 12,918.28 Lakhs) in the Statement of Profit and Loss of the Company.

Material Changes and Commitments

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

Dividend

The Board of Directors had declared and paid an interim dividend @ 8.75% (two options), 9.00% (one option), 8.40% (one option), 8.50% (one option) and 8.35% (two options) per share (on pro-rata basis for the issuance made during the year) as applicable, on the five series of Cumulative Compulsorily Redeemable Preference Shares (CCRPS) of face value of ₹ 100/- each of the Company, for the financial year 2014-15, entailing an outflow of ₹ 11,016.53 Lakhs (excluding Dividend Distribution Tax). No final dividend is proposed on CCRPS.

The Directors are pleased to recommend a final dividend of ₹ 0.80 per Equity Share of face value of ₹ 10/- each for the financial year 2014-15, entailing an outflow of ₹ 13,762.29 Lakhs (excluding Dividend Distribution Tax).

The dividend, if approved at the ensuing Annual General Meeting, would be paid to those members whose name appear in the Register of Members/Beneficial Holders as on September 2, 2015.

Credit Rating

During the year, Credit Analysis and Research Ltd. (CARE) has accorded a rating of 'CARE AA+' [Double A Plus] for the various issues of Redeemable Preference Shares. The

rating indicates that the Preference Shares carry very low credit risk and are considered to have a high degree of safety regarding timely servicing of financial obligations and further indicating "Stable" outlook.

Share Capital

During the year under review, to fund the capital requirements of the subsidiaries from time to time, your Company has issued 36,340,000 Listed Cumulative Compulsorily Redeemable Preference Shares (CCRPS) of Face Value ₹ 100/- each for cash at par aggregating ₹ 36,340.00 Lakhs on private placement basis. The said shares were issued in accordance with the SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (SEBI Regulations).

During the year, the Company has issued in total 18,36,925 Equity Shares to employees of the Company and its Subsidiary companies pursuant to their exercise of stock options under ESOP Scheme - 2010.

Pursuant to the above issue of Preference Shares and allotment of Equity Shares on exercise of employee stock options, the paid-up capital of your Company increased to ₹ 308,368.59 Lakhs (including Preference Share Capital of ₹ 136,340.00 Lakhs) as at March 31, 2015 from ₹ 271,844.90 Lakhs as at March 31, 2014.

Investment in Subsidiaries

During the year under review, the Company has infused capital in its following subsidiaries by subscribing to the equity shares offered by them:

Name of subsidiary company	Amount of capital subscribed (₹ in Lakhs)
L&T Capital Markets Limited	600.00
L&T Investment Management Limited	501.82

Registration as Core Investment Company

The Company is a registered Non-Banking Financial Institution - Core Investment Company (NBFC-CIC) pursuant to the receipt of Certificate of Registration from the Reserve Bank of India (RBI) dated September 11, 2013, under Section 45-IA of the Reserve Bank of India Act, 1934.

Statutory Disclaimer

The Company is having a valid Certificate of Registration dated September 11, 2013 issued by the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act,

1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits / discharge of liabilities by the Company.

Fixed Deposits

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

Directors

During the year under review, Mr. B. V. Bhargava, Mr. S. V. Haribhakti, Mr. P. V. Bhide, Ms. Kamakshi Rao and Mr. Harsh Mariwala, who had offered themselves for appointment as Independent Directors (IDs) and who were qualified for the said position, pursuant to Section 149(6) of the Companies Act, 2013 (the Act), were appointed as IDs by the Members at their Sixth Annual General Meeting held on July 24, 2014, to hold office for a period upto March 31, 2019.

During the year under review, Mr. A. K. Jain, a Non-Executive Director, resigned from the Board of Directors to devote time to other commitments and accordingly ceased to be a Director of the Company with effect from February 26, 2015. The Board places on record its appreciation of the valuable services rendered by him during his tenure as a Director of the Company.

The provisions of Section 149(1) and 149(4) of the Act, pertaining to the appointment of a Woman Director and Independent Directors have been notified by the Ministry of Corporate Affairs with effect from April 1, 2014. The revised Clause 49 of the Equity Listing Agreement notified by SEBI with effect from October 1, 2014 also mandated appointment of a Woman director in addition to Independent Directors. As at March 31, 2015, the Company has five Independent Directors including one Woman Director.

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details of the familiarization programme is available on the website of the Company at <http://www.ltfinanceholdings.com/investors/corporate-governance.aspx>.

All Independent Directors have given declarations that they meet the criteria of independence as provided under Section 149 (6) of the Act and Clause 49 of the Equity Listing Agreement. Further, all the Directors meet the Fit and Proper criteria stipulated by the RBI pursuant to the revised regulatory framework notified during the year. The terms and conditions of appointment of Independent Directors is also available on the website of the Company at <http://www.ltfinanceholdings.com/investors/corporate-governance.aspx>.

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-third 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. For the purpose of determining the total number of directors, Independent Directors are required to be excluded. Accordingly, Mr. N. Sivaraman, President & Whole-time Director will retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment.

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

Additional Information and brief profile, as stipulated under the Equity Listing Agreement with respect to the Director seeking re-appointment, is annexed to the Notice of the AGM. Further, the business items relating to the re-appointment of above Director have been included in the Notice of the AGM.

Key Managerial Personnel

During the year under review, Mr. C. S. Damle resigned as the Chief Financial Officer of the Company for pursuing alternate career opportunities. As on March 31, 2015, the Company has the following Key Managerial Personnel:

- 1) Mr. Y. M. Deosthalee – Chairman & Managing Director
- 2) Mr. N. Sivaraman – President & Whole-time Director
- 3) Mr. N. Suryanarayanan – Company Secretary

The Board of Directors, at its meeting held on April 23, 2015 has, on the recommendation of the Audit Committee, appointed Ms. Upma Goel, Deputy Finance Controller and a Chartered Accountant with over 22 years experience, as a Key Managerial Person to discharge the functions of the Chief Financial Officer.

Company's Policy on Director Appointment and Remuneration

A. Background and Objectives

Section 178 of the Companies Act, 2013 ('the Act') as well as Clause 49 of the Equity Listing Agreement (Listing Agreement) require the Nomination and Remuneration Committee to formulate a Policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company and recommend the same for approval of the Board. Further, Section 178(4) of the Act and Clause 49 of the Listing Agreement stipulate that the policy shall be disclosed in the Board's Report.

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

The Board of Directors at its meeting held on February 25, 2015, has, based on the recommendation of the Nomination and Remuneration Committee, approved the Policy on Directors' Appointment and Remuneration for Directors, Key Managerial Personnel and other Employees.

B. Brief Framework of the Policy

a) The objective of this Policy is

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

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

• Non-Executive Directors/Independent Directors

Before determining the remuneration, the Nomination and Remuneration Committee ('the Committee') is required to carry out evaluation of performance of Independent Directors/Non-Executive Directors, against 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.

• Executive Directors

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

• Senior Management/Key Managerial Personnel/ Employees

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

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

c) Criteria for Remuneration

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

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

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 (the Act) and Clause 49 of the Equity Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as the Audit Committee (AC) and Nomination and Remuneration Committee (NRC).

Manner of Evaluation

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

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

The process of the annual performance evaluation broadly comprises:

a) Board Evaluation:

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

b) Audit Committee and Nomination and Remuneration Committee Evaluation:

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

c) Independent / Non-Executive Directors Evaluation:

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

d) Chairman Evaluation:

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

e) Evaluation of President & Whole-time Director:

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

Employee Stock Option Scheme

The disclosures required to be made under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, together with a certificate obtained from the Statutory Auditors, confirming compliance thereto, has been appended as Annexure A forming part of this Report.

Reports on Corporate Governance

The Report on Corporate Governance for the year under review, is forming part of the Annual Report. The certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Corporate Governance Report.

Statutory Auditors

The Auditors, M/s. Sharp & Tannan, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting (AGM) and are recommended for re-appointment.

Pursuant to Section 139(2) of the Companies Act, 2013 (the Act) and the rules made thereunder, no listed company shall appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The aforesaid appointment is subject to ratification by Members of the Company at every AGM.

Further, the proviso to the said Section 139(2) stipulates that every company existing on or before the commencement of the Act, has to comply with the requirements of this Section within three years from the date of commencement of this Act. The Audit Committee and Board of Directors of the Company have recommended the appointment of M/s. Sharp & Tannan, Chartered Accountants as Statutory Auditors for a further period of one year i.e. from the conclusion of the Seventh AGM till the conclusion of the Eighth AGM, subject to the approval of the Members in the ensuing AGM of the Company. For the information of Members, M/s. Sharp & Tannan has already served as Statutory Auditors of the Company for a period of seven years.

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

Particulars of Employees

The information required pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been appended as Annexure B of this Report. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

The Board of Directors 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/Information is related to any Director of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Considering the Company's activities as a Core Investment Company carrying out its activities through its subsidiaries, the particulars regarding conservation of energy & technology absorption as required to be disclosed pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

There were no foreign exchange earnings during the year (Previous year ₹ Nil); the foreign exchange used by the Company during the year was ₹ 202.17 Lakhs (Previous year ₹ 196.48 Lakhs) towards professional fees, Directors' sitting fees and travelling expenses.

Depository System

As the Members are aware, the Company's equity shares are compulsorily tradable in electronic form. As on March 31, 2015, out of the Company's total equity paid-up capital comprising of 1,720,285,900 Equity Shares, only 224,746 Equity Shares were in physical form and the remaining capital is in electronic form. In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail of the facility of dematerialization.

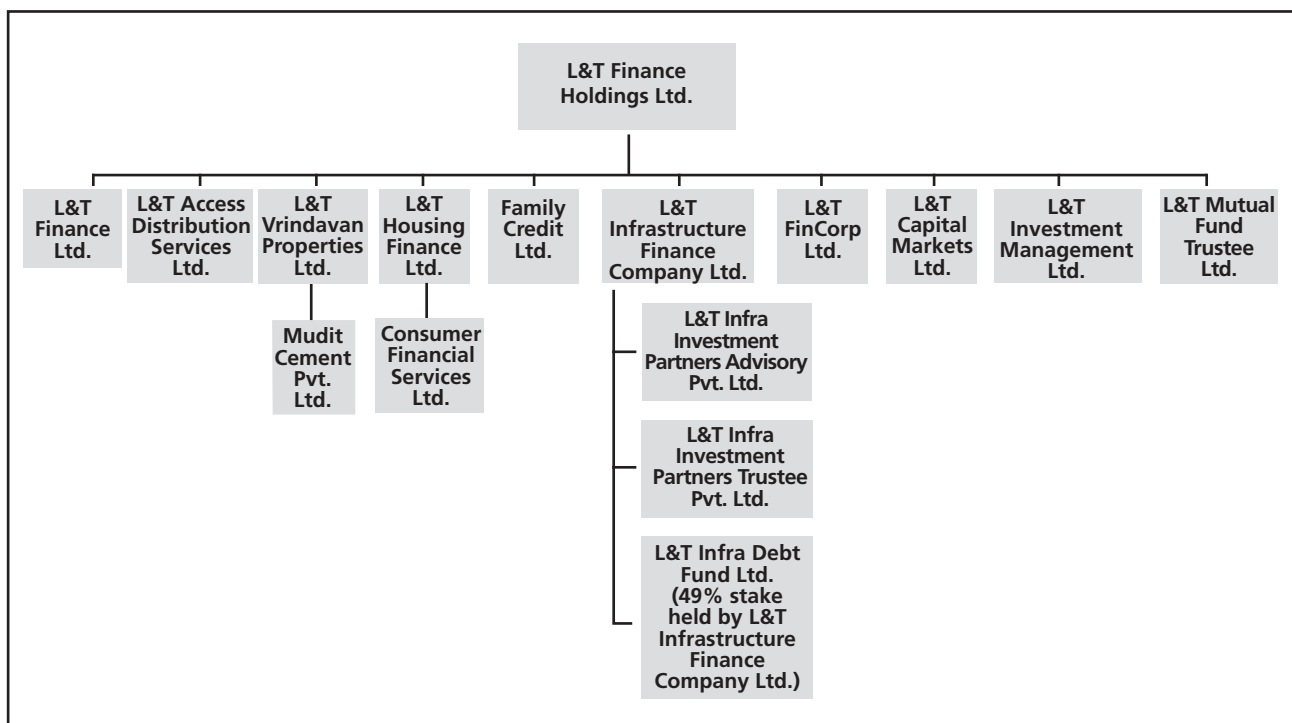
Subsidiary Companies

The Company conducts its business through subsidiaries for each of the business segment in which it operates. As of March 31, 2015, the Company had 15 subsidiaries (including step down subsidiaries), which is summarized in the diagram below:

During the year under review, as part of the corporate restructuring exercise, L&T Trustee Services Pvt. Ltd. was merged with L&T Mutual Fund Trustee Ltd. in order to create better synergies across the group, optimal utilisation of resources and reduction in regulatory and legal compliances/filings.

The Scheme of Arrangement has been sanctioned by the Honourable High Court of Judicature at Bombay vide its Order dated August 27, 2014.

By virtue of the above, L&T Trustee Services Pvt. Ltd. ceased to be a step down subsidiary of the Company.



Material Subsidiaries

As required under the Clause 49(V)D of the Equity Listing Agreement, the Board of Directors at its meeting held on October 22, 2014 has approved the Policy for determining Material Subsidiaries ('Policy'). The details of the Policy are available on the website of the Company at <http://www.ltfinanceholdings.com/investors/corporate-governance.aspx>.

Performance and Financial Position of each subsidiary/associate and joint venture companies

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries and associates of the Company has been appended as Annexure C to this Report.

The Company does not have any overseas subsidiaries.

Directors' Responsibility Statement

The Board of Directors of the Company confirms that:

- 1) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for that period;
- 3) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the directors had prepared the annual accounts on a going concern basis;
- 5) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- 6) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of

its operations. Testing of such Control Systems form a part of Internal Audit functions. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman & Managing Director and functionally to the Audit Committee. The Internal Audit functions are carried out by the Internal Audit department of L&T Financial Services Group.

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

Meetings

The details of the Board meetings held by the Company during the financial year 2014-15 are disclosed in the Corporate Governance Report annexed along with this Report.

Composition of Audit Committee

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013, Clause 49 of Equity Listing Agreement and regulations of the Reserve Bank of India. The details of the same are disclosed in the Corporate Governance Report.

Vigil Mechanism

The Company has formulated and established a Vigil Mechanism Framework to enable directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. Under this framework, the Company has set up a "Whistle Blower Investigation Committee ("the Committee")". The Chairman of this Whistle Blower Investigation 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 Group acts 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 the requirements of the Companies Act, 2013 and Equity Listing Agreement and available on the website of the Company at <http://www.ltfinanceholdings.com/investors/corporate-governance.aspx>

Corporate Social Responsibility (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

The Company has also formulated a CSR Policy which is available on the website of the Company at <http://www.ltfinanceholdings.com/investors/corporate-governance.aspx>. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure D to this Report.

Particulars of Loans given, Investments made, Guarantees given or security provided by the Company:

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

Particulars of Contracts or Arrangements with Related Parties:

The Board of Directors at its meeting held on June 20, 2014 has approved the Policy on Related Party Transactions (RPT Policy), pursuant to the recommendation of the Audit Committee. In line with the requirements of the Companies Act, 2013, RBI Regulations and Equity Listing Agreement, the Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.ltfinanceholdings.com/investors/corporate-governance.aspx>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Key features of the RPT Policy are as under:

- All RPT's should be referred to the Audit Committee of the Company for approval irrespective of its materiality. The Audit Committee, on the recommendation of the management, will approve certain transactions with related parties which

would occur on regular basis or at regular intervals. The Audit Committee shall, at the end of each year appraise the position of the approved transactions to ensure that all necessary requirements are being complied with.

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

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, Body Corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable. The Directors draw attention of the members to Note No. 24.4 to the Financial Statements which sets out related party disclosures.

Risk Management Framework

The Company and its subsidiaries have a risk management framework to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. The Audit Committee is kept apprised of the proceedings of the Risk Management Committee and also apprised about the risk management framework at subsidiaries.

Auditors' Report

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Naina R. Desai, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended as Annexure E to this Report.

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

Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the 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 Companies Act, 2013 and Rules made thereunder

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

Significant and Material Orders Passed by the Regulators or Courts

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

Reserve Bank of India Regulations

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

Other Disclosures

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

Market Capitalisation/Price Earnings Ratio/ Percentage increase/decrease in the market quotations

- Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was ₹ 10,803.40 Crore (₹ 12,639.19 Crore as on March 31, 2014).
- Price Earnings Ratio of the Company was 14.60 as at March 31, 2015 and was 24.29 as at

March 31, 2014. Considering the Company being a non-operating Core Investment Company which carries on the business through its underlying subsidiaries, the performance of the Company would be aptly reflected by its consolidated earnings. Hence, the P/E Ratio has been computed on the basis of consolidated performance.

- Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer. The closing share price of the Company at National Stock Exchange of India Limited on March 31, 2015 being ₹ 62.80 per equity share of face value of ₹ 10/- each has grown 1.21 times, since the Company's Initial Public Offer made in the year 2011 (Offer Price was ₹ 52/- per equity share of face value of ₹ 10/- each).

Acknowledgement

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

For and on behalf of the Board of Directors

Y. M. Deosthalee
Chairman & Managing
Director

N. Sivaraman
President &
Whole-time Director

Place : Mumbai
Date : April 23, 2015

ANNUAL REPORT 2014-15 - ANNEXURE 'A' TO BOARD'S REPORT

EMPLOYEE STOCK OPTION SCHEME

Information required to be disclosed under SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines:

The Company has formulated Employee Stock Option Scheme 2010 (ESOP Scheme - 2010) in the FY 2010-11 and Employee Stock Option Scheme 2013 (ESOP Scheme - 2013) in the FY 2013-14. The Schemes are designed to provide stock options to employees of the Company, its subsidiaries and holding company.

SUMMARY OF ESOP DISCLOSURE

Sr. No.	Particulars	ESOP Scheme 2010	ESOP Scheme 2013
1	Options Granted	17,798,500	26,350,000
2	Pricing Formula	The exercise price for the purposes of the grant of Stock Options will be as per terms & conditions decided by the Board and / or Nomination & Remuneration Committee at the time of respective grant of Stock Options, but at a price not below the face value of the equity share and not exceeding the market price as per the SEBI Guidelines.	
3	Options Vested	10,567,349	Nil
4	Options exercised	5,556,113	Nil
5	Total no. of shares arising as a result of exercise of option	5,556,113	Nil
6	Options lapsed and/or withdrawn	5,439,868	Nil
7	Variation of terms of options	N.A.	N.A.
8	Money realised by exercise of options	₹ 245,580,195	Nil
9	Total number of options in force :		
	i. Vested	4,339,694	Nil
	ii. Unvested	2,462,825	26,350,000
	Total (i+ii)	6,802,519	26,350,000
10	Employee-wise details of options granted to:		
	i. Senior Managerial Personnel	None	
	ii. Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during that year.	None	
	iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	
11	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option	₹ 0.88	
12	Disclosure Regarding the Compensation Cost	For calculation of Employee Compensation costs, the Company has been using the intrinsic value method of ESOP valuation (as per SEBI Guidelines). Based on fair value of options as per the Black-Scholes Model, the profits for the year ended March 31, 2015 would have been lower by ₹ Nil (Previous year lower by ₹ Nil). Consequently, the basic and Diluted EPS would have been lower by ₹ Nil (Previous year lower by ₹ Nil) and ₹ Nil (Previous year lower by ₹ Nil) respectively.	

Sr. No.	Particulars	ESOP Scheme 2010	ESOP Scheme 2013
13	Weighted average exercise price and Weighted average fair values	Weighted average exercise price of the options outstanding as at the year end is ₹ 67.63. Weighted Average fair value of options outstanding as at the year end is ₹ 25.40.	
14	The description of the method and significant assumptions used during the year to estimate the fair value of the options	I. Risk-free interest rate – This is the rate offered in the market with virtually zero risk. Normally the yield of Government backed securities with maturity similar to that of the option is taken into consideration. II. Expected life – Full life of the option is the period up to which it can be exercised. III. Expected volatility – Calculated by using the closing market prices of the Company's Shares during the last one year. IV. Expected dividends – Yield has been calculated on the basis of dividend yield of the financial year. V. The price of underlying shares in market at the time of option grant – closing market price, on previous trading day on which the options are granted, on the Stock Exchange where the volume of shares traded is more.	

Auditors' Certificate on Employee Stock Option Schemes

We have examined the books of account and other relevant records and based on the information and explanations given to us, certify that in our opinion, L&T Finance Holdings Limited ('the Company') has implemented the Employees Stock Option Schemes in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, as amended from time to time and pursuant to the special resolution of the Company in general meeting held on November 29, 2010 (which was further ratified by the shareholders of the Company through Postal Ballot on June 14, 2012) and special resolution passed by the shareholders of the Company through postal ballot dated April 4, 2014.

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai: April 23, 2015

ANNUAL REPORT 2014-15 - ANNEXURE 'B' TO BOARD'S REPORT**PARTICULARS OF EMPLOYEES**

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

Sr. No.	Particulars		
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.*	N.A.##	
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.*	Executive Directors: Mr. Y. M. Deosthalee – Nil Mr. N. Sivaraman – 1.86% Chief Financial Officer – N.A.# Company Secretary – 19% <i>#Please see the paragraph on KMPs in the Board's Report.</i>	
3	The percentage increase in the median remuneration of employees in the financial year.	7.4%.	
4	The number of permanent employees on the rolls of Company.	13 employees	
5	The explanation on the relationship between average increase in remuneration and Company performance.	The employee remuneration is linked to the performance of the Company as per terms of appointment.	
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	Please refer below point 'a'	
7	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Employees other than Managerial Personnel	Managerial personnel
		6.1%	Mr. N. Sivaraman – 1.86% Mr. Y. M. Deosthalee – Nil
	<u>Justification :</u> <i>The average percentile increase in the salaries of employees other than the Managerial Personnel is higher than the percentile increase in the managerial remuneration and therefore, no justification is required to be furnished.</i>		
8	The key parameters for any variable component of remuneration availed by the directors.	Variable compensation is an integral part of our overall compensation structure for all the Employees including Executive Directors. Variable pay is directly linked to individual performance rating and business performance. At the start of the year, Key Performance Indicators (KPI) for every Employee (including Executive Directors), are identified well in advance. Performance benchmarks are set and yearly evaluations are done to determine whether performance benchmarks are achieved. The payment of Variable component is dependent on the ratings assigned.	
9	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	None	

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

Considering that L&T Finance Holdings Limited is a non-operating Core Investment Company which carries on its business through its underlying subsidiaries and in view of the fact that the Executive Directors are entrusted with group level responsibilities, comparing the ratio of the remuneration of each Director to the median remuneration of the Employees of the Company would not be meaningful.

a. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

Name	Designation	*PAT (₹ in Lakhs)	Remuneration
Mr. Y. M. Deosthalee	Chairman & Managing Director	85,071.47	Please refer to page 76 of Corporate Governance Report
Mr. N. Sivaraman	President & Whole-time Director		Please refer to page 76 of Corporate Governance Report
Mr. N. Suryanarayanan	Company Secretary		7,085,524

* Considering that L&T Finance Holdings Limited is a non-operating Core Investment Company which carries on the business through its underlying subsidiaries and in view of the fact that the Key Managerial Personnel are entrusted with group level responsibilities, the comparison is based on the consolidated performance instead of standalone performance of the Company.

ANNUAL REPORT 2014-15 - ANNEXURE 'C' TO BOARD'S REPORT

FORM AOC-1

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

The statement containing salient features of the financial statement of subsidiaries, associate companies and joint ventures is given below:

Part A: Subsidiaries

Sl. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Name of the Subsidiaries	L & T Finance Ltd.	L&T Infrastructure Finance Company Ltd.	Family Credit Ltd.	L&T Housing Finance Ltd.	Consumer Financial Services Ltd.	L&T Access Distribution Services Ltd.	L&T FinCorp Ltd.	L&T Infra Debt Fund Ltd.	L&T Infra Investment Partners Advisory Pvt. Ltd.	L&T Infra Investment Partners Trustee Pvt. Ltd.	L&T Invest. Management Ltd.	L&T Mutual Fund Trustee Ltd.	L&T Capital Markets Ltd.	L&T Vrindavan Properties Ltd.	Mudit Cement Pvt. Ltd.
Share Capital*	23,842.23	82,923.30	20,430.96	8,142.31	100.00	600.00	27,296.64	*40,430.00	500.00	10.00	24,087.54	15.00	2,275.00	1,875.00	210.48
Reserves & surplus	205,331.07	171,825.29	34,122.29	25,572.17	(61.34)	(1,259.29)	56,478.93	4,637.22	(273.47)	(5.50)	25,220.28	139.29	(1,705.14)	9,589.10	(459.34)
Total assets	1,600,390.31	2,115,120.02	379,523.75	415,854.83	39.18	863.57	528,673.30	92,785.17	1,000.52	6.42	56,978.47	156.05	1,225.88	62,360.44	3,245.71
Total Liabilities	1,371,217.01	1,860,371.43	324,970.50	382,140.35	0.52	1,522.86	444,897.73	47,717.95	773.99	1.92	7,670.65	1.76	656.02	50,896.34	3,494.57
Investments	12,582.27	142,330.22	17,614.52	26,091.26	-	-	20,352.51	20,358.65	461.48	5.77	3,155.13	130.00	465.60	17,536.97	-
Turnover	239,643.14	211,730.98	63,923.28	35,939.56	1.49	665.09	57,346.61	5,717.13	1,297.27	2.52	13,149.91	15.69	3,341.09	1,448.34	-
Profit before tax#	38,502.46	31,909.07	10,188.82	5,345.69	0.19	(240.44)	15,101.74	3,003.69	654.50	0.51	(6,487.52)	(15.03)	(411.73)	12,625.53	(352.33)
Provision for tax	12,941.98	9,362.40	2,902.79	1,834.31	0.04	(3.61)	5,007.75	-	215.88	0.09	-	-	-	1,109.20	-
Profit after tax#	25,560.48	22,546.67	7,286.03	3,511.38	0.15	(236.83)	10,093.99	3,003.69	438.63	0.41	(6,487.52)	(15.03)	(411.73)	11,516.33	(352.33)
Proposed Dividend (Incl. dividend paid)	12,781.82	11,940.96	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* Include the preference share capital of ₹10,030 Lakhs

Include the exceptional income of ₹14,389.42 Lakhs

Name of subsidiaries which are yet to commence operations: Mudit Cement Pvt. Ltd.

Part B: Associates and Joint Ventures

Name of Associates	Feedback Infra Pvt. Ltd.
1. Latest audited Balance Sheet Date	March 31, 2015
2. Shares of associates held by the Company as on March 31, 2015	
No. of shares	3,790,000
Amount of investment in Associates (₹ in Lakhs)	3,790
Description of significant influence	23.16 % of shareholding
4. Reason of non-consolidation of the associate/ joint venture	N.A.
5. Networth attributable to Shareholding as per latest Audited Balance Sheet (₹ in Lakhs)	1792.97
6. Profit/ Loss for the year	
i. Considered in Consolidation (₹ in Lakhs)	396.43
ii. Not Considered in Consolidation (₹ in Lakhs)	-

Name of associates which have been liquidated or sold during the year: NAC Infrastructure Equipment Limited

ANNUAL REPORT 2014-15 - ANNEXURE 'D' TO BOARD'S REPORT**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

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

L&T Financial Services CSR Policy is based on social, economic, environment and volunteering objectives of the Company. The Policy clearly states the Organization's core CSR thrust areas as Quality Education and Generating Sustainable Livelihood. The Policy defines the Company's CSR vision with a clear implementation methodology. The CSR Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013. The weblink to the CSR policy is at <http://www.ltfinanceholdings.com/investors/corporate-governance.aspx>.

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

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

- 3) **Average Net Profit of the Company for the last three financial years: ₹ 5,760.23 Lakhs**

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

Particulars	(₹ in Lakhs)
Prescribed CSR Expenditure	115.20
Amount spent as CSR	115.20
Amount unspent	---

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

The manner of CSR spend is annexed herewith.

- 6) **Responsibility Statement:**

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

For L&T Finance Holdings Limited

Y. M. Deosthalee
Chairman & Managing Director

CSR Projects - L&T Finance Holdings Ltd. - FY 2014-15							
Sr. No.	CSR Project or Activity Identified	Sector in which Project is Covered	Projects or Program Coverage	Amount Outlay (budget) project or Programswise	Amount Spent on the Projects or Programs. Sub Heads- (a) Direct Expenditure & (b) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing Agency (Amount in ₹)
1	Quality Education through Capacity Project	Promoting Education	Madhya Pradesh District: Ashoknagar	6,375,761	6,375,761	6,375,761	Indirect**
2	Community Needs Assessment Study	Rural Development & Promoting Education	1) Maharashtra District: Akola 2) Madhya Pradesh District: Hoshangabad 3) Tamil Nadu District: Villupuram	2,400,000	2,400,000	2,400,000	Indirect**
3	Contribution to Jammu & Kashmir Flood Relief	Contribution to the Prime Minister's National Relief Fund	Jammu & Kashmir	329,279	329,279	329,279	Direct*
4	Quality Education Brindavan Learning Centre	Promoting Education	Maharashtra District: Mumbai	639,000	639,000	639,000	Direct*
5	Promotion of Road Safety awareness through CSR	Promoting Education	Maharashtra District: Mumbai	350,000	350,000	350,000	Direct*
6	Protection of National Heritage - Art & culture through Summits & Programs	Protection of National Heritage - Art & culture	Tamil Nadu, District : Chennai	1,235,960	1,235,960	1,235,960	Indirect**
7	Employee Volunteering Program	Employees Volunteering	Cities: Mumbai, Pune, Kolkata, Delhi, Hyderabad	190,000	190,000	190000	Direct*
Total					11,520,000	11,520,000	

Note: Direct* = CSR projects/initiatives directly implemented by the Organization.

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

ANNUAL REPORT 2014-15 - ANNEXURE 'E' TO BOARD'S REPORT**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

for the financial year ended March 31, 2015

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

To,

The Members,

L&T FINANCE HOLDINGS LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **L&T FINANCE HOLDINGS LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

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

- **NBFC – CIC – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Regulations, Guidelines, Circulars, Notifications, etc.**

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements have been entered into by the Company with Stock Exchange(s) applicable as follows:–
 - a. **Equity Shares listed on BSE Limited and National Stock Exchange of India Limited (NSE)**
 - b. **Cumulative Compulsorily Redeemable Non-Convertible Preference Shares (CCRPS) are listed on BSE Limited.**

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

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

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

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

I further report that during the audit period the **following** event / action has taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. :

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.,viz. –
 - **Issue 3,63,40,000 Listed Cumulative Compulsorily Non-Convertible Redeemable Preference Shares of Face Value ₹ 100/- each for cash at par aggregating ₹ 36,340.00 Lakhs on private placement basis.**
- (ii) Redemption / buy-back of securities – Nil
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013 – Nil
- (iv) Merger / amalgamation / reconstruction, etc. - Nil
- (v) Foreign technical collaborations – Nil

Place: Mumbai
Date: April 22, 2015

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

This Report is to be read with our letter of even date which is annexed herewith and forms an integral part of this Report.

To,

The Members,

L&T FINANCE HOLDINGS LIMITED

Our Report of even date is to be read along with this Letter.

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

Place: Mumbai
Date: April 22, 2015

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

ANNUAL REPORT 2014-15 - ANNEXURE 'F' TO BOARD'S REPORT**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

[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)	CIN	L67120MH2008PLC181833
ii)	Registration Date	May 1, 2008
iii)	Name of the Company	L&T Finance Holdings Limited
iv)	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered Office & contact details	L&T House, N. M. Marg, Ballard Estate, Mumbai - 400001. Tel: 022 - 66217300 Email: igrc@ltfinanceholdings.com Website: www.ltfinanceholdings.com
vi)	Whether listed company	Yes
vii)	Name, Address & contact details of the Registrar and Transfer Agent, if any	Sharepro Services (India) Private Limited 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072. Tel: 022-61915400/412 Email Id: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Sl. No.	Name & Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1	Non-Banking Financial Institution – Core Investment Company (NBFC-CIC)	64200	88.89%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Larsen and Toubro Ltd. L&T House, N. M. Marg, Ballard Estate, Mumbai-400001, Maharashtra, India.	L99999MH1946PLC004768	Holding Company	72.95	2(46)
2	L&T Infrastructure Finance Company Ltd. Mount Poonamallee Road, Manapakkam, Chennai – 600089, Tamil Nadu, India.	U67190TN2006PLC059527	Subsidiary Company	100	2(87)
3	L&T Finance Ltd. L&T House, N. M. Marg, Ballard Estate, Mumbai-400001, Maharashtra, India.	U65990MH1994PLC083147	Subsidiary Company	100	2(87)
4	L&T FinCorp Ltd. L&T House, N. M. Marg, Ballard Estate, Mumbai-400001, Maharashtra, India.	U65910MH1997PLC108179	Subsidiary Company	100	2(87)
5	L&T Investment Management Ltd. L&T House, N. M. Marg, Ballard Estate, Mumbai-400001, Maharashtra, India.	U65991MH1996PLC229572	Subsidiary Company	100	2(87)
6	L&T Mutual Fund Trustee Ltd. L&T House, N. M. Marg, Ballard Estate, Mumbai-400001, Maharashtra, India.	U65993MH1996PLC211198	Subsidiary Company	100	2(87)
7	L&T Access Distribution Services Ltd. Mount Poonamallee Road, Manapakkam, Chennai – 600089, Tamil Nadu, India	U65100TN2011PLC083348	Subsidiary Company	100	2(87)
8	L&T Vrindavan Properties Ltd. Mount Poonamallee Road, Manapakkam, Chennai – 600089, Tamil Nadu, India.	U70200TN2011PLC081100	Subsidiary Company	100	2(87)
9	L&T Housing Finance Ltd. L&T House, N. M. Marg, Ballard Estate, Mumbai-400001, Maharashtra, India.	U45200MH1994PLC259630	Subsidiary Company	100	2(87)
10	Family Credit Ltd. Technopolis, 7 th Floor, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake, Kolkata – 700091, West Bengal, India.	U65910WB1993FLC060810	Subsidiary Company	100	2(87)
11	L&T Capital Markets Ltd. L&T House, N. M. Marg, Ballard Estate, Mumbai-400001, Maharashtra, India.	U67190MH2013PLC240261	Subsidiary Company	100	2(87)
12	L&T Infra Investment Partners Advisory Pvt. Ltd. 3B, Laxmi Towers, C - 25, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra, India.	U67190MH2011PTC218046	Subsidiary Company	100	2(87)
13	L&T Infra Investment Partners Trustee Pvt. Ltd. 3B, Laxmi Towers, C - 25, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra, India.	U67190MH2011PTC220896	Subsidiary Company	100	2(87)
14	L&T Infra Debt Fund Ltd. 3B, Laxmi Towers, C - 25, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra, India.	U67100MH2013PLC241104	Subsidiary Company	100	2(87)
15	Mudit Cement Pvt. Ltd. Unit No. 505 & 506, DLF Tower B, District Centre, Jasola, Delhi – 110025, India.	U26942DL1990PTC041941	Subsidiary Company	100	2(87)
16	Consumer Financial Services Ltd. Unit No.505 & 506, DLF Tower B, District Centre, Jasola, Delhi – 110025, India.	U67120DL2001PLC199088	Subsidiary Company	100	2(87)
17	Feedback Infra Pvt. Ltd. 311, 3 rd Floor, Vardhaman Plaza, Pocket 7, Plot No. 6, Sector 12, Dwarka, New Delhi – 110078, Delhi, India.	U74899DL1990PTC040630	Associate company	23.16%	2(6)

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, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s).	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1,316,589,609	-	1,316,589,609	76.61	1,254,936,010	-	1,254,936,010	72.95	-3.66
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub - total (A) (1)	1,316,589,609	-	1,316,589,609	76.61	1,254,936,010	-	1,254,936,010	72.95	-3.66
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1,316,589,609	-	1,316,589,609	76.61	1,254,936,010	-	1,254,936,010	72.95	-3.66
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	830,387	-	830,387	0.05	12,312,210	-	12,312,210	0.72	0.67
b) Banks/FI	11,175,051	-	11,175,051	0.65	10,101,563	-	10,101,563	0.59	-0.06
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,784,192	-	1,784,192	0.10	-	-	-	-	-0.10
g) FIs	75,960,312	-	75,960,312	4.42	80,619,323	-	80,619,323	4.69	0.27

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	89,749,942	-	89,749,942	5.22	103,033,096	-	103,033,096	5.99	0.77
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	52,483,218	205	52,483,423	3.05	55,385,257	205	55,385,462	3.22	0.17
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	158,508,298	14,710	158,523,008	9.22	189,337,206	24,541	189,361,747	11.01	1.79
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	40,705,265	-	40,705,265	2.37	52,624,834	200,000	52,824,834	3.07	0.70
c) Others (specify)									
i) Non Resident Repatriates	4,595,957	-	4,595,957	0.27	6,373,120	-	6,373,120	0.37	0.10
ii) Non Resident Non Repatriates	1,341,438	-	1,341,438	0.08	1,686,451	-	1,686,451	0.10	0.02
iii) Trusts	18,700	-	18,700	0.00	2,043,797	-	2,043,797	0.12	0.12
iv) Directors & their Relatives & Friends	822,474	-	822,474	0.05	1,022,474	-	1,022,474	0.06	0.01
v) Private Equity Funds	53,618,909	-	53,618,909	3.12	53,618,909	-	53,618,909	3.12	0.00
vi) Qualified Foreign Investor (Individuals)	250	-	250	0.00	-	-	-	-	0.00
Sub-total (B)(2):	312,094,509	14,915	312,109,424	18.16	362,092,048	224,746	362,316,794	21.06	2.90
Total Public Shareholding (B)= (B)(1)+(B)(2)	401,844,451	14,915	401,859,366	23.39	465,125,144	224,746	465,349,890	27.05	3.66
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,718,434,060	14,915	1,718,448,975	100.00	1,720,061,154	224,746	1,720,285,900	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2014)			Shareholding at the end of the year (As on March 31, 2015)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Larsen and Toubro Limited	1,316,589,609	76.61	-	1,254,936,010	72.95	-	-3.66
Total		1,316,589,609	76.61	-	1,254,936,010	72.95	-	-3.66

(iii) Change in Promoters' Shareholding

Sl. No.	Name of the Promoter	Date	Shareholding at the beginning of the year (As on April 1, 2014)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Larsen and Toubro Limited					
	At the beginning of the year	April 1, 2014	1,316,589,609	76.61		
	Sale	June 11, 2014	27,585,744	1.61	1,289,003,865	75.00
	Sale	February 26, 2015	24,067,855	1.40	1,264,936,010	73.53
	Sale	March 3, 2015	10,000,000	0.58	1,254,936,010	72.95
	At the end of the year	March 31, 2015			1,254,936,010	72.95

Note: above % is calculated on the basis of total shares of the Company as on respective date i.e. transaction date.

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

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year (As on April 1, 2014)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mace Cipef Limited					
	At the beginning of the year	April 1, 2014	51,595,484	3.00		
	At the end of the year	March 31, 2015			51,595,484	3.00
2	Tioman Investments (Mauritius) Limited					
	At the beginning of the year	April 1, 2014	37,835,543	2.20		
	Sale	January 23, 2015	2,032,000	0.12	35,803,543	2.08

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year (As on April 1, 2014)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sale	January 30, 2015	3,849,730	0.22	31,953,813	1.86
	Sale	February 6, 2015	2,740,000	0.16	29,213,813	1.70
	Sale	February 27, 2015	5,434	0.00	29,208,379	1.70
	Sale	March 6, 2015	6,607,358	0.38	22,601,021	1.31
	Sale	March 13, 2015	2,326,992	0.14	20,274,029	1.18
	Sale	March 20, 2015	488,000	0.03	19,786,029	1.15
	Sale	March 27, 2015	803,817	0.05	18,982,212	1.10
	At the end of the year	March 31, 2015			18,982,212	1.10
3	HDFC Trustee Company Limited - HDFC TOP 200 Fund					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	Purchase	March 6, 2015	9,837,000	0.57	9,837,000	0.57
	At the end of the year	March 31, 2015			9,837,000	0.57
4	Regal Investment and Trading Company Private Limited					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	Purchase	March 6, 2015	8,900,000	0.52	8,900,000	0.52
	At the end of the year	March 31, 2015			8,900,000	0.52
5	Vidya Investment and Trading Co Pvt Ltd					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	Purchase	March 6, 2015	8,400,000	0.49	8,400,000	0.49
	At the end of the year	March 31, 2015			8,400,000	0.49
6	Napean Trading and Investment Co Pvt Ltd					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	Purchase	March 6, 2015	8,155,222	0.47	8,155,222	0.47
	At the end of the year	March 31, 2015			8,155,222	0.47

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year (As on April 1, 2014)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	Citigroup Global Markets Mauritius Private Limited					
	At the beginning of the year	April 1, 2014	1,640,000	0.10		
	Purchase	April 4, 2014	2,812,000	0.16	4,452,000	0.26
	Purchase	May 2, 2014	580,000	0.03	5,032,000	0.29
	Purchase	June 6, 2014	777,241	0.05	5,809,241	0.34
	Purchase	June 13, 2014	3,893,487	0.23	9,702,728	0.56
	Sale	June 30, 2014	1,197,000	0.07	8,505,728	0.49
	Sale	July 4, 2014	1,009,381	0.06	7,496,347	0.44
	Sale	July 18, 2014	8,000	0.00	7,488,347	0.44
	Sale	August 1, 2014	289,010	0.02	7,199,337	0.42
	Sale	August 8, 2014	490,096	0.03	6,709,241	0.39
	Purchase	September 12, 2014	2,759	0.00	6,712,000	0.39
	Purchase	September 19, 2014	124,000	0.01	6,836,000	0.40
	Sale	March 20, 2015	64,386	0.00	6,771,614	0.39
	Purchase	March 27, 2015	64,386	0.00	6,836,000	0.40
	At the end of the year	March 31, 2015			6,836,000	0.40
8	Life Insurance Corporation of India					
	At the beginning of the year	April 1, 2014	6,093,518	0.35		
	At the end of the year	March 31, 2015			6,093,518	0.35
9	Morgan Stanley Mauritius Company Limited					
	At the beginning of the year	April 1, 2014	3,326,373	0.19		
	Sale	April 4, 2014	24,000	0.00	3,302,373	0.19
	Sale	April 18, 2014	92,000	0.01	3,210,373	0.19
	Purchase	April 25, 2014	104,000	0.01	3,314,373	0.19
	Purchase	May 2, 2014	2,640,000	0.15	5,954,373	0.35
	Purchase	May 9, 2014	56,000	0.00	6,010,373	0.35
	Purchase	May 16, 2014	340,000	0.02	6,350,373	0.37
	Purchase	May 23, 2014	3,824,000	0.22	10,174,373	0.59

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year (As on April 1, 2014)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Purchase	May 30, 2014	1,212,000	0.07	11,386,373	0.66
	Purchase	June 6, 2014	808,000	0.05	12,194,373	0.71
	Purchase	June 13, 2014	695,243	0.04	12,889,616	0.75
	Sale	June 20, 2014	88,000	0.01	12,801,616	0.74
	Purchase	June 30, 2014	260,000	0.02	13,061,616	0.76
	Purchase	July 4, 2014	36,000	0.00	13,097,616	0.76
	Sale	July 11, 2014	1,260,000	0.07	11,837,616	0.69
	Sale	July 18, 2014	252,000	0.01	11,585,616	0.67
	Sale	July 25, 2014	504,000	0.03	11,081,616	0.64
	Sale	August 1, 2014	2,336,928	0.14	8,744,688	0.51
	Sale	August 14, 2014	120,000	0.01	8,624,688	0.50
	Sale	August 22, 2014	172,000	0.01	8,452,688	0.49
	Sale	August 29, 2014	140,000	0.01	8,312,688	0.48
	Sale	September 5, 2014	160,000	0.01	8,152,688	0.47
	Sale	September 19, 2014	232,000	0.01	7,920,688	0.46
	Sale	September 30, 2014	1,312,000	0.08	6,608,688	0.38
	Sale	October 3, 2014	8,000	0.00	6,600,688	0.38
	Sale	October 31, 2014	184,000	0.01	6,416,688	0.37
	Sale	December 19, 2014	4,000	0.00	6,412,688	0.37
	Sale	December 31, 2014	220,000	0.01	6,192,688	0.36
	Sale	January 9, 2015	168,000	0.01	6,024,688	0.35
	Sale	January 16, 2015	27,350	0.00	5,997,338	0.35
	Sale	January 23, 2015	36,000	0.00	5,961,338	0.35
	Sale	February 13, 2015	64,092	0.00	5,897,246	0.34
	Purchase	March 6, 2015	44,000	0.00	5,941,246	0.35
	Sale	March 20, 2015	8,000	0.00	5,933,246	0.34
	Sale	March 31, 2015	524,000	0.03	5,409,246	0.31
	At the end of the year	March 31, 2015	5,409,246	0.31	5,409,246	0.31

Sl. No.	Name of the Shareholder	Date	Shareholding at the beginning of the year (As on April 1, 2014)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	Swiss Finance Corporation (Mauritius) Limited					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	Purchase	May 30, 2014	392,000	0.02	392,000	0.02
	Sale	June 20, 2014	248,000	0.01	144,000	0.01
	Sale	June 30, 2014	16,000	0.00	128,000	0.01
	Purchase	July 4, 2014	864,000	0.05	992,000	0.06
	Purchase	July 11, 2014	8,000	0.00	1,000,000	0.06
	Purchase	July 25, 2014	84,000	0.00	1,084,000	0.06
	Purchase	August 8, 2014	12,000	0.00	1,096,000	0.06
	Sale	August 22, 2014	20,000	0.00	1,076,000	0.06
	Purchase	August 29, 2014	96,000	0.01	1,172,000	0.07
	Purchase	September 5, 2014	128,000	0.01	1,300,000	0.08
	Purchase	September 12, 2014	884,000	0.05	2,184,000	0.13
	Purchase	September 19, 2014	264,000	0.02	2,448,000	0.14
	Purchase	September 30, 2014	312,000	0.02	2,760,000	0.16
	Purchase	October 17, 2014	196,000	0.01	2,956,000	0.17
	Purchase	October 31, 2014	585,918	0.03	3,541,918	0.21
	Purchase	November 7, 2014	1,246,082	0.07	4,788,000	0.28
	Purchase	November 21, 2014	224,000	0.01	5,012,000	0.29
	Sale	December 19, 2014	156,000	0.01	4,856,000	0.28
	Sale	January 9, 2015	276,000	0.02	4,580,000	0.27
	Sale	January 16, 2015	32,000	0.00	4,548,000	0.26
	Purchase	January 23, 2015	80,000	0.00	4,628,000	0.27
	Purchase	January 30, 2015	156,000	0.01	4,784,000	0.28
	Purchase	February 13, 2015	43,056	0.00	4,827,056	0.28
	Purchase	March 6, 2015	108,944	0.01	4,936,000	0.29
	Sale	March 20, 2015	32,000	0.00	4,904,000	0.29
	Sale	March 31, 2015	28,000	0.00	4,876,000	0.28
	At the end of the year	March 31, 2015			4,876,000	0.28

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	Name of the Director/KMP	Date	Shareholding at the beginning of the year (As on April 1, 2014)		Cumulative Shareholding during the year (April 1, 2014 to March 31, 2015)	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Y. M. Deosthalee (Chairman & Managing Director)					
	At the beginning of the year	April 1, 2014	781,091	0.05		
	Purchase	March 26, 2015	100,000	0.01	881,091	0.05
	Purchase	March 27, 2015	100,000	0.01	981,091	0.06
	Purchase	March 30, 2015	**1,000,000	0.06	1,981,091	0.12
	Purchase	March 31, 2015	**500,000	0.03	2,481,091	0.14
	At the end of the year	March 31, 2015			2,481,091	0.14
2	Mr. N. Sivaraman (President & Whole-time Director)					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	At the end of the year	March 31, 2015			Nil	N.A.
3	Mr. R. Shankar Raman (Non-Executive Director)					
	At the beginning of the year	April 1, 2014	24,461	0.00		
	At the end of the year	March 31, 2015			24,461	0.00
4	Mr. B. V. Bhargava (Independent Director)					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	At the end of the year	March 31, 2015			Nil	N.A.
5	Mr. S. V. Haribhakti (Independent Director)					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	At the end of the year	March 31, 2015			Nil	N.A.
6	Mr. P. V. Bhide (Independent Director)					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	At the end of the year	March 31, 2015			Nil	N.A.
7	Mr. Harsh Mariwala (Independent Director)					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	At the end of the year	March 31, 2015			Nil	N.A.
8	Ms. Kamakshi Rao (Independent Director)					
	At the beginning of the year	April 1, 2014	Nil	N.A.		
	At the end of the year	March 31, 2015			Nil	N.A.
9	Mr. N. Suryanarayanan (Company Secretary)					
	At the beginning of the year	April 1, 2014	2,829	0.00		
	At the end of the year	March 31, 2015			2,829	0.00

** 1,000,000 and 500,000 Equity Shares were purchased by Mr. Y. M. Deosthalee on March 30, 2015 and March 31, 2015 and as the same were credited within 2 days from the date of purchase. Hence, the same are not reflected in Shareholding Pattern as on March 31, 2015.

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,600,000,000	1,000,000,000	-	6,600,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,696,931,500	606,575,300	-	4,303,506,800
Total (i+ii+iii)	9,296,931,500	1,606,575,300	-	10,903,506,800
Change in Indebtedness during the financial year				
Additions	22,500,000,000	-	-	22,500,000,000
Reduction	(22,600,000,000)	(1,000,000,000)	-	(23,600,000,000)
Net Change	(100,000,000)	(1,000,000,000)	-	(1,100,000,000)
Indebtedness at the end of the financial year				
i) Principal Amount	5,500,000,000	-	-	5,500,000,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,500,000,000	-	-	5,500,000,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole-time Directors (WTD) and/or Manager

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr. Y. M. Deosthalee (Chairman & Managing Director)	Mr. N. Sivaraman (President & Whole-time Director)	
1	Gross salary:			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	69,625,064*	63,320,137	132,945,201
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	26,205	7,152,500	7,178,705
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission:	-	-	-
	- as % of profit	-	-	-
	- others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	69,651,269	70,472,637	140,123,906
	Ceiling as per the Companies Act, 2013	₹ 252,027,700 (being 10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

* Out of ₹ 69,651,269/- variable remuneration of ₹ 3,13,75,000/- has been provided for. However, Mr. Y. M. Deosthalee has waived the variable remuneration payable to him for the Financial Year 2014-15.

B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Independent Directors					Non-Executive Directors	
		Mr. B. V. Bhargava	Mr. S. V. Haribhakti	Mr. P. V. Bhide	Mr. Harsh Mariwala	Ms. Kamakshi Rao	Mr. R. Shankar Raman	
1	Independent Directors:							
	(a) Fee for attending Board and Committee meetings @	320,000	500,000	420,000	300,000	80,000	Nil	1,620,000
	(b) Commission	485,000	1,695,000	1,085,000	1,385,000	1,000,000	-	5,650,000
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (B)	805,000	2,195,000	1,505,000	1,685,000	1,080,000	-	7,270,000
	Total Managerial Remuneration = (A)+(B)							147,393,906
	Overall Ceiling as per the Companies Act, 2013	₹ 25,202,770 (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

@ excluding sitting fees of ₹ 20,000/- paid for the meeting of Independent Directors held on March 18, 2015.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Key Managerial Personnel			
		CEO	Mr. N. Suryanarayanan (Company Secretary)	CFO	Total
1	Gross salary:				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	7,066,324	-	7,066,324
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	19,200	-	19,200
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	800,000 Stock Options @ ₹ 67.85 per Option	-	-
3	Sweat Equity	-	-	-	-
4	Commission:				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total*	-	7,085,524	-	7,085,524

* Excludes Stock Option

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

Annexure to Board's Report

Report on Corporate Governance

Report on Corporate Governance

(Pursuant to Clause 49 of the Equity Listing Agreement with Stock Exchanges)

A. L&T Finance Holdings Limited (the Company's) Philosophy on Corporate Governance

Good Corporate Governance practices are an integral element of business. It is not only a pre-requisite for facing intense competition for sustainable growth in the emerging global market scenario but is also an embodiment of the parameters of fairness, accountability, disclosures and transparency to maximize value for the stakeholders. Corporate Governance is about commitment to values, ethical business conduct, contribution towards social causes and about considering all stakeholders' interest in the conduct of business. Good Corporate Governance is now being recognized as a key risk management tool and a tool for socio-economic development to enhance economic efficiency, growth and stakeholder confidence.

In the Company, focused and consistent efforts are made to ensure that the principles of good Corporate Governance are followed in true spirit while conducting its business. The Company believes that the best board practices, transparent disclosures and shareholder empowerment are necessary for creating shareholders' value.

"The vision of the Company is to be an admired and inspirational financial institution creating sustainable value for all our stakeholders."

The Securities and Exchange Board of India (SEBI) vide its circulars dated April 17, 2014 and September 15, 2014 has amended the guidelines on the Corporate Governance for all listed companies through revised Clause 49 of the Equity Listing Agreement, which is applicable from October 1, 2014. The guidelines mandated by SEBI have been fully complied with. A Report on compliance with the Code of Corporate Governance as prescribed by the SEBI and incorporated in the Listing Agreement is given below:

B. Board of Directors

The Company's Board of Directors provides strategic guidance and directions to the Management with regard

to leadership, vision, strategy and policies, and plays a crucial role in overseeing how the Management serves the short and long term interest of shareholders and other stakeholders, besides fostering a culture for sound decision making. The Board of Directors is responsible for and committed to sound principles of Corporate Governance in the Company.

1. Composition of Board:

The Company is in compliance with the provisions of Section 149 of the Companies Act, 2013 ('the Act') and revised Clause 49 of the Equity Listing Agreement. An effective monitoring system is in place to ensure a transparent board nomination process with diversity of thought, experience, knowledge, perspective and gender on the Board. As on the date of this Report, the Board consists of eight Directors comprising five Independent Directors, one Non-Executive Director and two Executive Directors. Commensurate with the size of the Company, complexity and nature of various underlying businesses, the composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the businesses carried on through its subsidiaries. Mr. Y. M. Deosthalee is the Chairman & Managing Director of the Company while Mr. N. Sivaraman is the President & Whole-time Director of the Company.

All the Independent Directors have confirmed to the Board that they meet the criteria for independence in terms of the definition of 'Independent Director' stipulated in Clause 49(II)(B) of the Listing Agreement and Section 149(6) of the Act. These confirmations have been placed before the Board. None of the Independent Directors holds office as Independent Director in more than seven equity listed companies.

Board Procedure:

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board meetings (including Committee meetings) of the Company as well as of its subsidiaries are scheduled in advance and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However,

in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is confirmed in the subsequent Board meeting.

The business/department heads communicate with the Company Secretary in advance with regard to matters requiring the approval of the Board to enable inclusion of the same in the agenda for the Board meetings. The detailed agenda, as approved by the Chairman, together with the relevant attachments, is circulated amongst the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary items are taken up with the approval of the Chair. Senior Management Personnel are invited to the Board / Committee meeting(s) to provide additional inputs for the items being discussed by the Board of Directors/ Committees thereof as and when necessary. The Board members interact with the Chief Executives of the various operating subsidiary companies at the Board meetings and offsite meetings.

Further, presentations are made on business operations to the Board by the respective heads of various businesses of the L&T Financial Services Group ("Group"). Additionally, presentations are made on various matters including the financial statements, operations related issues, risk management, the regulatory environment or any other issue which the Board wants to be apprised of.

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and

Governance principles and ensures appropriate recording of minutes of the meetings.

With a view to leveraging technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board / Committee Agenda and Minutes. The Directors of the Company receive the Agenda in electronic form through this application, which can be accessed only through a secure device. The application meets the high standards of security and integrity that is required for storage and transmission of Board / Committee Agenda in electronic form.

The Minutes of the proceedings of the meetings of the Board of Directors/Committee(s) are noted and the draft Minutes are circulated amongst the members of the Board for their perusal. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman. The Minutes are approved by the members of the Board prior to the next meeting and confirmed thereat.

2. Meeting of Independent Directors:

Section 149(8) of 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 on March 18, 2015, pursuant to the provisions of the Act and the Equity Listing Agreement.

3. Meetings & Attendance:

During the financial year ended March 31, 2015, eight Board meetings were held on April 23, 2014, May 28, 2014, June 20, 2014, July 23, 2014, October 22, 2014, January 21, 2015, February 25, 2015 and March 20, 2015. The meetings of the Board are generally held at its Corporate Office at City-2, Plot No. 177, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400098.

The attendance of the members of the Board at the meetings held during the year and at the last Annual General Meeting (AGM) and also the number of other

Directorships & Memberships/Chairmanships of Committees held by them as on March 31, 2015 is as follows:

Name of the Director	Nature of Directorship	Meetings held during the year	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships in other Public companies#	No. of Committee Memberships (Including in Company)##		No. of Independent Directorships@@
						Member	Chairman	
Mr. Y. M. Deosthalee	CMD	8	8	Present	7	2	---	None
Mr. N. Sivaraman	WTD	8	7	Present	9	5	2	None
Mr. R. Shankar Raman	NED	8	7	Present	9	10	1	None
Mr. S. V. Haribhakti	ID	8	8	Present	9	9	5	7
Mr. B. V. Bhargava	ID	8	7	Present	6	7	5	5
Mr. P. V. Bhide	ID	8	8	Present	6	7	2	5
Ms. Kamakshi Rao	ID	8	6*	Present	---	---	---	1
Mr. Harsh Mariwala	ID	8	8	Present	7	2	1	1
Mr. A.K. Jain@	NED	8	7	Present	N.A.	N.A.	N.A.	N.A.

Includes private company which is subsidiary of public company and companies under Section 8 of the Companies Act, 2013.

Memberships include Chairmanships. Only memberships of Audit Committee and Stakeholders Relationship Committee (erstwhile Shareholders' Investors' Grievance Committee) are considered.

@ Ceased to be a Director with effect from February 26, 2015.

@@ Including Independent directorship in the Company (L&T Finance Holdings Limited). Further, only equity listed company considered.

* Includes two meetings attended through Audio Call

CMD – Chairman & Managing Director

WTD – Whole-time Director

NED – Non-Executive Director

ID – Independent Director

4. Information to the Board:

The Board of Directors has complete access to the information within the Company, which, inter alia, includes –

- Annual revenue budgets and capital expenditure plans of the Company and its subsidiaries.
- Quarterly results and results of operations of subsidiaries.
- Financing plans of the Company.
- Minutes of the meetings of the Board of Directors and Committees of the Board.
- Minutes of the Board Meetings of material subsidiaries.
- Details of potential acquisitions or collaboration agreement, if any.
- Material default, if any, in the financial obligations to and by the Company or substantial non-payment for services rendered, if any.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, which may have strictures on the conduct of the Company.
- Developments in respect of human resources.
- Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as

non-payment of dividend, delay in share transfer, etc., if any.

5. Post-meeting internal communication system:

The important decisions taken at the Board/Committee Meetings are communicated to the Concerned departments/subsidiary companies promptly.

6. Performance Evaluation:

The Board of Directors has adopted a Policy for Performance Evaluation of the Board/Committees/Directors. The Policy provides a framework for evaluation of the Board, Chairman of the Board, the Committees of the Board and individual Directors including Independent Directors. As per the Policy, the Company carries out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. The manner of evaluation carried out with respect to Board/Committees/Directors is stipulated in the Board's Report.

C. Board Committees

The structure of a Board and the planning of the Board's work are key elements to effective governance. Establishing Committees is one way of managing the work of the Board, thereby strengthening the Board's governance role. The Board Committees play a crucial role in the governance structure of the Company and

have been constituted to deal with specific areas / activities which concern the Company. The business transacted by the Board Committees is placed before the Board for noting.

Pursuant to the provisions of the Companies Act, 2013, Listing Agreement(s) and RBI regulations, the Board has currently constituted the following Committees.

1. Audit Committee (AC);
2. Stakeholders Relationship Committee (SRC) (Previously known as Shareholders'/Investors' Grievance Committee);
3. Nomination and Remuneration Committee (NRC);
4. Corporate Social Responsibility Committee (CSR);
5. Committee of Directors (COD);
6. Asset Liability Management Committee (ALCO); and
7. Risk Management Committee (RMC).

1. Audit Committee

i) Terms of reference:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the Annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and

scope of audit as well as post-audit discussion to ascertain any area of concern;

- Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower Mechanism / Vigil Mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Investigation into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- 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;
- Review of information as prescribed under Clause 49 of the Equity Listing Agreement (as amended from time to time).

ii) Composition:

The Audit Committee of the Board as on March 31, 2015 comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. S. V. Haribhakti	Chairman	Independent
Mr. B. V. Bhargava	Member	Independent
Mr. R. Shankar Raman	Member	Non-Executive

iii) Meetings & Attendance:

The Committee met nine times during the year on April 23, 2014, June 20, 2014, July 19, 2014, July 23, 2014, August 1, 2014, October 22, 2014, January 21, 2015, February 25, 2015 and March 20, 2015. The

attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Mr. S. V. Haribhakti	9	9
Mr. B. V. Bhargava	9	9
Mr. R. Shankar Raman	9	9

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Company Secretary is the Secretary to the Committee.

2. Stakeholders Relationship Committee (previously known as Shareholders' / Investors' Grievance Committee)

i) Terms of reference:

The role of the Stakeholders Relationship Committee includes the following:

- review of cases for refusal of transfer / transmission of shares, debentures and other securities, if any;
- redressal of stakeholders and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of Interest, etc.;
- reference to statutory and regulatory authorities regarding security holders' grievances; and
- otherwise ensure proper and timely attendance and redressal of security holders' queries and grievances.

ii) Composition:

The Stakeholders Relationship Committee of the Board as on March 31, 2015 comprises:*

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. P. V. Bhide@	Chairman	Independent
Mr. Harsh Mariwala#	Member	Independent
Mr. R. Shankar Raman	Member	Non-Executive

@Appointed as the Chairman of the Committee with effect from March 20, 2015.

#Appointed as a Member of the Committee with effect from March 20, 2015.

*Mr. A. K. Jain ceased to be a Member of the Committee consequent upon his resignation as a Director of the Company with effect from February 26, 2015.

iii) Meetings & Attendance:

The Committee met five times during the year on April 23, 2014, May 28, 2014, July 23, 2014, October 22, 2014 and January 21, 2015. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Mr. P. V. Bhide@	5	5
Mr. Harsh Mariwala#	5	NA
Mr. R. Shankar Raman	5	3
Mr. A. K. Jain*	5	5

@Appointed as the Chairman of the Committee with effect from March 20, 2015.

#Appointed as a Member of the Committee with effect from March 20, 2015.

*Mr. A. K. Jain ceased to be a Member of the Committee consequent upon his resignation as a Director of the Company with effect from February 26, 2015.

iv) Details of Shareholders' Requests/Complaints:

During the year under review, the Company has resolved investor grievances expeditiously. During the year, the Company/its Registrar received the following complaints from SEBI/Stock Exchanges, which were resolved within the time frame laid down by SEBI:

Particulars	Opening Balance	Received	Resolved	Pending
Complaints :				
SEBI/Stock Exchanges*	1	4	5	Nil
Queries :				
Transmission/ Transfer	Nil	Nil	Nil	Nil
Demat/Remat	Nil	24	24	Nil

*includes 1 complaint received from Stock Exchange.

The Board has delegated the powers to approve transfer / transmissions of physical shares and to approve remat of shares to a Share Transfer Committee comprising of three Senior Executives. This Committee held fourteen meetings during the year, for conducting the business delegated to it. Mr. N. Suryanarayanan, Company Secretary, is the Compliance Officer, who deals with Shareholders' Grievance matters.

3. Nomination and Remuneration Committee

i) Terms of reference:

The role of the Nomination & Remuneration Committee includes the following:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To ensure that:
 - 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.
 - 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.
- To lay down the evaluation criteria for performance evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity; and
- To formulate the Employee Stock Option Scheme (ESOS), decide the terms and conditions, make appropriate recommendations to the Board of Directors and administer and superintend ESOS.

ii) Composition:

The Nomination and Remuneration Committee of the Board as on March 31, 2015 comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. S. V. Haribhakti	Chairman	Independent
Mr. Y. M. Deosthalee	Member	CMD
Mr. P. V. Bhide	Member	Independent
Mr. Harsh Mariwala@	Member	Independent

@Appointed as a Member of the Committee with effect from June 20, 2014.

iii) Meetings & Attendance:

The Committee met eight times during the year on April 23, 2014, May 28, 2014, June 20, 2014, October 22, 2014, December 29, 2014, January 9, 2015, January 21, 2015 and March 18, 2015. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Mr. S. V. Haribhakti	8	8
Mr. Y. M. Deosthalee	8	8
Mr. P. V. Bhide	8	8
Mr. Harsh Mariwala@	8	5

@Appointed as a Member of the Committee with effect from June 20, 2014.

iv) Remuneration Policy:

The remuneration of the Board members is based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer companies. Compensation reflects each Board member's responsibility and performance. The level of compensation to Executive Directors is designed to be competitive in the market for highly qualified executives.

While the Company pays remuneration to Executive Directors by way of salary, perquisites,

retirement benefits and variable remuneration, based on the recommendations of the Nomination & Remuneration Committee, approval of the Board and the shareholders, the Non-Executive Directors are paid remuneration by way of commission & sitting fees.

As required under Clause 49 of the Equity Listing Agreement, the criteria for payment to Non-Executive Directors are made available under the Investors section of the Company's website i.e. www.ltfinanceholdings.com.

v) Details of remuneration paid/payable to Directors for the year ended March 31, 2015:

a. Remuneration to Executive Directors

The Executive Directors of the Company are Mr. Y.M. Deosthalee who is designated as the Chairman & Managing Director and Mr. N. Sivaraman who is designated as the President & Whole-time Director of the Company. Mr. Deosthalee and Mr. Sivaraman were paid remuneration during the financial year 2014-15 in accordance with the terms and conditions of the Agreement entered into by the Company with them.

The details of remuneration paid / payable to the Executive Directors are as follows:

(₹ in Lakhs)

Name of the Director	Salary & Perquisites	Variable Remuneration* (up to)	Retirement Benefits	Total
Mr. Y. M. Deosthalee	321.98	313.75@	60.78	696.51
Mr. N. Sivaraman	217.18	275.00#	162.55	654.73

* based on guidelines formulated by the Nomination and Remuneration Committee and approved by the Board.

@ Represents provision. However, Mr. Y. M. Deosthalee has waived the variable remuneration payable to him for the Financial Year 2014-15. The CMD had waived the same for the earlier years also.

Represents provision.

- Notice period for termination of appointment of Chairman & Managing Director and the other Whole time Director is six months on either side.
- No severance pay is payable on termination of appointment.

b. Remuneration to Non-Executive Directors

The Company follows a transparent process for determining the remuneration of Non-Executive Directors. Their remuneration is governed by the role assumed, number of meetings of the Board and the committees thereof attended by them, active participation in strategic decision making and inputs to executive management on matters of strategic importance. Besides these, the Board also takes into consideration the external competitive environment, track record, individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of Non-Executive Directors including Independent Directors.

In the backdrop of growing complexities and increasing regulatory requirements, the Non-Executive Directors have contributed significantly and given constructive and useful feedback from time to time. The Commission proposed in respect of Non-Executive Directors for the year, subject to approval of the Nomination and Remuneration Committee is mentioned below. The commission is paid as per limits approved by the shareholders, subject to a limit not exceeding 1% p.a. of the profits of the Company.

In addition to the commission, the Company pays sitting fees of ₹ 20,000 per meeting to the Non-Executive Directors for attending the meetings of the Board and Committees.

As required under Clause 49 of the Equity Listing Agreement, the criteria for payment to Non-Executive Directors is made available under the Investors section of the Company's website i.e. www.ltfinanceholdings.com.

The Director on the Board who is in the service of Larsen & Toubro Limited draws remuneration from Larsen & Toubro Limited and is not paid any commission, or sitting fees separately for attending the meetings of the Board and any Committee of the Company.

The details of remuneration paid / payable to the Non-Executive Directors are as follows:

(₹ in Lakhs)

Name of the Director	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting@	Commission (up to)*	Total
Mr. R. Shankar Raman	Nil	Nil	Nil	Nil
Mr. S. V. Haribhakti	1.60	3.40	16.95	21.95
Mr. B. V. Bhargava	1.40	1.80	4.85	8.05
Mr. P. V. Bhide	1.60	2.60	10.85	15.05
Ms. Kamakshi Rao	0.80	Nil	10.00	10.80
Mr. Harsh Mariwala	1.60	1.40	13.85	16.85
Mr. A. K. Jain#	1.40	1.00	11.55	13.95

@excluding sitting fees paid for the meeting of Independent Directors held on March 18, 2015.

#Ceased to be a Director of the Company with effect from February 26, 2015.

*To be determined by the Board, subject to the recommendations of the Nomination and Remuneration Committee.

Details of shares held by the Non-Executive Directors as on March 31, 2015 are as follows:

Name of the Director	No. of Shares
Mr. R. Shankar Raman	24,461

4. Corporate Social Responsibility Committee

i) Terms of reference:

The role of Corporate Social Responsibility (CSR) Committee is as follows:

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

ii) Composition:

The CSR Committee as on March 31, 2015 comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Y. M. Deosthalee	Chairman	CMD
Mr. N. Sivaraman	Member	WTD
Mr. Harsh Mariwala	Member	Independent

iii) Meetings & Attendance:

The Committee met three times during the year on June 20, 2014, September 23, 2014 and February 24, 2015. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Mr. Y. M. Deosthalee	3	3
Mr. N. Sivaraman	3	3
Mr. Harsh Mariwala	3	2

5. Committee of Directors

i) Terms of reference:

The Committee of Directors of the Company was constituted to facilitate the operational decisions within the broad framework laid down by the Board such as day to day operational decisions of the Company in terms of borrowing power, additional investment in subsidiaries, etc.

ii) Composition:

The Committee of Directors as on March 31, 2015 comprises:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Y. M. Deosthalee	Chairman	CMD
Mr. N. Sivaraman	Member	WTD
Mr. R. Shankar Raman	Member	Non-Executive

iii) Meetings & Attendance:

The Committee met nine times during the year on May 5, 2014, May 30, 2014, June 18, 2014, June 30, 2014, July 25, 2014, August 1, 2014, August 8, 2014, October 31, 2014 and November 13, 2014. The attendance of members at the meetings was as follows:

Name of the Director	No. of Meetings held during the year	No. of Meetings attended
Mr. Y. M. Deosthalee	9	7
Mr. N. Sivaraman	9	9
Mr. R. Shankar Raman	9	9

6. Asset Liability Management Committee

i) Terms of reference:

The role of the Asset Liability Management Committee includes the following:

- Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
- Monitoring the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
- Reviewing the effects of various possible changes in the market conditions related to

the balance sheet and recommend the action needed to adhere to the Company's internal limits; and

- Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks.

ii) Composition:

The Asset Liability Management Committee as on March 31, 2015 comprises:

Name of the Member	Designation in the Committee
Mr. N. Sivaraman	Chairman
Mr. Suneet K. Maheshwari	Member
Mr. Dinanath Dubhashi	Member
Mr. N. Suryanarayanan	Member
Mr. G. K. Shettigar	Member
Mr. R. Govindan	Member

iii) Meetings and Attendance:

The Committee met twelve times during the year on April 25, 2014, May 31, 2014, June 16, 2014, July 31, 2014, August 20, 2014, September 30, 2014, October 13, 2014, November 29, 2014, December 31, 2014, January 31, 2015, February 13, 2015 and March 25, 2015.

7. Risk Management Committee

i) Terms of reference:

The role of the Risk Management Committee includes the following:

- To manage the integrated risk which would include Liquidity Risk, Interest Rate Risk, Currency risk, etc.; and
- Such other functions as the Board may from time to time delegate.

ii) Composition:

The Risk Management Committee as on March 31, 2015 comprises:

Name of the Member	Designation in the Committee
Mr. Y.M. Deosthalee@	Chairman
Mr. N. Sivaraman	Member
Mr. R. Shankar Raman	Member
Mr. Dinanath Dubhashi	Member
Mr. Suneet K. Maheshwari	Member
Mr. R. Govindan #	Member

@ Appointed as a Member and Chairman of the Committee with effect from October 22, 2014.

Ceased to be a Member of the Committee with effect from October 22, 2014.

iii) Meetings & Attendance:

During the year, one Meeting was held on February 25, 2015.

D. Directors on Boards of Material Subsidiaries

Atleast 1 independent director of the Company is a Director on the Board of each Material Subsidiary of the Company. As at March 31, 2015, Mr. P. V. Bhide is a Director on the Board of L&T Finance Limited and Mr. B. V. Bhargava is a Director on the Board of L&T Infrastructure Finance Company Limited.

E. Other Information

1. Training of Directors:

All Directors of the Company are aware and are also updated as and when required, of their roles, responsibilities & liabilities.

2. Information to Directors:

The Board of Directors has complete access to the information within the Company, which inter alia, includes items as mentioned in point no. B4 of the Corporate Governance Report. Presentations are made regularly to the Board and its Committees, where Directors get an opportunity to interact with the management. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board/Committee Meetings, when Senior Management Personnel are asked to make presentations about the performance of the Company to the Board.

3. Statutory Auditors:

The Board has recommended to the shareholders, the reappointment of M/s. Sharp & Tannan (S&T), Chartered Accountants as Statutory Auditors. S&T has furnished a declaration confirming their independence as well as their arm's length relationship with the Company, also declaring that they have not taken up any prohibited non-audit assignments for the Company.

Mr. Firdosh D. Buchia has signed the Audit Report for FY 2014-15 on behalf of S&T.

4. Code of Conduct:

The Company has laid down a Code of Conduct for all Board members including Independent Directors and Senior Management Personnel. The Code of Conduct is available on the website of

the Company i.e. www.ltfinanceholdings.com. The declaration of Chairman & Managing Director is given below:

To the shareholders of L&T Finance Holdings Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company as adopted by the Board of Directors.

Y. M. Deosthalee
Chairman & Managing Director

Date: April 23, 2015
Place: Mumbai

5. Vigil Mechanism Framework/Whistle Blower Mechanism:

The Board at its meeting held on April 23, 2014 has established a Vigil Mechanism Framework for directors and employees to report genuine concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The details of establishment of such mechanism have been disclosed in the website of the Company i.e. www.ltfinanceholdings.com.

As on March 31, 2015, no complaint has been received by the Company from any directors or employees of the Company with respect to any wrongdoings that may have an adverse impact on the Company's image or financials of the Company.

6. General Body Meetings:

The Annual General Meeting of the Company for financial years 2011-12, 2012-13 and 2013-14 were held at Birla Matushri Sabhagar, 19, Marine Lines, Mumbai - 400 020, the details of which are as under:

Year	Date	Time
2011-12	August 9, 2012	3.00 P.M.
2012-13	August 1, 2013	3.00 P.M.
2013-14	July 24, 2014	3.00 P.M.

The following Special Resolutions were passed by the Shareholders during the past three Annual General Meetings:

Year	Date	Resolution
2013-14	July 24, 2014	<ul style="list-style-type: none"> Issue of Non-convertible Debentures/Bonds on Private Placement basis during the Financial Year 2014-15 for an amount not exceeding ₹ 1,000 crore. Issue of Cumulative Non-convertible Redeemable Preference Shares by way of Public Offer or on Private Placement basis for an amount not exceeding ₹ 1,000 crore.

7. Disclosures:

- During the year, there were no transactions of material nature with the Directors, Management, their relatives or the subsidiaries, that had potential conflict with the interests of the Company.
- Details of all related party transactions form a part of the accounts as required under Accounting Standards 18 and the same forms part of the Annual Report.
- The Company has followed all relevant Accounting Standards notified by the

Companies (Accounting Standards) Rules, 2006 as amended from time to time while preparing the Financial Statements.

- There were no instances of non-compliance on any matter related to the capital markets, during the last three years nor any penalties, strictures imposed on the Company by the Stock Exchanges(s) or SEBI or any Statutory Authority.

8. Means of Communication:

- Quarterly Results are communicated through a Press Release and newspaper advertisements in prominent national and regional dailies like The Economic Times, Business Standard, Hindu Business Line, DNA Money, Free Press Journal, Navabharat and Navshakti.
- The financial results, official news releases and presentations are also displayed on the website of the Company i.e. www.ltfinanceholdings.com.
- The Annual Report is circulated to all the shareholders and all others like auditors, equity analysts, etc.
- Management Discussion & Analysis forms a part of the Annual Report which is mailed to the shareholders of the Company.

9. General Shareholders' Information:

Annual General Meeting	September 8, 2015 at 3.00 P.M. RAMA & SUNDRI WATUMULL AUDITORIUM, Vidyasagar, Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400020.
Financial Year	April 1, 2014 to March 31, 2015.
Date of Book Closure	Thursday, September 3, 2015 to Tuesday, September 8, 2015 (both days inclusive).
Dividend Payment	The dividend of ₹ 0.80 per Equity share of face value of ₹ 10/- each, if approved by the Shareholders at the ensuing Annual General Meeting, will be credited/ dispatched before October 7, 2015.
Listing on Stock Exchanges (Equity Shares)	1. BSE Limited 2. National Stock Exchange of India Limited The Company has paid the listing fees to the Stock Exchanges.
Listing of Preference Shares	All the series of Cumulative Compulsorily Redeemable Preference Shares (CCRPS) issued by the Company on private placement basis till date are listed on BSE Limited.
Stock Code (Equity)	BSE : 533519 NSE : L&TFH
Stock Code (Preference)	BSE : 715001, 715007, 715008, 715009, 715010, 715011, 715012, 715014
CIN	L67120MH2008PLC181833

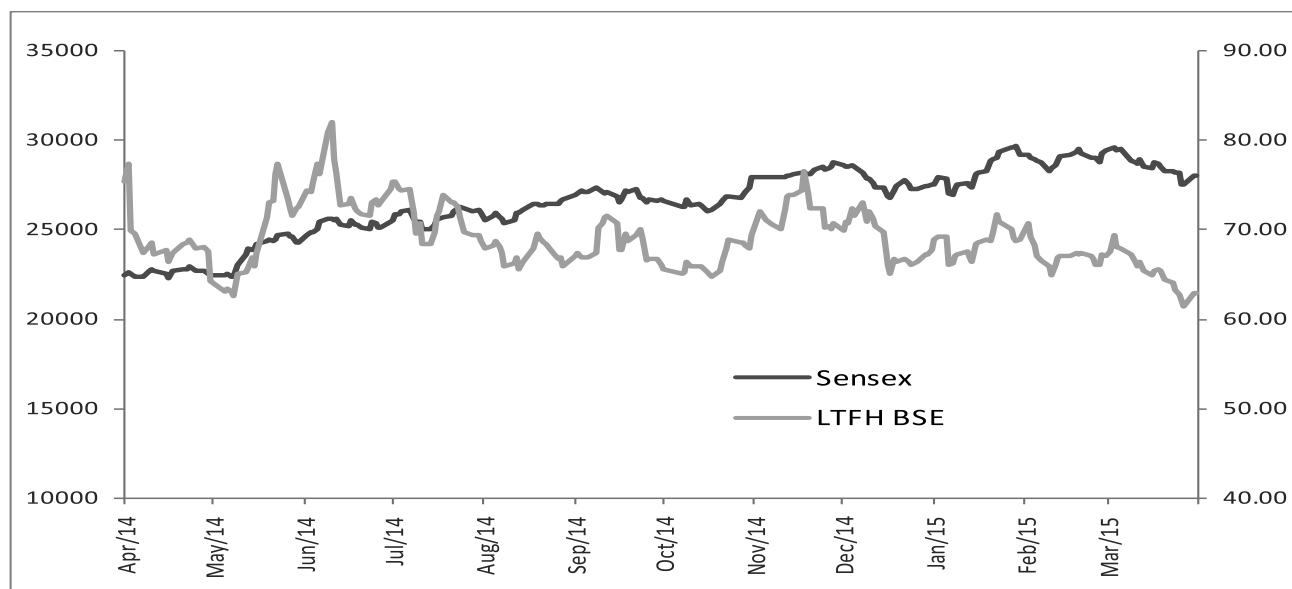
Financial Calendar

First quarter*	During 4 th week of July 2015
Second quarter*	During 4 th week of October 2015
Third quarter*	During 4 th week of January 2016

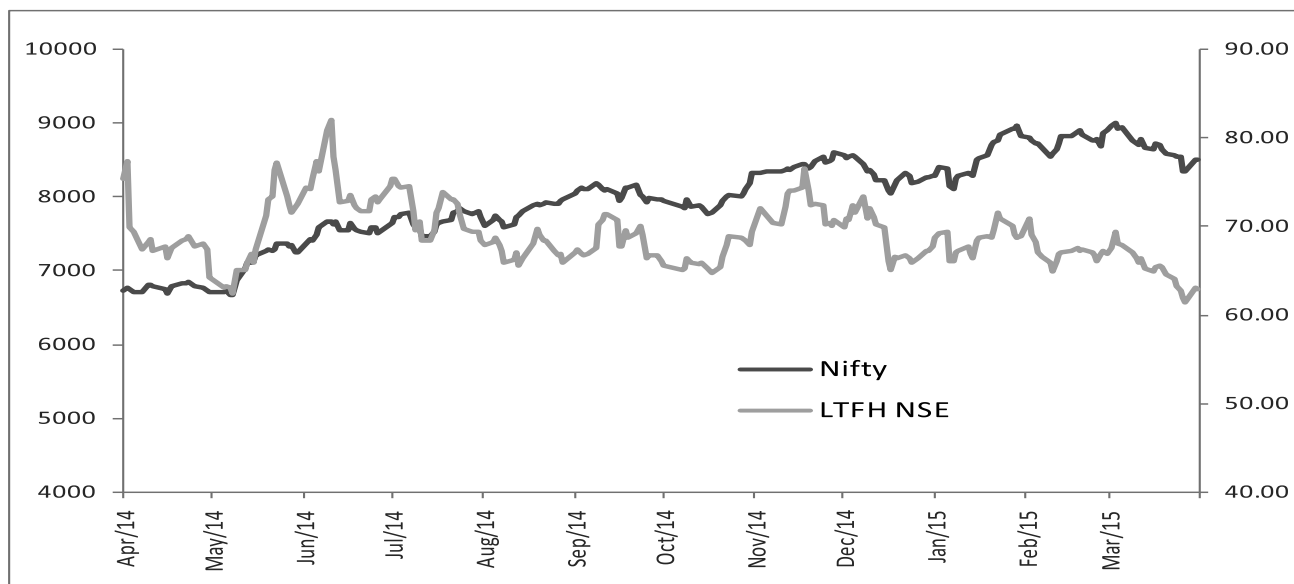
* Tentative

Market Price Data and Performance in comparison to broad based indices

Month	LTFH BSE Price (₹)			BSE SENSEX		
	High	Low	Month Close	High	Low	Month Close
Apr-2014	79.00	63.10	64.25	22,939.31	22,197.51	22,417.80
May-2014	78.90	62.30	72.40	25,375.63	22,277.04	24,217.34
Jun-2014	83.20	70.80	74.50	25,725.12	24,270.20	25,413.78
Jul-2014	76.80	67.70	68.60	26,300.17	24,892.00	25,894.97
Aug-2014	70.00	65.25	65.90	26,674.38	25,232.82	26,638.11
Sep-2014	72.35	64.65	66.05	27,354.99	26,220.49	26,630.51
Oct-2014	69.65	63.90	69.30	27,894.32	25,910.77	27,865.83
Nov-2014	76.95	69.50	70.70	28,822.37	27,739.56	28,693.99
Dec-2014	73.80	62.85	67.70	28,809.64	26,469.42	27,499.42
Jan-2015	73.70	65.20	68.85	29,844.16	26,776.12	29,182.95
Feb-2015	71.45	63.90	66.95	29,560.32	28,044.49	29,361.50
Mar-2015	71.40	59.75	62.80	30,024.74	27,248.45	27,957.49



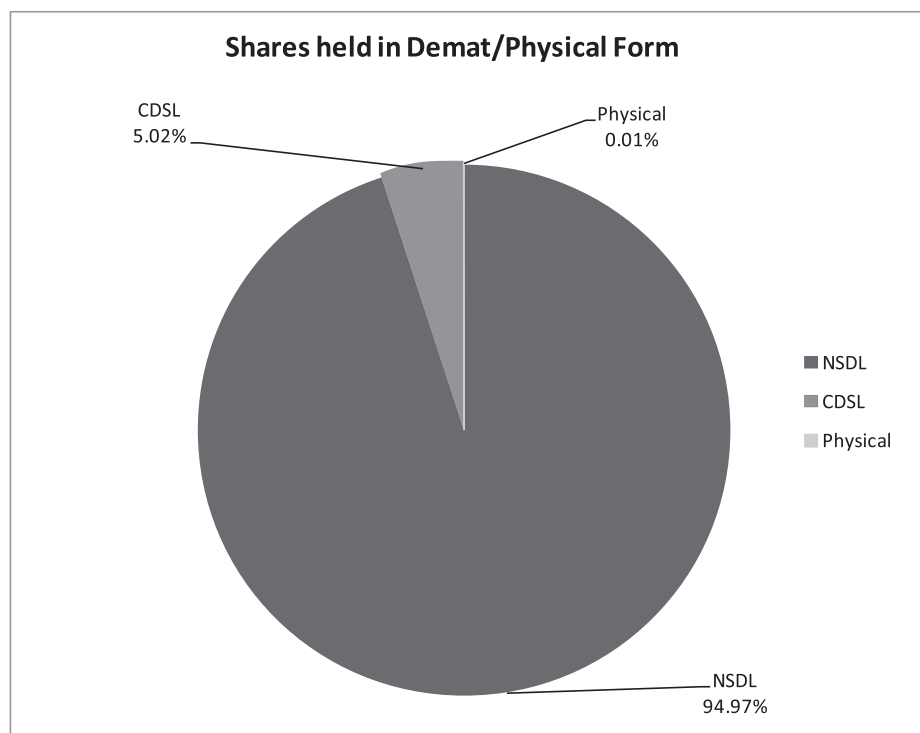
Month	LTFH NSE Price (₹)			CNX-NIFTY		
	High	Low	Month Close	High	Low	Month Close
Apr-2014	78.70	63.05	64.20	6,869.85	6,650.40	6,696.40
May-2014	78.90	62.30	72.50	7,563.50	6,638.55	7,229.95
Jun-2014	83.15	70.80	74.50	7,700.05	7,239.50	7,611.35
Jul-2014	76.75	67.70	68.35	7,840.95	7,422.15	7,721.30
Aug-2014	69.90	65.20	65.80	7,968.25	7,540.10	7,954.35
Sep-2014	72.40	64.55	66.00	8,180.20	7,841.80	7,964.80
Oct-2014	69.70	63.85	69.30	8,330.75	7,723.85	8,322.20
Nov-2014	76.90	69.55	70.65	8,617.00	8,290.25	8,588.25
Dec-2014	73.85	62.80	67.70	8,626.95	7,961.35	8,282.70
Jan-2015	73.65	65.00	68.85	8,996.60	8,065.45	8,808.90
Feb-2015	71.30	63.90	66.90	8,941.10	8,470.50	8,901.85
Mar-2015	71.30	59.70	62.80	9,119.20	8,269.15	8,491.00



Registrar and Share Transfer Agent	Sharepro Services (India) Private Limited 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072. Tel: +91 22 6191 5400/412 Fax: +91 22 6191 5444 E-mail: sharepro@shareproservices.com
Share Transfer System	<p>The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Share Transfer Committee.</p> <p>The Company obtains from a Company Secretary in practice, half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Equity Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.</p>

Distribution of Shareholdings as on March 31, 2015:

Category (Shares)	Shareholders		Shareholding	
	Number	%	Number	%
Up to 500	382,210	82.49%	69,497,480	4.04%
501-1000	41,329	8.92%	33,109,159	1.93%
1001-2000	22,244	4.80%	32,631,712	1.90%
2001-3000	6,649	1.44%	17,066,095	0.99%
3001-4000	2,962	0.64%	10,711,918	0.62%
4001-5000	2,294	0.50%	10,893,079	0.63%
5001-10000	3,292	0.71%	24,478,055	1.42%
10001 and above	2,333	0.50%	1,521,898,402	88.47%
TOTAL	463,313	100.00%	1,720,285,900	100.00%



Categories of the Shareholders as on March 31, 2015:

Category	Total Shares	%
Promoters	1,254,936,010	72.95%
Financial Institutions	7,877,710	0.46%
Foreign Institutional Investors & Foreign Portfolio - Corp.	134,238,232	7.80%
Mutual Funds	12,312,210	0.71%
Bodies Corporate	55,385,462	3.22%
Directors & Relatives	**1,022,474	0.06%
Resident Individuals & Trusts	244,230,378	14.20%
Banks	2,223,853	0.13%
Non Resident Indians	8,059,571	0.47%
TOTAL	1,720,285,900	100.00%

***Excludes 1,000,000 and 500,000 Equity Shares purchased by Mr. Y. M. Deosthalee on March 30, 2015 and March 31, 2015, respectively, as the same were credited within 2 days from the date of purchase. Hence, the same are not reflected in Shareholding Pattern as on March 31, 2015*

Dematerialisation of Shares:

The Company's shares are required to be compulsorily traded on the Stock Exchanges in dematerialized form. The number of shares held in dematerialized and physical mode are as under:

	No. of Shares	%
NSDL	1,633,765,194	94.97%
CDSL	86,295,960	5.02%
Physical	224,746	0.01%
TOTAL	1,720,285,900	100.00%

Dematerialization of shares and liquidity	As on March 31, 2015, almost the entire equity capital was held in the dematerialized form with NSDL and CDSL. Only 2,24,746 shares were held in physical form.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company does not have any Outstanding GDRs / ADRs / Warrants or any other Convertible instrument as on date.
Plant Locations	As the Company is engaged in the business of Non Banking Financial Services this section is not applicable.
Address for correspondence	Sharepro Services (India) Private Limited 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Andheri - Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072. Tel: +91 22 6191 5400/412 Fax: +91 22 6191 5444 E-mail: sharepro@shareproservices.com
Address of the Compliance Officer	Mr. N. Suryanarayanan, Company Secretary L&T Finance Holdings Limited City - 2, Plot No. 177, C.S.T. Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098. Phone No.: 022 - 6621 7300/400 Fax No.: 022 - 6621 7509 E-mail : igrc@ltfinanceholdings.com

Unclaimed Shares lying in the Suspense Accounts:

In terms of Clause 5A the Equity Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in demat form:

Sr. No.	Particulars	No. of Shareholders	No. of Equity Shares Outstanding
(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year April 01, 2014	7	789
(ii)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2014-15	0	0
(iii)	Number of shareholders to whom shares were transferred from suspense account during the year 2014-15	0	0
(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year March 31, 2015.	7	789

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 125 of the Act, the dividend/interest/refund of applications which remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend /interest/refund account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. In terms of the provisions of

Section 125 of the Act, no claim shall lie against the Company after the said transfer.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 24, 2014 (date of last Annual General Meeting) on the website of the Company

i.e. www.ltfinanceholdings.com, as also on the Ministry of Corporate Affairs website.

Securities Dealing Code

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a Securities Dealing Code for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Designated Persons are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of the Compliance Officer is also required. All the Designated Employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and / or sell shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company's shares.

The Securities and Exchange Board of India with, a view to strengthen the legal and enforcement framework, align Indian regime with international practices, provide clarity with respect to the definitions and concepts and facilitate legitimate business transactions, revamped the old regulations on insider trading and formulated the

SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations) on January 15, 2015. These regulations have come into force on May 15, 2015. The Company at its Board meeting held on April 23, 2015 has framed a new Securities Dealing Code in line with the requirements of newss Insider Trading Regulations.

Mr. N. Suryanarayanan, Company Secretary has been designated as the Compliance Officer for monitoring compliances with this Code. Mr. Suryanarayanan is also appointed as the Chief Investor Relations Officer under the Code to deal with dissemination of information and disclosure of Unpublished Price Sensitive information.

Secretarial Audit

The Board of Directors of the Company at its meeting held on October 22, 2014 has appointed Ms. Naina R Desai, Practising Company Secretary as the Secretarial Auditor of the Company for the Financial Year 2014-2015.

As stipulated by the SEBI, a Qualified Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

(Issued in accordance with the provisions of Clause 49 of the Equity Listing Agreement)

To the Board of Directors of L&T Finance Holdings Limited

Dear Sirs,

We have reviewed the financial statements read with the cash flow statement of L&T Finance Holdings Limited for the year ended March 31, 2015 and that to the best of our knowledge and belief, we state that;

- a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2015 which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or propose to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - (i) There are no significant changes in internal control over financial reporting during the year ended March 31, 2015;
 - (ii) There are no significant changes in accounting policies made during the year ended March 31, 2015; and
 - (iii) there have been no instances of significant fraud of which we have become aware.

Yours sincerely,

Upma Goel

Deputy Finance Controller

Y. M. Deosthalee

Chairman & Managing Director

Place: Mumbai

Date: April 23, 2015

Auditors Certificate on Compliance of Conditions of Corporate Governance

To the members of L&T Finance Holdings Limited

We have examined the compliance of conditions of corporate governance by L&T Finance Holdings Limited for the year ended March 31, 2015 as stipulated in Clause 49 of the Equity Listing Agreement entered into by the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material respects with the conditions of corporate governance as stipulated in the above mentioned Equity Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

SHARP & TANNAN

Chartered Accountants

Firm's registration No. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership No. 38332

Place: Mumbai

Date: April 23, 2015

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of L&T Finance Holdings Limited ('the Company'), which comprise the balance sheet as at March 31, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors as on March 31, 2015 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164 (2) of the Act.
- f) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules,

2014, in our opinion and to the best of our information and according to the explanations given to us:

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

SHARP & TANNAN

Chartered Accountants
Firm's registration no. 109982W

Firdosh D. Buchia

Partner
Membership No. 38332

Mumbai, April 23, 2015

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management which in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (ii) The Company is a non-banking finance company and does not hold any inventories. Accordingly, paragraph 3 (ii) (a), (b) and (c) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) (a) and (b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for services rendered. During the course of audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) The Company is a non-banking finance company. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, cess and other statutory dues, as applicable with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period exceeding six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, service tax, cess and other statutory dues as applicable that have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us, there is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the rules made thereunder.
- (viii) The Company has no accumulated losses as at March 31, 2015 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in the repayment of dues to any financial institution or banks or debenture holders as at the balance sheet date.
- (x) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

Accordingly, paragraph 3 (x) of the Order is not applicable.

(xi) In our opinion and according to the information and explanations given to us, the Company has not availed any term loans from banks or financial institutions. Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) During the course of our examination of the books and records of the Company, carried out in accordance with 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

on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

SHARP & TANNAN

Chartered Accountants

Firm's registration no.109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, April 23, 2015

Balance Sheet as at March 31, 2015

(₹ in Lakhs)

	Note No	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES:			
Shareholders' funds			
(a) Share capital	2	308,368.59	271,844.90
(b) Reserves and surplus	3	<u>182,560.86</u>	<u>180,851.22</u>
		490,929.45	452,696.12
Non current liabilities			
(a) Long term borrowings	4	-	20,000.00
(b) Other long-term liabilities	5	13.58	13.58
(c) Long term provisions	6	-	<u>34.73</u>
		13.58	20,048.31
Current liabilities			
(a) Short term borrowings	7	54,900.41	36,031.41
(b) Current maturity of long term borrowings	4	-	10,000.00
(c) Other current liabilities	8	1,237.33	1,178.46
(d) Short term-provisions	9	<u>14,279.50</u>	<u>13,385.97</u>
		70,417.24	60,595.84
TOTAL		<u>561,360.27</u>	<u>533,340.27</u>
ASSETS:			
Non - Current assets			
(a) Fixed assets	10		
(i) Tangible assets		30.99	40.65
(ii) Intangible assets		9.46	1.10
		40.45	41.75
(b) Non-current investments	11	482,912.93	472,701.11
(c) Deferred tax assets (net)	12	152.79	133.76
(d) Long term loans and advances	13	<u>1,741.16</u>	<u>5,797.13</u>
		484,847.33	478,673.75
Current assets			
Current maturities of long term investments			
(a) Current Investments	14	27,673.92	19,843.90
(b) Current maturity of long term loans and advances	13	5,000.00	-
(c) Cash and bank balances	15	3,111.99	4,634.91
(d) Short term loans and advances	16	38,450.79	28,689.22
(e) Other current assets	17	<u>2,276.24</u>	<u>1,498.49</u>
		76,512.94	54,666.52
TOTAL		<u>561,360.27</u>	<u>533,340.27</u>
Significant accounting policies	1		
Notes forming part of the financial statements	24		

As per our report attached

For and on behalf of Board of Directors of L&T Finance Holdings Limited

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W
by the hand of**Firdosh D. Buchia**

Partner

Membership no. 38332

Mumbai, April 23, 2015

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, April 23, 2015

N. Sivaraman

President & Whole-time Director

(DIN :00001747)

Upma Goel

Deputy Finance Controller

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

(₹ in Lakhs)

	Note No	2014-15	2013-14
INCOME			
Revenue from operations	18	29,061.91	25,757.14
Other income	19	3,631.28	3,365.53
Total Income		32,693.19	29,122.67
EXPENSES			
Employee benefits expense	20	1,704.20	708.10
Finance costs	21	3,923.98	6,610.91
Administration and other expenses	22	1,847.67	2,139.99
Provisions and contingencies	23	1.63	(37.00)
Depreciation and amortisation		12.94	11.44
Total Expenses		7,490.42	9,433.44
Profit before exceptional and extraordinary items and taxes		25,202.77	19,689.23
Exceptional items		-	-
Profit before extraordinary items and taxes		25,202.77	19,689.23
Extraordinary items		-	-
Profit before tax		25,202.77	19,689.23
Tax expense:			
- Current tax		-	8.20
- MAT credit entitlement		(941.00)	-
- Deferred tax		(19.03)	42.72
		(960.03)	50.92
Profit for the year		26,162.80	19,638.31
Earnings Per Equity Share:	24.5		
Basic earnings per equity share (₹)		0.88	0.70
Diluted earnings per equity share (₹)		0.88	0.70
Face value per equity share (₹)		10.00	10.00
Significant accounting policies	1		
Notes forming part of the financial statements	24		

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W
by the hand of**Firdosh D. Buchia**

Partner

Membership no. 38332

Mumbai, April 23, 2015

For and on behalf of Board of Directors of L&T Finance Holdings Limited

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, April 23, 2015

N. Sivaraman

President & Whole-time Director

(DIN :00001747)

Upma Goel

Deputy Finance Controller

Cash Flow Statement for the year ended March 31, 2015

(₹ in Lakhs)

	2014-15	2013-14
A. Cash flow from operating activities		
Profit/(loss) before tax as per statement of profit and loss	25,202.77	19,689.23
Adjustment for:		
Provision on standard assets	1.63	(37.00)
Provision for employee benefits	(13.39)	(196.40)
Depreciation and amortisation	12.94	11.44
Profit on sale of investment in associate	(40.50)	-
Operating profit before working capital changes	25,163.45	19,467.27
Changes in working capital		
(Increase)/ Decrease in current and non current assets	(10,682.60)	23,101.08
Increase/ (Decrease) in current and non current liabilities and provisions	47.27	(33,466.61)
Cash generated from operations	14,528.12	9,101.74
Direct taxes paid	(3.03)	(705.41)
Net cash generated from operating activities (A)	14,525.09	8,396.33
B. Cash flows from investing activities		
Add : Inflows from investing activities		
Sale of current investments (net)	-	55,447.72
Sale of long term investment	1,430.50	-
	1,430.50	55,447.72
Less : Outflow for investing activities		
Investment in subsidiary companies	11,601.81	60,445.00
Purchase of current investments (net)	7,830.02	-
Purchases of fixed assets	11.64	0.65
	19,443.47	60,445.65
Net cash from(used in) investing activities (B)	(18,012.97)	(4,997.93)

Cash Flow Statement for the year ended March 31, 2015

(₹ in Lakhs)

	2014-15	2013-14
C. Cash flows from financing activities		
Add : Inflows from financing activities		
Proceeds from issue of share capital including securities premium	37,315.75	25,899.26
Proceeds from short term borrowings (net)	18,971.98	6,467.28
	56,287.73	32,366.54
Less : Outflows for financing activities		
Share/Debenture issue expenses	414.71	407.27
Dividend paid (including dividend distribution tax)	23,908.06	20,716.65
Repayments of long term borrowings	30,000.00	14,900.00
	54,322.77	36,023.92
Net cash generated from(used in) financing activities (C)	1,964.96	(3,657.38)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,522.92)	(258.98)
Cash and cash equivalents as at beginning of the year	4,634.91	4,893.89
Cash and cash equivalents as at end of the year	3,111.99	4,634.91

Notes:

1. Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".
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

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, April 23, 2015

For and on behalf of Board of Directors of L&T Finance Holdings Limited

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, April 23, 2015

N. Sivaraman

President & Whole-time Director

(DIN :00001747)

Upma Goel

Deputy Finance Controller

Notes forming part of Financial Statements - March 31, 2015

Note - 1 Brief profile and significant accounting policies

1.1 Basis of Accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP'), Accounting Standards notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the provision of Section 133 of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI") for Core Investment Companies (CIC) and Non Banking Finance Company (NBFC) as applicable. The financial statements have been prepared on the accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 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.

1.3 Tangible and Intangible fixed assets

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

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

1.4 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.

- Interest income on deposits and debentures is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Profit/loss on sale of investments is recognised at the time of actual sale/redemption.
- Dividend income is recognized when the Company's right to receive dividend is established by the reporting date

1.5 Depreciation/Amortisation

Depreciation/Amortisation 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 lesser than or equal to the useful life of the assets as 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.

1.6 Investments

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

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

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

1.7 Leases

Where the Company is lessee

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.

Notes forming part of Financial Statements - March 31, 2015

1.8 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, pension and superannuation scheme are defined contribution plans. The contribution paid/payable under the scheme is recognized during the year 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 year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

1.9 Income taxes

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

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

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

1.10 Provisions, 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. Contingent assets are not recognised.

1.11 Employee stock option schemes

In respect of stock options granted pursuant to the Company's Stock Options Scheme, the intrinsic value of the options (excess of the market price of the share over the exercise price of the option)

Notes forming part of Financial Statements - March 31, 2015

is treated as discount and accounted as employee compensation cost over the vesting period.

1.12 Share and Debenture issue expense

Expenses incurred on issue of shares and debentures are written off against securities premium account.

1.13 Cash flow statements

The Cash Flow Statement is prepared in accordance with indirect method as explained in the Accounting Standard on Cash Flow Statements (AS)3 issued by the Institute of Chartered Accountants of India.

1.14 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.

1.15 Earnings per share

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

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.

1.16 Impairment of Assets

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances

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

1.17 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.

1.18 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 forming part of Financial Statements - March 31, 2015

2 Share Capital

(I) Share capital authorised, issued and subscribed

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Authorised				
Equity Share of ₹ 10 each	5,000,000,000	500,000.00	5,000,000,000	500,000.00
Preference Shares of ₹ 100 each	300,000,000	300,000.00	100,000,000	100,000.00
Issued, Subscribed & Paid up				
Equity Share of ₹ 10 each fully paid	1,720,285,900	172,028.59	1,718,448,975	171,844.90
8.75% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	75,000,000	75,000.00	75,000,000	75,000.00
9.00% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	25,000,000	25,000.00	-	-
8.40% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	13,900,000	13,900.00	-	-
8.50% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	12,440,000	12,440.00	-	-
8.35% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	10,000,000	10,000.00	-	-
Total Issued, Subscribed & Paid up capital		308,368.59		271,844.90

(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.

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

(III) Terms/rights attached to preference shares

The CRPS will not have voting rights other than in respect of matters directly affecting it. In the event any due and payable dividends remain unpaid for aggregate period of at least 2 years prior to the start of any general meeting of the equity shareholders, CRPS holders shall have voting rights in line with their voting rights of the equity shareholders. The CRPS will be redeemed at the end of 3 to 5 years from the date of allotment. Provided that the tenure may be extended by a further period, not exceeding 5 years from the Proposed Tenure, which shall be notified to the Investors at the time of allotment.

Notes forming part of Financial Statements - March 31, 2015

2 Share Capital

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

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	1,718,448,975	171,844.90	1,716,760,532	171,676.05
Issued during the year				
- Issued under ESOP	1,836,925	183.69	1,688,443	168.85
Outstanding at the end of the year	1,720,285,900	172,028.59	1,718,448,975	171,844.90

8.75% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	75,000,000	75,000.00	75,000,000	75,000.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	75,000,000	75,000.00	75,000,000	75,000.00

9.00% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	25,000,000	25,000.00	-	-
Issued during the year	-	-	25,000,000	25,000.00
Outstanding at the end of the year	25,000,000	25,000.00	25,000,000	25,000.00

8.40% Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	-	-	-	-
Issued during the year	13,900,000	13,900.00	-	-
Outstanding at the end of the year	13,900,000	13,900.00	-	-

Notes forming part of Financial Statements - March 31, 2015

2 Share Capital

(IV) Reconciliation of the shares outstanding at the beginning and at the end of the year (Contd.)

8.50% Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	-	-	-	-
Issued during the year	12,440,000	12,440.00	-	-
Outstanding at the end of the year	12,440,000	12,440.00	-	-

8.35% Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	-	-	-	-
Issued during the year	10,000,000	10,000.00	-	-
Outstanding at the end of the year	10,000,000	10,000.00	-	-

(V) Equity shares in the Company held by the holding company

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Larsen & Toubro Limited and it's nominee	1,254,936,010	125,493.60	1,316,589,609	131,658.96
	1,254,936,010	125,493.60	1,316,589,609	131,658.96

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

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Larsen & Toubro Limited and it's nominee	1,254,936,010	72.95%	1,316,589,609	76.61%
	1,254,936,010		1,316,589,609	

Notes forming part of Financial Statements - March 31, 2015

2 Share Capital

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

Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Azim Hasham Premji	10,109,420	7.41%	10,109,420	10.11%
Pioneer Independent Trust	10,000,000	7.33%	-	-
Bajaj Allianz General Insurance Company Limited	7,500,000	5.50%	-	-
Shree Cement Limited	7,296,136	5.35%	7,296,136	7.30%
Azim Premji Trust	6,729,220	4.94%	5,109,420	5.11%

(VII) Details of shares reserved to be issued under ESOP

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares of ₹ 10 each	33,152,519	3,315.25	9,106,625	910.66
	33,152,519	3,315.25	9,106,625	910.66

3 Reserves & Surplus

	(₹ in Lakhs)	
	As at March 31, 2015	As at March 31, 2014
a. Securities Premium Account		
As per last Balance sheet	155,581.05	155,257.87
Add: Premium on issue of equity shares	792.06	730.43
Less: Share issue expenses adjusted during the year	414.71	385.93
Less: Debenture issue expenses adjusted during the year (net of tax)	-	21.32
Closing Balance	155,958.40	155,581.05
b. Employee Stock Option Outstanding Account		
As per last Balance sheet	677.43	676.03
Add: Addition during the year	123.51	149.43
Less: Stock options exercised transferred to securities premium/general reserve	163.83	148.03
Closing Balance	637.11	677.43
c. Reserve u/s 45-IC of Reserve Bank of India Act, 1934		
As per last Balance sheet	11,662.26	7,734.26
Add: Transferred from surplus in the Statement of Profit and Loss	5,233.00	3,928.00
Closing Balance	16,895.26	11,662.26

Notes forming part of Financial Statements - March 31, 2015

3 Reserves & Surplus (Contd.)

	(₹ in Lakhs)	
	As at March 31, 2015	As at March 31, 2014
d. General Reserve		
As per last Balance sheet	12.20	12.20
Add: Transferred from Employee Stock Option Outstanding	5.94	-
Closing Balance	18.14	12.20
e. Surplus in the Statement of Profit and Loss		
As per last Balance sheet	12,918.28	17,698.51
Add: Profit for the year	26,162.80	19,638.31
Less: Appropriations		
Proposed Dividend on equity shares	13,762.29	12,888.37
Tax on proposed equity dividend	11.41	3.17
Dividend paid for previous year	5.04	1.29
Tax on dividend paid for previous year	0.86	0.21
Interim dividend paid on Cumulative Compulsorily Redeemable Preference Shares	11,016.53	7,597.50
Transfer to reserve u/s. 45-IC of Reserve Bank of India Act, 1934	5,233.00	3,928.00
Closing Balance	9,051.95	12,918.28
	182,560.86	180,851.22

4 Long Term Borrowings

	(₹ in Lakhs)			
Unsecured	As at March 31, 2015		As at March 31, 2014	
	Non Current	Current Maturity	Non Current	Current Maturity
Redeemable non-convertible debentures	-	-	-	10,000.00
Inter corporate borrowing	-	-	20,000.00	-
Total long term borrowings	-	-	20,000.00	10,000.00

Notes forming part of Financial Statements - March 31, 2015

5 Other Long term liabilities

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Security Deposit	13.58	13.58
Total other Long term liabilities	13.58	13.58

6 Long term provision

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
For contingent provisions against standard assets	-	34.73
Total long term provision	-	34.73

7 Short term borrowings

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Unsecured		
Commercial Papers		
Face Value	55,000.00	36,000.00
Less : Unexpired discount	538.84	435.87
Cash Credit	439.25	467.28
Total short term borrowings	54,900.41	36,031.41

8 Other current liabilities

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on borrowings	-	60.66
Interest accrued but not due on debentures	-	369.69
Statutory dues	46.64	56.18
Accrued expenses	1,113.66	492.74
Unclaimed dividend	52.83	26.77
Other liabilities	24.20	172.42
Total other current liabilities	1,237.33	1,178.46

9 Short-term provisions

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
For employee benefit		
- Leave Encashment	387.31	345.04
- Super Annuation Fund	9.87	77.11
	397.18	422.15
Proposed Dividend on equity shares	13,762.29	12,888.37
Tax on proposed equity dividend	11.41	3.17
Contingent provisions against standard assets	108.62	72.28
Total short-term provisions	14,279.50	13,385.97

Notes forming part of Financial Statements - March 31, 2015

Note 10 : Fixed assets

(₹ in Lakhs)

Particulars	Gross Block			Accumulated Depreciation					Net Block	
	As at April 1, 2014	Additions	Deductions	As at Mar 31, 2015	Upto Mar 31, 2014	For the year	Deductions	Upto Mar 31, 2015	As at Mar 31, 2015	As at Mar 31, 2014
Tangible Assets										
Motor Car	50.11	-	-	50.11	15.67	6.97	-	22.64	27.47	34.44
Computers	8.28	0.37	-	8.65	2.07	3.34	-	5.41	3.24	6.21
Office Equipments	0.65	0.30	-	0.95	0.65	0.02	-	0.67	0.28	-
Intangible Assets										
Computer Software	4.88	10.97	-	15.85	3.78	2.61	-	6.39	9.46	1.10
Total	63.92	11.64	-	75.56	22.17	12.94	-	35.11	40.45	41.75
Previous year	63.27	0.65	-	63.92	10.73	11.44	-	22.17	41.75	

11 Non current investments

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares / Debentures	₹ in Lakhs	No. of Shares / Debentures	₹ in Lakhs
Trade Investments (valued at cost unless stated otherwise)				
A. Unquoted equity instruments				
(i) Investment in subsidiaries				
L&T Finance Limited (Equity Shares of ₹ 10 each fully paid)	238,422,269	116,598.16	238,422,269	116,598.16
L&T Infrastructure Finance Company Limited (Equity Shares of ₹ 10 each fully paid)	829,233,000	137,509.85	829,233,000	137,509.85
L&T FinCorp Limited (Equity Shares of ₹ 10 each fully paid)	272,966,428	65,105.91	272,966,428	65,105.91
L&T Vrindavan Properties Limited (formerly : L&T Unnati Finance Limited) (Equity Shares of ₹ 10 each fully paid)	18,750,000	1,875.00	18,750,000	1,875.00
L&T Access Distribution Services Limited (formerly : L&T Access Financial Advisory Services Limited (Equity Shares of ₹ 10 each fully paid)	6,000,000	600.00	6,000,000	600.00
L&T Housing Finance Limited (Equity Shares of ₹ 10 each fully paid)	81,423,078	26,799.38	81,423,078	26,799.38
Family Credit Limited (Equity Shares of ₹ 10 each fully paid)	204,309,160	25,205.89	204,309,160	25,205.89
L&T Capital Markets Limited (Equity Shares of ₹ 10 each fully paid)	22,750,000	2,275.00	16,750,000	1,675.00
L&T Investment Management Limited (Equity Shares of ₹ 10 each fully paid)	240,875,445	81,828.74	235,857,200	81,326.92
L&T Mutual Fund Trustee Company Limited (Equity Shares of ₹ 10 each fully paid)	150,000	15.00	150,000	15.00
L&T Infra Debt Fund Limited (Equity Shares of ₹ 10 each fully paid)	71,000,000	7,100.00	71,000,000	7,100.00

Notes forming part of Financial Statements - March 31, 2015

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares / Debentures	₹ in Lakhs	No. of Shares / Debentures	₹ in Lakhs
(II) Investment in associate:				
NAC Infrastructure Equipment Limited (Equity Shares of ₹ 10 each fully paid)	-	-	4,500,000	450.00
B. Quoted investment in debentures				
L&T Finance Limited (Debentures of ₹ 1,000,000 each)	-	-	139	1,390.00
L&T FinCorp Limited (Debentures of ₹ 1,000,000 each)	1,000	10,000.00	-	-
Family Credit Limited (Debentures of ₹ 1,000,000 each)	750	7,500.00	700	7,000.00
L&T Vrindavan Properties Limited (formerly : L&T Unnati Finance Limited) (Debentures of ₹ 2,500,000 each)	20	500.00	20	500.00
Total		482,912.93		473,151.11
Less : Provision for diminution in the value of Investments		-		450.00
Total non current investments		482,912.93		472,701.11

Particulars	As at March 31, 2015 (₹ in Lakhs)	As at March 31, 2014 (₹ in Lakhs)
Aggregate amount of quoted investments (Market value of ₹ 18,000 Lakhs (Previous Year ₹ 8,890 Lakhs))	18,000.00	8,890.00
Aggregate amount of unquoted investments	464,912.93	464,261.11
Aggregate provision for diminution in value of investments	-	450.00

12 Deferred tax assets (net)

	(₹ in Lakhs)	
	As at March 31, 2015	As at March 31, 2014
Deferred tax assets		
For contingent provisions against standard assets	13.15	36.37
Difference between book and tax depreciation	-	0.34
Other item giving rise to timing difference	140.36	97.05
Total	153.51	133.76
Deferred tax liabilities		
Difference between book and tax depreciation	0.72	-
Total	0.72	-
Total deferred tax assets (net)	152.79	133.76

Notes forming part of Financial Statements - March 31, 2015

13 Long term loans and advances

(₹ in Lakhs)

	As at March 31, 2015		As at March 31, 2014	
	Current Maturity (₹ in Lakhs)	Non Current (₹ in Lakhs)	Current Maturity (₹ in Lakhs)	Non Current (₹ in Lakhs)
Advance taxes (net)	-	800.16	-	797.13
MAT Credit Entitlement	-	941.00	-	-
Loan to a subsidiary company	5,000.00	-	-	5,000.00
Total long term loans and advances	5,000.00	1,741.16	-	5,797.13

14 Current Investments

(₹ in Lakhs)

	As at March 31, 2015		As at March 31, 2014	
	No. of Units	₹ in Lakhs	No. of Units	₹ in Lakhs
Non Trade Investments (valued at cost unless stated otherwise)				
Unquoted investments				
L&T Ultra Short Term Fund Direct Plan - Growth	-	-	72,723,711	15,156.13
L&T Liquid Fund Direct Plan - Growth	1,123,107	21,536.00	113,806	2,000.00
L&T Flexi Bond Fund Direct Plan - Growth	9,977,252	1,500.00	20,677,541	2,687.77
L&T Short Term Opportunities Fund Direct Plan - Growth	22,505,490	3,036.10	-	-
L&T Arbitrage Opportunities Fund Direct Plan - Growth	14,999,658	1,601.82	-	-
Total current Investments		27,673.92		19,843.90

15 Cash and bank balances

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Balances with Banks:		
In Current Accounts	611.95	4,634.53
In Deposit Accounts (Deposits with original maturity of less than three months)	2,500.00	-
Cash on hand	0.04	0.38
Total cash and bank balances	3,111.99	4,634.91

Notes forming part of Financial Statements - March 31, 2015

16 Short term loans and advances

	(₹ in Lakhs)	
	As at March 31, 2015	As at March 31, 2014
Inter corporate deposits	38,450.79	28,689.22
Total short term loans and advances	38,450.79	28,689.22

17 Other current assets

	(₹ in Lakhs)	
	As at March 31, 2015	As at March 31, 2014
Receivable from group companies	457.50	149.86
Interest accrued but not due	1,326.82	886.76
Security deposits	355.36	326.26
Advances recoverable in cash or in kind	136.56	135.61
Total other current assets	2,276.24	1,498.49

18 Revenue from operations

	(₹ in Lakhs)	
	2014-15	2013-14
Dividend Income:		
From subsidiary companies	24,722.77	21,492.46
From other companies	-	-
	24,722.77	21,492.46
Interest income	4,339.14	4,264.68
Total revenue from operations	29,061.91	25,757.14

19 Other Income

	(₹ in Lakhs)	
	2014-15	2013-14
Profit on sale of investments	1,596.18	1,102.16
Dividend / Interest income on current investments	71.48	483.37
Management fees	1,944.35	1,780.00
Interest on Income tax refund	19.27	-
Total other income	3,631.28	3,365.53

20 Employee benefits expense

	(₹ in Lakhs)	
	2014-15	2013-14
Salaries	1,543.26	718.95
Contribution to and provision for:		
Provident fund	118.01	106.71
Gratuity	(29.54)	(108.74)
Leave Encashment	16.15	(87.66)
Superannuation Fund	50.50	77.11
	155.12	(12.58)
Staff welfare	5.82	1.73
Total employee benefits expense	1,704.20	708.10

Notes forming part of Financial Statements - March 31, 2015

21 Finance costs

	(₹ in Lakhs)	
	2014-15	2013-14
Interest on debentures	124.15	4,121.53
Commercial paper discounting charges	3,156.22	2,169.80
Interest on short term borrowing	537.26	209.99
Interest on CRPS Application Refund / Allotment	31.82	45.25
Others	74.53	64.34
Total finance costs	3,923.98	6,610.91

22 Administration and other expenses

	(₹ in Lakhs)	
	2014-15	2013-14
Professional fees	841.35	1,168.04
Rent	2.72	-
Travelling and conveyance	120.57	94.18
Printing and stationery	87.27	127.83
Telephone, postage and telegrams	52.83	127.23
Advertising and publicity	223.20	334.21
Filing fees	0.04	0.10
Directors' sitting fees	21.70	14.08
Non Executive Directors Remunerations	71.00	70.17
Auditors remuneration		
Audit fees	3.50	2.00
Tax Audit Fees	1.00	0.75
Limited Review Fees	7.50	4.50
Other Services	4.06	2.95
Rates & Taxes	7.00	47.24
Corporate support charges	191.12	-
Repairs & Maintenance	4.37	9.71
Listing and Custodian fees	74.57	59.49
Corporate social responsibilities	115.20	-
Exchange loss/(gain)	(4.26)	(0.26)
Donation	4.25	50.00
Miscellaneous expenses	18.68	27.77
Total administration and other expenses	1,847.67	2,139.99

23 Provisions and contingencies

	(₹ in Lakhs)	
	2014-15	2013-14
Loss on sale of non current investments	450.00	-
Reversal of provisions	(450.00)	-
Provision for standard assets	1.63	(37.00)
Total provisions and contingencies	1.63	(37.00)

Notes forming part of Financial Statements - March 31, 2015

24 Notes on Financial Statements

24.1 Stock option scheme

- a) In respect of stock options granted pursuant to Company's stock options scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation over the vesting period.
- b) The grant of options to the employees under the stock option scheme is on the basis of their performance and other eligibility criteria. The options allotted under scheme 2010 are vested over a period of 4 years in ratio of 15%, 20%, 30% and 35% respectively from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. The options granted under scheme 2013 are vest in a graded manner over a period of four year with 15 %, 20%, 30 % and 35 % of grants vesting each year, commencing from the end of 24 month from the date of grant.
- c) Options allotted under scheme 2010 can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of equity. The option granted under scheme 2013 can be exercised anytime within a period of 8 years from the date of grant. Management has discretion to modify the exercise period.
- d) The option granted under scheme 2010 is at exercise price of ₹ 44.20. The option granted under scheme 2013 was at exercise price ₹ 67.85 which was at the last closing price on National stock exchange preceding the date of grant.
- e) During the year ended March 31, 2015, 2,50,000 options were allotted under scheme 2010 and 2,63,50,000 options were allotted under scheme 2013.
- f) The details of the grants are summarised below:

Sr. No.	Particulars	2014-15	2013-14
1	Options granted and outstanding at the beginning of the year	91,06,625	1,11,25,955
2	Options granted during the year	2,66,00,000	9,83,000
3	Options cancelled/ lapsed during the year	7,17,181	13,13,887
4	Options exercised during the year	18,36,925	16,88,443
5	Options granted and outstanding at the end of the year of which –		
	- Options vested	43,39,694	28,39,131
	- Options yet to vest	2,88,12,825	62,67,494
6	Weighted average remaining contractual life of options (in years)	7.32	4.33

- g) During the year, the Company has recovered ₹ 123.72 Lakhs (previous year ₹ 149.43 Lakhs) from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.
- h) Total carrying amount of liabilities arising from employee share-based payment plans as on March 31, 2015 is ₹ 813.27 Lakhs (previous year: ₹ 975.27 Lakhs), including ₹ 416.28 Lakhs (previous year : ₹ 254.89 Lakhs) for which the options have vested to employees as on March 31, 2015.
- i) Weighted average fair values of options granted during the year is ₹ 25.40 (previous year: ₹ 34.53) per options.

Notes forming part of Financial Statements - March 31, 2015

- j) The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Particulars	2014-2015	2013-2014
a) Weighted average risk-free interest rate	7.90%	8.43%
b) Weighted average expected life of options	4.34 years	2.85 years
c) Weighted average expected volatility	33.15%	35.46%
d) Weighted average expected dividends	₹ 3.47 per option	₹ 2.14 per option
e) Weighted average share price	₹ 67.84 per option	₹ 69.51 per option
f) Weighted average exercise price	₹ 67.63 per share	₹ 44.20 per share
g) Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company shares price applicable to the expected life of each option.	

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

- i) Defined Contribution Plans :

Amount of ₹ 168.51 Lakhs (previous year ₹ 183.82 Lakhs) is recognized as an expense and included in employee benefits expenses in the statement of profit and loss.

- ii) Defined Benefit Plans (Gratuity):

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

		(₹ in Lakhs)	
Particulars		Gratuity Plan	
		As at March 31,2015	As at March 31,2014
A.	Amount to be recognized in Balance Sheet		
	Present Value of Defined Benefit Obligation		
-	Wholly Funded	620.70	545.11
-	Wholly Unfunded	-	-
	Less: Fair value of Plan Assets	(906.05)	(842.31)
	Amount not recognised as an assets (limits in para 59(b))	96.99	101.01
B.	Amounts reflected in the Balance Sheet		
-	Liability	-	-
-	Assets	188.36	196.19
	Net Liability/(asset)	(188.36)	(196.19)

Notes forming part of Financial Statements - March 31, 2015

- b) The amount recognised in profit and loss account are as follows:

(₹ in Lakhs)

Particulars	Gratuity Plan	
	2014-15	2013-14
1 Current Service Cost	41.65	58.87
2 Interest on Defined Benefit Obligation	53.51	60.44
3 Expected Return on Plan Assets	(66.98)	-
4 Actuarial Losses/(Gains)	(53.70)	(329.06)
5 Amount not recognised as an assets (limits in para 59(b))	(4.03)	101.01
6 Total, included in "Employee Benefit Expenses"	(29.54)	(108.74)
Actual Return on Plan Assets	67.36	48.53

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

(₹ in Lakhs)

Particulars	Gratuity Plan	
	As at March 31, 2015	As at March 31, 2014
Opening balance of the present value of defined benefit obligation	545.11	706.34
Add: Current Service Cost	41.65	58.87
Add: Interest Cost	53.51	60.44
Add/(less): Actuarial Losses/(Gain)	(53.32)	(280.54)
Add: Past service cost	-	-
Add: Transferred from holding Company	-	-
Add : Actuarial losses / (Gain) due to curtailments	-	-
Add: Liabilities Extinguished on Settlements	38.37	-
Less: Benefits paid	4.62	-
Closing balance of the present value of defined benefit obligation	620.70	545.11
Expected employer's contribution next year	-	20.00

Notes forming part of Financial Statements - March 31, 2015

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

(₹ in Lakhs)

Particulars	Gratuity Plan	
	As at March 31, 2015	As at March 31, 2014
Opening balance of the fair value of the plan assets	842.31	-
Add: Expected Return on plan assets*	66.98	-
Add/(less): Actuarial gains/(losses)	0.38	48.52
Add: Assets Distributed on Settlements	-	-
Add: Contributions by Employer	1.00	793.79
Add: Assets Acquired on Acquisition/(Distributed on Divestiture)	-	-
Add: Exchange Difference on Foreign Plans	-	-
Less: Benefits Paid	(4.62)	-
Closing balance of the plan assets	906.05	842.31

The trust formed by the Company manages the investment of gratuity fund. Expected return on plan assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

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

Particulars	Gratuity Plan	
	As at March 31, 2015	As at March 31, 2014
1 Government of India Securities	0%	0%
2 Corporate Bonds	0%	0%
3 Special Deposit Scheme	0%	0%
4 Equity Shares of Listed Companies	0%	0%
5 Property	0%	0%
6 Insurer Managed Funds	100%	100%
7 Others	0%	0%

- f) Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

Particulars	As at March 31, 2015	As at March 31, 2014
1. Discount rate	7.90%	9.20%
2. Expected return on plan assets	8.00%	8.00%
3. Salary escalation rate :	6.00%	6.00%

Notes forming part of Financial Statements - March 31, 2015

g) The amounts pertaining to experience adjustments are as follows:

(₹ in Lakhs)

Particulars	As at March 31				
	2015	2014	2013	2012	2011
- Defined Benefit Obligation	(620.70)	(545.11)	(706.34)	(93.87)	-
- Plan Assets	906.05	842.31	-	-	-
- Surplus /(Deficit)	285.35	297.20	(706.34)	(93.87)	-
Exp. Adjustment on Plan Liabilities	(108.11)	(214.53)	472.07	-	-
Exp. Adjustment on Plan Asset	0.38	48.52	-	-	-

24.3 Segment Reporting : Accounting Standard – 17

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

24.4 Related Party Disclosures: Accounting Standard - 18

a. List of Related Parties and Relationships

A. Holding Company

1. Larsen & Toubro Limited

B. Subsidiary Companies

1. L&T Finance Limited
2. L&T Infrastructure Finance Company Limited
3. L&T FinCorp Limited
4. L&T Vrindavan Properties Limited (formerly: L&T Unnati Finance Limited)
5. L&T Access Distribution Services Limited (formerly: L&T Access Financial Advisory Services Limited)
6. L&T Investment Management Limited
7. L&T Mutual Fund Trustee Limited
8. L&T Infra Investment Partners Advisory Private Limited
9. L&T Infra Investment Partners Trustee Private Limited
10. L&T Housing Finance Limited
11. Family Credit Limited
12. L&T Capital Markets Limited
13. L&T Trustee Services Private Limited
(amalgamated with L&T Mutual Fund Trustee Ltd w.e.f. 4th September 2014)
14. Consumer Financial Services Limited
15. L&T Infra Debt Fund Limited
16. Mudit Cement Private Limited

Notes forming part of Financial Statements - March 31, 2015

C. Fellow Subsidiary (with whom Company has undertaken transaction during current or previous year)

1. L&T Capital Company Limited
2. Larsen & Toubro InfoTech Limited
3. L&T Metro Rail (Hyderabad) Limited
4. L&T Infrastructure Development Projects Limited
5. L&T General Insurance Company Limited

D. Associate Company

1. NAC Infrastructure Equipment Limited (till 25th August 2014)
2. Feedback Infra Private Limited (formerly Feedback Infrastructure Services Private Limited)

E. Key Management Personnel

1. Y. M. Deosthalee – Chairman & Managing Director
2. N. Sivaraman – President & Wholetime Director

b. Related Party Transactions:

(Exclusive of service tax)

Sr. No.	Nature of Transactions	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
1	Subscription to Equity shares of		
	• L&T FinCorp Limited	-	25,000.00
	• L&T Vrindavan Properties Limited	-	1,425.00
	• L&T Capital Markets Limited	600.00	1,420.00
	• Family Credit Limited	-	10,000.00
	• L&T Housing Finance Limited	-	15,000.00
	• L&T Infra Debt Fund Limited	-	7,100.00
	• L&T Mutual Fund Trustee Limited	-	10.00
	• L&T Investment Management Limited	501.82	-
2	Inter Corporate Borrowing taken		
	• Larsen & Toubro Limited	20,000.00	20,000.00
3	Inter Corporate Deposits given		
	• L&T Finance Limited	1,29,690.00	1,55,527.00
	• L&T Infrastructure Finance Company Limited	69,125.00	45,200.00
	• L&T FinCorp Limited	1,71,245.00	73,850.00
	• L&T Access Distribution Services Limited	1,358.24	1,153.00
	• Family Credit Limited	58,150.00	66,650.00
	• L&T Vrindavan Properties Limited	29,981.53	32,835.00
	• L&T Housing Finance Limited	68,870.00	16,750.00
	• L&T Capital Markets Limited	75.00	-

Notes forming part of Financial Statements - March 31, 2015

Sr. No.	Nature of Transactions	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
4	Investment in NCD		
	• L&T Finance Limited	-	1,390.00
	• Family Credit Limited	500.00	7,000.00
	• L&T Vrindavan Properties Limited	-	500.00
	• L&T FinCorp Limited	10,000.00	-
5	Security Deposit given		
	• L&T Vrindavan Properties Limited	-	30.63
6	Interest paid on Inter Corporate Borrowing		
	• Larsen & Toubro Limited	535.62	67.40
7	Professional Fees paid		
	• Larsen & Toubro Limited	1.12	1.80
8	Corporate Support Charges paid		
	• L&T Finance Limited	180.00	-
9	Reimbursement of Expense to		
	• Larsen & Toubro Limited	16.61	2.47
	• L&T Capital Markets Limited	-	1.74
10	Reimbursement of Expense from		
	• L&T Finance Limited	-	2.34
	• L&T Metro Rail (Hyderabad) Limited	-	2.27
	• L&T Investment Management Limited	-	3.56
	• Larsen & Toubro InfoTech Limited	-	3.16
	• L&T Infrastructure Development Projects Limited	1.28	2.10
11	ESOP charges recovered		
	• L&T Finance Limited	118.40	87.64
	• L&T Infrastructure Finance Company Limited	2.73	28.47
	• L&T Access Distribution Services Limited	0.22	0.11
	• L&T Infra Investment Partners Advisory Private Limited	0.57	2.75
	• L&T Vrindavan Properties Limited	(0.09)	7.22
	• L&T FinCorp Limited	4.15	0.69
	• L&T Capital Market Limited	(5.10)	14.87
	• L&T Investment Management Limited	2.19	3.16
	• L&T Housing Finance Limited	0.23	2.93
	• Family Credit Limited	0.15	1.59
	• L&T Infra Debt Fund Limited	0.10	-

Notes forming part of Financial Statements - March 31, 2015

Sr. No.	Nature of Transactions	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
12	Interest Income on Inter Corporate Deposit		
	• L&T Finance Limited	219.81	302.71
	• L&T Infrastructure Finance Company Limited	95.93	31.11
	• L&T FinCorp Limited	228.24	140.73
	• L&T Access Distribution Services Limited	122.19	95.16
	• Family Credit Limited	62.53	121.04
	• L&T Housing Finance Limited	96.31	34.40
	• L&T Vrindavan Properties Limited	2,352.98	2,915.19
	• L&T Capital Markets Limited	0.06	-
13	Interest Income on NCD		
	• L&T Finance Limited	10.01	592.87
	• Family Credit Limited	972.31	30.61
	• L&T Vrindavan Properties Limited	52.00	0.85
	• L&T FinCorp Limited	126.76	-
14	Management fees income		
	• L&T Finance Limited	696.10	660.00
	• L&T Infrastructure Finance Company Limited	735.10	660.00
	• L&T Investment Management Limited	277.10	250.00
	• L&T Capital Markets Limited	236.05	210.00
15	Dividend income		
	• L&T Finance Limited	12,781.82	10,919.74
	• L&T Infrastructure Finance Company Limited	11,940.96	10,572.72
16	Deputation cost recovered		
	• L&T General Insurance Company Limited	319.93	229.20
	• L&T Infrastructure Finance Company Limited	54.72	-
17	Managerial remuneration #		
	• Y.M. Deosthalee	696.51	196.12
	• N. Sivaraman	704.73	456.95

Managerial Remuneration excludes provision for gratuity, pension and leave encashment, since it is provided on actuarial basis for the Company as a whole.

Notes forming part of Financial Statements - March 31, 2015

c. Amount due to/from related parties:

(₹ in Lakhs)

Sr. No.	Nature of Transactions	As at March 31, 2015	As at March 31, 2014
1	Receivable from		
	• L&T Finance Limited	31.63	60.82
	• L&T Infrastructure Finance Company Limited	1.06	3.03
	• L&T FinCorp Limited	0.02	0.11
	• L&T Investment Management Limited	-	65.61
	• L&T Vrindavan Properties Limited	412.36	1.75
	• L&T General Insurance Company Limited	-	23.10
	• Family Credit Limited	0.15	0.04
	• L&T Capital Markets Limited	0.15	0.21
	• L&T Access Distribution Services Limited	0.09	-
	• L&T Housing Finance Limited	0.01	-
	• L&T Infrastructure Development Projects Limited	1.44	-
	• Larsen & Toubro Limited	10.60	-
2	Interest accrued but not due on Inter Corporate Deposit Given		
	• L&T Access Distribution Services Limited	60.39	49.62
	• L&T Vrindavan Properties Limited	820.16	808.52
3	Interest accrued but not due on NCD given		
	• L&T Vrindavan Properties Limited	0.85	0.85
	• L&T Finance Limited	-	1.97
	• Family Credit Limited	318.65	30.61
	• L&T FinCorp Limited	126.76	-
4	Outstanding Balance of Inter-Corporate Deposits		
	• L&T Finance Limited	9,200.00	1,752.00
	• L&T Access Distribution Services Limited	1,317.24	1,051.00
	• L&T Vrindavan Properties Limited	27,933.55	25,886.22
5	Outstanding Balance of Loans & Advances given to		
	• L&T Investment Management Limited	5,000.00	5,000.00
6	Outstanding Balance of NCD		
	• Family Credit Limited	7,500.00	7,000.00
	• L&T Finance Limited	-	1,390.00
	• L&T Vrindavan Properties Limited	500.00	500.00
	• L&T FinCorp Limited	10,000.00	-
7	Security Deposit given to		
	• L&T Vrindavan Properties Limited	30.63	30.63
8	Payable to		
	• Larsen & Toubro Limited	-	27.60
	• L&T Access Distribution Services Limited	-	2.95
	• L&T Infra Partners Advisory Private Limited	-	3.93
	• L&T Housing Finance Limited	-	0.25
9	Interest accrued but due on ICB		
	• Larsen & Toubro Limited	-	60.66
10	Outstanding Balance of Inter-Corporate Borrowings		
	• Larsen & Toubro Limited	-	20,000.00

Notes forming part of Financial Statements - March 31, 2015

24.5 Earnings Per Share: Accounting Standard - 20

		(₹ in Lakhs)	
		2014-15	2013-14
Basic			
Profit after tax (₹ Lakhs)		26,162.80	19,638.31
Less : Dividend on Cumulative Compulsorily Redeemable Preference Shares		11,016.53	7,597.50
Profit attributable to equity shareholders (₹ Lakhs)	A	15,146.27	12,040.81
Number of equity shares			
Weighted average number of equity shares outstanding	B	1,719,284,453	1,717,349,584
Basic EPS before and after extraordinary items (₹)	A/B	0.88	0.70
Diluted			
Profit after tax (after deducting proposed preference dividend) (₹ Lakhs)	A	15,146.27	12,040.81
Add: Weighted average number of equity shares outstanding	B	1,719,284,453	1,717,349,584
Add: Weighted average no. of potential equity shares on account of employee stock options	C	18.40,351	2,440,556
Weighted average number of shares outstanding for diluted EPS	D=B+C	1,721,124,804	1,719,790,140
Diluted EPS before and after extraordinary items (₹)	A/D	0.88	0.70
Face value of shares (₹)		10.00	10.00

24.6 The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2015. 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.

24.7 L&T Mutual Fund Trustee Limited, subsidiary of L&T Finance Holdings Ltd had filed a Scheme of Amalgamation (the "Scheme") for the amalgamation of L&T Trustee Services Pvt. Ltd. with the L&T Mutual Fund Trustee Limited with the Honorable High Court of Judicature at Bombay (the "Court"). The Honorable Court sanctioned the Scheme with effect from April 01, 2013, (the "Appointed Date") vide its Order dated August 08, 2014. The certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on September 04, 2014 (the "Effective Date").

24.8 Expenditure in foreign currency:

For Professional Fees (including reimbursements) ₹ 193.66 Lakhs (previous year ₹ 189.03 Lakhs)

For Directors Sitting Fees and commission (including reimbursements) ₹ 8.51 Lakhs (previous year ₹ 7.45 Lakhs)

24.9 The Company does not have contingent liability as at March 31, 2015 except performance guarantee of ₹ 945.00 Lakhs (previous year ₹ 945.00 Lakhs).

24.10 During the year, the Company has allotted 18,36,925 equity shares of ₹ 10 each, fully paid up, on exercise of options by employees, in accordance with the Company's stock option schemes.

24.11 The directors recommend payment of final dividend of ₹ 0.80 per equity share of ₹ 10 each on the number of shares outstanding on the record date. Provision for final dividend has been made in the books of accounts for the 1,720,285,900 equity shares outstanding as at March 31, 2015 amounting to ₹ 13,762.29 Lakhs.

24.12 In terms of provision of sub-section 1A of Section 115O of the Income Tax Act, 1961, dividend distribution tax payable by the Company is net of dividend distribution tax paid by its subsidiary companies amounting to ₹ 4,943.10 Lakhs, relating to dividend of ₹ 24,722.77 Lakhs declared by them.

Notes forming part of Financial Statements - March 31, 2015

24.13 The Company, during the current year has issued 36,340,000 Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each fully paid up.

24.14 Schedule to the Balance Sheet of a Non-Banking Financial Company as required by RBI as per their Circular RBI/ 2008-09/ 116 DNBS(PD).CC.No.125/ 03.05.002/ 2008-2009, Guidelines for NBFC-ND-SI as regards capital adequacy, liquidity and disclosure norms:

1) Capital Risk Adequacy Ratio :

Items	2014-15	2013-14
i) CRAR (%)	87.97%	85.49%
ii) CRAR – Tier I Capital (%)	63.49%	66.55%
iii) CRAR – Tier II Capital (%)	24.48%	18.93%

2) Exposure to Real Estate Sector

(₹ in Lakhs)

Category	2014-15	2013-14
a) Direct exposure	Nil	Nil
(i) Residential Mortgages – Lending secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 Lakhs may be shown separately)		
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	500	500
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures - a. Residential b. Commercial Real Estate	Nil	Nil
b) Indirect exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

Notes forming part of Financial Statements - March 31, 2015

3) Asset Liability Management:

Maturity pattern of certain items of assets and liabilities

(₹ in Lakhs)

As at March 31, 2015	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
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Liabilities:

Borrowings from banks	-	-	-	-	439.25	-	-	-	439.25
Market Borrowings	25,000.00	30,000.00	-	-	-	-	-	-	55,00.00

Assets:

Advances	5,399.39	5,474.00	105.00	4,225.00	28,247.40	-	-	-	43,450.79
Investments	27,673.92	-	-	-	-	500.00	-	482,412.93	510,586.85

(₹ in Lakhs)

As at March 31, 2014	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
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Liabilities:

Borrowings from banks	-	-	-	-	-	-	-	-	-
Market Borrowings	15,467.28	28,000.00	-	3,000.00	-	20,000.00	-	-	66,467.28

Assets:

Advances	8,655.22	315.00	-	30.00	19,689.00	5000.00	-	-	33,689.22
Investments	19,843.90	-	-	-	-	-	-	472,701.11	492,545.01

24.15 Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2015.

Notes forming part of Financial Statements - March 31, 2015

Liability Side:

1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

(₹ in Lakhs)

Particular	As at March 31,2014		As at March 31,2015	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) Debentures :				
Secured	-	-	-	-
Unsecured	-	-	10,369.69	-
(Other than falling within the meaning of Public Deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and borrowings	-	-	20,060.66	-
(e) Commercial Paper (net of unexpired discount charges)	54,461.16	-	35,564.13	-
(f) Other Loans (Cash Credit)	439.25	-	467.28	-

Asset Side:

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

(₹ in Lakhs)

	As at March 31,2015	As at March 31,2014
	Amount Outstanding	Amount Outstanding
(a) Secured	-	-
(b) Unsecured	43,450.79	33,689.22

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

(₹ in Lakhs)

	As at March 31,2015	As at March 31,2014
	Amount Outstanding	Amount Outstanding
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	Nil	Nil
(b) Operating Lease	Nil	Nil
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on Hire	Nil	Nil
(b) Repossessed Assets	Nil	Nil
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	Nil	Nil
(b) Loans other than (a) above	Nil	Nil

Notes forming part of Financial Statements - March 31, 2015

Break-up of Investments

(₹ in Lakhs)

	As at March 31,2015	As at March 31,2014
	Amount Outstanding	Amount Outstanding
Current Investments		
1. Quoted		
(i) Shares : (a) Equity		
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity		
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	27,673.92	19,843.90
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long Term Investments		
1. Quoted		
(i) Shares : (a) Equity		-
(b) Preference	-	-
(ii) Debentures and Bonds	18,000.00	8,890.00
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	464,912.93	463,811.11
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify) Sec deposits & share application money	-	-

Notes forming part of Financial Statements - March 31, 2015

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

(₹ in Lakhs)

	As at March 31, 2015			As at March 31, 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	43,450.79	43,450.79	-	33,689.22	33,689.22
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties						
-	-	-	-	-	-	-
Total	-	43,450.79	43,450.79	-	33,689.22	33,689.22

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

(₹ in Lakhs)

Category	As at March 31, 2015		As at March 31, 2014	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	482,912.93	482,912.93	472,701.11	472,701.11
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	27,695.50	27,673.92	19,846.31	19,843.90
Total	510,608.43	510,586.85	492,547.42	492,545.01

6. Other Information

(₹ in Lakhs)

Particulars	As at March 31, 2015	As at March 31, 2014
	Amount	Amount
(i) Gross Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

Notes forming part of Financial Statements - March 31, 2015

24.16 "The Company has obtained the Certificate of Registration from the RBI as a Non-Banking Financial Institution - Core Investment Company (NBFC-CIC) on September 11, 2013 under Section 45-IA of the Reserve Bank of India Act, 1934

24.17 Core Investment Company ("CIC") Compliance Ratios:

Sr No.	Particulars	As at March 31, 2015	As at March 31, 2014
i.	Investments & Loans to group companies as a proportion of Net Assets (%)	98.42%	99.70%
ii.	Investments in equity shares & compulsorily convertible instruments of group companies as a proportion of Net Assets (%)	86.93%	91.31%
iii.	Capital Adequacy Ratio (%) [Adjusted Net Worth/Risk Weighted Assets]	63.49%	66.55%
iv.	Leverage Ratio(Times) [Outside Liabilities/ Adjusted Net worth]	0.20	0.23

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

As per our report of even date

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, April 23, 2015

For and on behalf of Board of Directors of L&T Finance Holdings Limited

Y.M. Deosthalee

Chairman & Managing Director

(DIN :00001698)

N. Suryanarayanan

Company Secretary

Mumbai, April 23, 2015

N. Sivaraman

President & Whole-time Director

(DIN :00001747)

Upma Goel

Deputy Finance Controller

Independent Auditors' Report

To the Members of L&T Finance Holdings Limited Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of L&T Finance Holdings Limited ('the Company') and its subsidiaries and associate ('the LTFH Group') which comprise the consolidated balance sheet as at March 31, 2015, the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 6 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; for selection and application of appropriate accounting policies; making judgements 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 accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associate as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated balance sheet, of the state of affairs of the LTFH Group as at March 31, 2015;
- in the case of the consolidated statement of profit and loss, of the profit of the LTFH Group for the year ended on that date; and
- in the case of the consolidated cash flow statement, of the cash flows of the LTFH Group for the year ended on that date.

Other matters

We did not audit the financial statements of nine subsidiaries included in the consolidated financial

statements, whose financial statements reflect total assets of ₹ 3,062,651.11 Lakhs as at March 31, 2015; as well as the total revenue of ₹ 335,117.43 Lakhs and net cash inflow amounting to ₹ 29,630.52 Lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such auditors.

We further report that in respect of an associate, we did not carry out the audit. The consolidated financial statements include the net carrying cost of investment of ₹ 4,519.42 Lakhs and current year share of net profit of ₹ 396.43 Lakhs in respect of the associate. These

financial statements have been audited by another auditor whose report has been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such auditor.

Our opinion is not qualified in respect of these matters.

SHARP & TANNAN

Chartered Accountants
Firm's registration no.109982W

Firdosh D. Buchia

Partner
Membership no. 38332

Mumbai, April 23, 2015

Consolidated Balance Sheet as at March 31, 2015

	Note No	As at March 31, 2015	As at March 31, 2014	(₹ in Lakhs)
EQUITY AND LIABILITIES:				
Shareholders' funds				
Share capital	2	308,368.59	271,844.90	
Reserves and surplus	3	465,618.84	410,720.39	
		773,987.43		682,565.29
Minority interest		10,030.00		-
Non-current liabilities				
Long-term borrowings	4	2,940,091.40	2,328,824.87	
Other long term liabilities	5	60,400.59	49,360.58	
Long-term provisions	6	26,707.99	19,998.95	
		3,027,199.98		2,398,184.40
Current liabilities				
Short-term borrowings	7	598,869.67	454,715.79	
Current maturities of long term borrowings	4	670,102.69	801,816.03	
Trade payables	8	7,222.49	3,716.74	
Other current liabilities	9	166,316.77	127,161.03	
Short-term provisions	10	20,487.62	17,933.31	
		1,462,999.24		1,405,342.90
TOTAL		5,274,216.65	4,486,092.59	
ASSETS:				
Non-current assets				
Fixed assets				
Tangible assets	11	53,149.12	57,088.14	
Intangible assets		1,342.96	1,809.22	
Capital work-in-progress		17,334.70	13,931.09	
Intangible assets under development		20.26	45.66	
Goodwill on consolidation		63,891.06	63,891.06	
Non-current investments	12	104,314.61	98,931.49	
Deferred tax assets (net)	13	28,978.83	21,741.66	
Long-term loans and advances	14	27,935.18	19,648.32	
Long-term loans and advances towards financing activities	15	3,457,198.70	2,786,419.07	
Other non-current assets	16	38,484.17	14,940.23	
		3,792,649.59		3,078,445.94
Current assets				
Current investments	17	160,607.01	174,096.30	
Trade receivables	18	2,137.19	3,071.67	
Cash and bank balances	19	86,232.95	78,273.89	
Short-term loans and advances towards financing activities	20	271,122.76	185,159.85	
Current maturities of long term loans and advances towards financing activities	15	847,991.90	898,136.12	
Other current assets	21	113,475.25	68,908.82	
		1,481,567.06		1,407,646.65
TOTAL		5,274,216.65	4,486,092.59	
Significant accounting policies	1			
Notes forming part of the consolidated financial statements	28			

For and on behalf of Board of Directors of L&T Finance Holdings Limited

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W
by the hand of**Firdosh D. Buchia**

Partner

Membership no. 38332

Mumbai, April 23, 2015

Y.M. DeosthaleeChairman & Managing Director
(DIN : 00001698)**N. Suryanarayanan**

Company Secretary

Mumbai, April 23, 2015

N. SivaramanPresident & Whole-time Director
(DIN : 00001747)**Upma Goel**

Deputy Finance Controller

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

(₹ in Lakhs)

	Note No	2014-2015	2013-2014
INCOME:			
Revenue from operations	22	619,622.86	505,593.81
Other income	23	14,122.07	18,124.61
Total Income		633,744.93	523,718.42
EXPENSES:			
Finance costs	24	356,778.73	307,387.77
Employee benefits expense	25	35,227.05	27,364.65
Administration and other expenses	26	62,928.39	55,852.73
Allowances and write offs	27	66,167.50	42,610.93
Depreciation and amortisation		9,550.41	8,014.27
Total expenses		530,652.08	441,230.35
Profit before exceptional and extraordinary items and taxes		103,092.85	82,488.07
Exceptional items	28.16	14,389.42	-
Profit before extraordinary items and taxes		117,482.27	82,488.07
Extraordinary items		-	-
Profit before tax		117,482.27	82,488.07
Tax expense:			
Current tax		41,781.13	32,057.22
MAT Credit		(2,267.69)	-
Deferred tax		(7,102.64)	(9,053.31)
Tax expense		32,410.80	23,003.91
Profit after tax		85,071.47	59,484.16
Add : Share in profit of associate company		396.43	205.17
Profit for the year		85,467.90	59,689.33
Earnings per equity share:	28.9		
Basic earnings per equity share before and after extraordinary items (₹)		4.30	3.03
Diluted earnings per equity share before and after extraordinary items (₹)		4.29	3.03
Face value per equity share (₹)		10.00	10.00
Significant accounting policies.	1		
Notes forming part of the consolidated financial statements	28		

For and on behalf of Board of Directors of L&T Finance Holdings Limited

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W
by the hand of**Firdosh D. Buchia**

Partner

Membership no. 38332

Mumbai, April 23, 2015

Y.M. DeosthaleeChairman & Managing Director
(DIN : 00001698)**N. Suryanarayanan**

Company Secretary

Mumbai, April 23, 2015

N. SivaramanPresident & Whole-time Director
(DIN : 00001747)**Upma Goel**

Deputy Finance Controller

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

	(₹ in Lakhs)	
	Year ended March 31,2015	Year ended March 31,2014
A. Cash flow from operating activities		
Profit before tax	117,482.27	82,488.07
Adjustments for:		
Amalgamation adjustments	-	(51.90)
Depreciation and amortisation	9,550.41	8,014.27
(Profit)/ Loss on sale of investments (net)	(6,331.79)	(11,218.67)
(Profit)/ Loss on sale of fixed assets (net)	910.31	2,044.60
Provision for compensated absences/leave encashment	567.32	10.15
Provision for Gratuity	214.17	(37.88)
Cumulative interest on long term NCDs, payable at maturity	3,295.55	(3,648.82)
Provision for diminution in value of investments	4,265.11	1,020.23
Loss on foreclosure of loans and bad debts write offs	50,926.96	20,108.29
Loss on sale of investments in associate	450.00	-
Provision for non-performing assets	8,620.42	10,144.68
Provision for advances and receivables	(3,752.18)	4,053.00
Provision for standard assets	2,536.04	3,446.52
Provision for restructured assets	3,121.15	3,838.21
Operating profit before working capital changes	191,855.74	120,210.75
Changes in working capital		
(Increase)/ Decrease in trade and other receivables and advances	(151,552.48)	24,829.79
Increase/ (Decrease) in trade and other payables	43,698.14	12,964.51
Cash generated from operations	84,001.40	158,005.05
Direct taxes paid	(45,524.59)	(34,284.69)
Loans disbursed (net of repayments)	(685,839.97)	(732,023.09)
Net cash flow from operating activities (A)	(647,363.16)	(608,302.73)
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of fixed assets	2,293.73	1,854.58
Sale of current investments (net)	19,821.08	-
	22,114.81	1,854.58
Less : Outflow from investing activities		
Purchase of fixed assets (including capital work in progress)	12,175.84	26,671.80
Purchase of non current investments	9,702.35	37,717.16
Purchase of current investments (net)	-	40,638.20
	21,878.19	105,027.16
Net cash from(used in) investing activities (B)	236.62	(103,172.58)

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

	(₹ in Lakhs)	
	Year ended March 31, 2015	Year ended March 31, 2014
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	37,315.75	25,899.26
Proceeds from issue of preference share capital	10,030.00	-
Net proceeds from long term borrowings	479,553.18	712,692.72
Net proceeds from short term borrowings	144,153.88	47,922.44
	671,052.81	786,514.42
Less : Outflow from financing activities		
Shares / Debenture issue expenses	1,019.38	851.36
Dividend paid (including dividend distribution tax)	14,798.27	25,455.17
	15,817.65	26,306.53
Net cash generated from(used in) financing activities (C)	655,235.16	760,207.89
Net cash increase / (decrease) in cash and cash equivalents (A+B+C)	8,108.62	48,732.58
Cash and cash equivalents as at beginning of the year	77,794.71	29,062.13
Cash and cash equivalents as at end of the year	85,903.33	77,794.71
Reconciliation of Cash and Cash Equivalents		
Closing Balance as per Balance Sheet	86,232.95	78,273.89
Less : Deposits with original maturity for more than 3 months	329.62	479.18
Cash and cash equivalents as at end of the year	85,903.33	77,794.71

Notes:

- Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 Cash Flow Statements.
- Purchase of fixed assets includes movements of capital work in progress during the year.
- Cash and cash equivalents represent cash and bank balances.
- Previous year figures have been regrouped/reclassified wherever applicable.

For and on behalf of Board of Directors of L&T Finance Holdings Limited

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's registration no. 109982W

by the hand of

Firdosh D. Buchia

Partner

Membership no. 38332

Mumbai, April 23, 2015

Y.M. Deosthalee

Chairman & Managing Director

(DIN : 00001698)

N. Suryanarayanan

Company Secretary

Mumbai, April 23, 2015

N. Sivaraman

President & Whole-time Director

(DIN : 00001747)

Upma Goel

Deputy Finance Controller

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

1. Significant accounting policies.

1.1 Basis of Accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP'), Accounting Standards notified under the Rule 7 of the Companies (Accounts) Rules, 2014, the provision of Section 133 of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI") for Non Banking Finance Company (NBFC) as applicable. The financial statements have been prepared on the accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 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 period. 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.

1.3 Revenue Recognition

- (a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.
- (b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.
- (c) Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is

fixed or determinable, and collectability is reasonably assured.

- (d) Dividend is accounted when the right to its receipt is established.
- (e) Guarantee fees is recognised on pro-rata basis over the period of the guarantee.
- (f) Investment management fees are recognised on an accrual basis in accordance with the Investment Management Agreement and SEBI Regulations, based on average Assets Under Management ("AUM") of L&T Mutual Fund schemes over the period of the agreement in terms of which services are performed.

Portfolio management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered into with respective clients over the period of the agreement in terms of which the services are rendered.

1.4 Tangible and Intangible Fixed Assets

Tangible fixed assets except for land, 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.

1.5 Depreciation and amortisation on Fixed Assets

- Depreciation/amortisation 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 lesser than or equal to the useful life as prescribed in Schedule II of the Companies Act, 2013.
- Leasehold improvements is amortized over the period of lease term.
- Fixed assets costing ₹ 5,000/- or less are fully depreciated in the year of purchase.
- Depreciation is charged for the full month in the month of purchase/sale even used for part of the month.

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

1.6 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Investments have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

1.7 Advances

Advances are classified under four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets in accordance with the RBI Guidelines.

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

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

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

1.8 Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

1.9 Leases

Where the company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

Operating leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Where the company is lessor

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.

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

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

1.10 Retirement and Other Employee Benefits

- **Short Term Employee Benefits:**

All employee benefits payable 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 expected cost of bonus/variable pay are recognized in the period in which the employee renders the related service.

- **Post Employment Benefits:**

(a) Defined Contribution Plans:

The Company's superannuation scheme, state governed provident fund scheme 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 Plans:

The employee's gratuity fund scheme and provident fund scheme managed by trust are the company's defined benefit plans. Wherever applicable the present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of services 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 rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities of a maturity period equivalent to the weighted average maturity profile of the related obligation at the balance sheet date.

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

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the

curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

- **Long Term Employee Benefits:**

The obligation for long term employee benefits such as long term compensated absences is recognised as defined benefits plan.

1.11 Earnings Per Share

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings Per Share. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

1.12 Foreign Currency Transactions, Forward Contracts and Derivatives

Foreign currency transactions are accounted at the exchange rates prevailing on the date of each transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of Profit and Loss.

The Company has exercised the option granted under notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.913(E) (F.No. 17/133/2008-CL.V) dated December 29, 2011 and is accordingly, amortising the foreign currency translation differences on long term foreign currency monetary items over the shorter of their maturity period and the balance period upto March 31, 2020. The unamortised balance as at the period end is presented as "Foreign Currency Monetary Item Translation Difference Account" on the assets side of the Balance Sheet.

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

Premium in respect of forward contracts is charged to statement of Profit and Loss over the period of the contract. Forward contracts outstanding as at the Balance Sheet date are revalued at the closing rate.

Currency interest rate swaps

Currency interest rate swaps in the nature of hedge, booked with the objective of managing the currency and interest rate risk on foreign currency liabilities are recorded on accrual basis and these transactions are not marked to market. The foreign currency balances on account of principal of currency interest rate swaps outstanding as at the Balance Sheet date are revalued using the closing rate.

1.13 Principles of Consolidation

The consolidated financial statements relate to L&T Finance Holdings Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- c) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss being the profit or loss on disposal of investment in subsidiary.
- d) Investment in associate companies has been accounted under the equity method as per Accounting Standard (AS) 23 "Accounting

for Investments in Associates in Consolidated Financial Statements".

- e) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its statement of profit and loss account to the extent such change is attributable to the associates' Profit and Loss account and through its reserves for the balance, based on available information.
- f) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

1.14 Income Taxes

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

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

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

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.

1.15 Impairment of Assets

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

1.16 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. Contingent assets are not recognised.

1.17 Employee Stock Compensation Cost

The Employees Stock Option Scheme (the Scheme) provides for grant of equity shares of L&T Finance Holdings Limited (the holding company) to employees of the subsidiaries. The scheme provides that employees are granted an option to subscribe to equity share of the holding company that vest in a

graded manner. The options may be exercised with in specified period. The holding company follows the intrinsic value method to account for its stock based employee compensation plans. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

1.18 Cash Flow Statement

The Cash Flow Statement is prepared in accordance with indirect method as explained in the Accounting Standard on Cash Flow Statements (AS) 3 issued by the Institute of Chartered Accountants of India.

1.19 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.

1.20 Expenses incurred on issue of shares/debentures are written off against securities premium accounts.

1.21 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 forming part of Consolidated Financial Statements - March 31, 2015

2. Share capital

(I) Share capital authorised, issued and subscribed

Authorised Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity shares of ₹ 10 each	5,000,000,000	500,000.00	5,000,000,000	500,000.00
Preference Shares of ₹ 100 each	300,000,000	300,000.00	100,000,000	100,000.00
Issued, Subscribed & Paid up shares				
Equity shares of ₹ 10 each fully paid up	1,720,285,900	172,028.59	1,718,448,975	171,844.90
8.75% Cumulative Compulsorily Redeemable Preference Shares of ₹ 100 each fully paid	75,000,000	75,000.00	75,000,000	75,000.00
9.00% Cumulative Compulsorily Redeemable Preference Shares of ₹ 100 each fully paid	25,000,000	25,000.00	25,000,000	25,000.00
8.40% Cumulative Compulsorily Redeemable Preference Shares of ₹ 100 each fully paid	13,900,000	13,900.00	-	-
8.50% Cumulative Compulsorily Redeemable Preference Shares of ₹ 100 each fully paid	12,440,000	12,440.00	-	-
8.35% Cumulative Compulsorily Redeemable Preference Shares of ₹ 100 each fully paid	10,000,000	10,000.00	-	-
	308,368.59		271,844.90	

(II) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	1,718,448,975	171,844.90	1,716,760,532	171,676.05
Issued during the year				
- Issued under ESOP	1,836,925	183.69	1,688,443	168.85
Outstanding at the end of the year	1,720,285,900	172,028.59	1,718,448,975	171,844.90

8.75% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	75,000,000	75,000.00	75,000,000	75,000.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	75,000,000	75,000.00	75,000,000	75,000.00

9.00% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	25,000,000	25,000.00	-	-
Issued during the year	-	-	25,000,000	25,000.00
Outstanding at the end of the year	25,000,000	25,000.00	25,000,000	25,000.00

8.40% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	-	-	-	-
Issued during the year	13,900,000	13,900.00	-	-
Outstanding at the end of the year	13,900,000	13,900.00	-	-

8.50% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	-	-	-	-
Issued during the year	12,440,000	12,440.00	-	-
Outstanding at the end of the year	12,440,000	12,440.00	-	-

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

8.35% Cumulative Compulsorily Redeemable Preference Shares (CRPS) of ₹ 100 each	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	-	-	-	-
Issued during the year	10,000,000	10,000.00	-	-
Outstanding at the end of the year	10,000,000	10,000.00	-	-

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

(IV) Terms/rights attached to preference shares

The CRPS will not have voting rights other than in respect of matters directly affecting it. In the event any due and payable dividends remain unpaid for aggregate period of at least 2 years prior to the start of any general meeting of the equity shareholders, CRPS holders shall have voting rights in line with their voting rights of the equity shareholders. The CRPS will be redeemed at the end of 3 to 5 years from the date of allotment. Provided that the tenure may be extended by a further period, not exceeding 5 days from the Proposed Tenure, which shall be notified to the Investors at the time of allotment.

(V) Shares held by holding company

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Larsen & Toubro Limited and it's nominee Equity Shares of ₹ 10 each fully paid	1,254,936,010	125,493.60	1,316,589,609	131,658.96

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

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Larsen & Toubro Limited and it's nominee	1,254,936,010	72.95%	1,316,589,609	76.61%

Preference Shares	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Azim H Premji	10,109,420	7.41%	10,109,420	10.11%
Pioneer Independent Trust	10,000,000	7.33%	-	-
Bajaj Allianz General Insurance Company Limited	7,500,000	5.50%	-	-
Shree Cement Limited	7,296,136	5.35%	7,296,136	7.30%
Azim Premji Trust	6,729,220	4.94%	5,109,420	5.11%

(VII) Details of shares reserved to be issued under ESOP

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 10 each	33,152,519	3,315.25	9,106,625	910.66

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

3. Reserves & Surplus

	(₹ in Lakhs)	
	As at March 31, 2015	As at March 31, 2014
(I) Securities premium account		
Balance as per last financial statements	146,257.53	146,378.46
Addition during the year	792.06	730.42
Less: Share issue expenses adjusted during the year	414.71	385.93
Less: Debenture issue expenses adjusted during the year (net of tax)	604.67	465.42
Closing Balance	146,030.21	146,257.53
(II) Debenture redemption reserve		
Balance as per last financial statements	36,749.00	25,100.00
Add/(less): Transferred to/(from) surplus in the statement of Profit and Loss	2,658.16	11,649.00
Closing Balance	39,407.16	36,749.00
(III) Reserve u/s 45-IC of RBI Act, 1934		
Balance as per last financial statements	72,809.66	55,948.01
Add: Transferred from surplus in the statement of Profit and Loss	18,931.63	16,861.65
Closing Balance	91,741.29	72,809.66
(IV) General reserves		
Balance as per last financial statements	12.20	12.20
Add: Transferred from Employee Stock Option Outstanding Account	5.94	-
Closing Balance	18.14	12.20
(V) Reserve u/s 36(1)(viii) of Income tax Act		
Balance as per last financial statements	20,352.00	13,912.00
Add: Transferred from surplus in the statement of Profit and Loss	4,798.00	6,440.00
Closing Balance	25,150.00	20,352.00
(VI) Employee Stock Option Outstanding Account		
Balance as per last financial statements	677.43	676.03
Addition during the year	123.51	149.42
Less: Allotment of shares	157.89	148.02
Less: Transferred to General Reserve	5.94	-
Closing Balance	637.11	677.43
(VII) Capital reserve on consolidation	49,235.93	49,235.93
(VIII) Reserve u/s 29C of National Housing Bank		
Balance as per last financial statements	205.49	4.07
Add: Transferred from surplus in the statement of Profit and Loss	1,350.00	201.42
Closing Balance	1,555.49	205.49

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

3. Reserves & Surplus

	(₹ in Lakhs)	
	As at March 31, 2015	As at March 31, 2014
(IX) Surplus in the statement of Profit and Loss		
Balance as per last financial statements	84,421.15	84,078.98
Add: Net profit for the period/year	85,467.90	59,689.33
Less : Appropriations		
Dividend paid for previous year	5.04	3.16
Proposed Dividend @ ₹ 0.80 (previous year ₹ 0.75) per equity share	13,762.29	12,886.50
Redemption premium on Cumulative Compulsorily Redeemable Preference Shares	254.60	-
Interim Dividend on Cumulative Compulsorily Redeemable Preference Shares	11,016.53	7,597.50
Dividend Distribution Tax	4,954.51	3,656.03
Transfer to/(from) Debenture Redemption Reserve	2,658.16	11,649.00
Depreciation rate adjustment	313.92	-
Amalgamation adjustments	-	51.90
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	4,798.00	6,440.00
Transfer to reserve u/s 29-C of National Housing Bank	1,350.00	201.42
Transfer to reserve u/s 45-IC of RBI Act, 1934	18,931.63	16,861.65
Net surplus in the statement of profit and loss	111,843.51	84,421.15
Total reserves and surplus	465,618.84	410,720.39

4 Long term borrowings

	(₹ in Lakhs)			
	As at March 31, 2015		As at March 31, 2014	
	Non current portion	Current maturities	Non current portion	Current maturities
(I) Secured				
Redeemable non convertible debentures	1,237,952.03	219,446.00	772,005.11	211,491.56
Less : Buy Back (Refer note 4. (I) (ii))	(1,157.91)	-	(1,263.81)	(831.73)
Term loans				
- From banks	1,004,788.94	428,573.36	1,066,961.53	472,367.33
- Foreign currency loan	21,875.00	18,750.00	71,962.04	108,749.12
- Refinance from National Housing Bank	-	-	-	39.75
Demand loan/Line of Credit	3,333.34	3,333.33	-	-
Total I	2,266,791.40	670,102.69	1,909,664.87	791,816.03

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

4 Long term borrowings

(₹ in Lakhs)				
	As at March 31, 2015		As at March 31, 2014	
	Non current portion	Current maturities	Non current portion	Current maturities
(II) Unsecured				
Redeemable non convertible debentures	129,000.00	-	74,110.00	10,000.00
Term loans				
- From banks	519,300.00	-	305,050.00	-
Perpetual debt	25,000.00	-	20,000.00	-
Loans and advances from related parties	-	-	20,000.00	-
Total II	673,300.00	-	419,160.00	10,000.00
Total Long Term Borrowings (I + II)	2,940,091.40	670,102.69	2,328,824.87	801,816.03

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

4. (I) (ii) During the year, the Company has bought back and extinguished 3,547 (Previous year Nil) nos. of debentures of ₹ 1,000 each aggregating to ₹ 35.47 Lakhs (Previous year ₹ Nil). Apart from this, the Company has bought back and is holding 32,618 nos. (Previous year 58,832 nos.) debentures of ₹ 1000 each aggregating to ₹ 326.18 Lakhs (Previous year ₹ 588.32 Lakhs) as on March 31, 2015, pending extinguishment /re-issue of the same.

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

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

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

Note 4.(i). (v) Secured Redeemable Non-Convertible Debentures : Private Placement							(₹ in Lakhs)	
Series	Face value per Debenture	Date of Allotment	Amount	Non-Current Maturities	Current Maturities	Interest rate % p.a.	Date of redemption	Redeemable Terms
Series H of FY 2013-14	₹ 25 lakhs each	29-Oct-2013	500.00	500.00	-	9.95%	20-Oct-2016	Redeemable at par at the end of 1087 days from the date of allotment
Series H of FY 2013-14	₹ 25 lakhs each	29-Oct-2013	17,400.00	17,400.00	-	9.95%	28-Oct-2016	Redeemable at par at the end of 1095 days from the date of allotment
Series H of FY 2013-14	₹ 25 lakhs each	29-Oct-2013	1,000.00	1,000.00	-	NSE M+155 bps	28-Oct-2016	Redeemable at par at the end of 1095 days from the date of allotment
Series D of FY 2013-14	₹ 10 lakhs each	20-May-2013	5,500.00	5,500.00	-	8.90%	20-May-2016	Redeemable at par at the end of 1096 days from the date of allotment
Series L of FY 2012-13	₹ 10 lakhs each	18-Dec-2012	2,500.00	-	2,500.00	9.45%	18-Dec-2015	Redeemable at par at the end of 1095 days from the date of allotment
Series D of FY 2013-14	₹ 10 lakhs each	20-May-2013	5,000.00	5,000.00	-	8.90%	20-May-2016	Redeemable at par at the end of 1096 days from the date of allotment
Series G of FY 2013-14	₹ 25 lakhs each	11-Oct-2013	10,500.00	10,500.00	-	10.20%	11-Oct-2016	Redeemable at par at the end of 1096 days from the date of allotment
Series A of FY 2013-14	₹ 10 lakhs each	5-Apr-2013	40,000.00	40,000.00	-	9.05%	5-Apr-2018	Redeemable at par at the end of 1826 days from the date of allotment
Series C of FY 2013-14	₹ 10 lakhs each	17-May-2013	10,000.00	-	10,000.00	8.90%	15-May-2015	Redeemable at par at the end of 728 days from the date of allotment
Series C of FY 2013-14	₹ 10 lakhs each	17-May-2013	5,000.00	-	5,000.00	8.90%	15-May-2015	Redeemable at par at the end of 728 days from the date of allotment
Series B of FY 2013-14	₹ 10 lakhs each	15-Apr-2013	2,500.00	-	2,500.00	9.20%	15-Apr-2015	Redeemable at par at the end of 730 days from the date of allotment
Series H of FY 2013-14	₹ 25 lakhs each	29-Oct-2013	1,500.00	-	1,500.00	9.95%	29-Oct-2015	Redeemable at par at the end of 730 days from the date of allotment
Series J of FY 2013-14	₹ 25 lakhs each	27-Mar-2014	500.00	-	500.00	9.59%	6-Apr-2015	Redeemable at par at the end of 375 days from the date of allotment
Series I of FY 2013-14	₹ 25 lakhs each	27-Mar-2014	10,900.00	-	10,900.00	9.59%	7-Apr-2015	Redeemable at par at the end of 376 days from the date of allotment
Series I of FY 2013-14	₹ 25 lakhs each	27-Mar-2014	1,600.00	-	1,600.00	9.59%	8-Apr-2015	Redeemable at par at the end of 377 days from the date of allotment
Series A of FY 2014-15	₹ 25 lakhs each	26-May-2014	550.00	550.00	-	9.75%	9-May-2016	Redeemable at par at the end of 714 days from the date of allotment
Series A of FY 2014-15	₹ 25 lakhs each	26-May-2014	10,000.00	10,000.00	-	9.74%	15-Apr-2016	Redeemable at par at the end of 690 days from the date of allotment
Series A of FY 2014-15	₹ 25 lakhs each	26-May-2014	5,000.00	5,000.00	-	9.76%	23-May-2016	Redeemable at par at the end of 728 days from the date of allotment
Series A of FY 2014-15	₹ 25 lakhs each	26-May-2014	12,000.00	12,000.00	-	9.75%	26-May-2016	Redeemable at par at the end of 731 days from the date of allotment
Series B of FY 2014-15	₹ 25 lakhs each	30-May-2014	15,000.00	15,000.00	-	9.66%	30-May-2016	Redeemable at par at the end of 731 days from the date of allotment
Series B of FY 2014-15	₹ 25 lakhs each	30-May-2014	2,000.00	2,000.00	-	9.65%	30-May-2016	Redeemable at par at the end of 731 days from the date of allotment
Series B of FY 2014-15	₹ 25 lakhs each	30-May-2014	1,000.00	1,000.00	-	9.65%	30-May-2016	Redeemable at par at the end of 731 days from the date of allotment
Series B of FY 2014-15	₹ 25 lakhs each	30-May-2014	1,500.00	1,500.00	-	9.65%	30-May-2016	Redeemable at par at the end of 731 days from the date of allotment
Series C of FY 2014-15	₹ 25 lakhs each	4-Jun-2014	5,000.00	-	5,000.00	9.35%	4-Dec-2015	Redeemable at par at the end of 548 days from the date of allotment
Series D of FY 2014-15	₹ 25 lakhs each	9-Jun-2014	35,200.00	35,200.00	-	9.60%	9-Jun-2016	Redeemable at par at the end of 731 days from the date of allotment
Series E of FY 2014-15	₹ 25 lakhs each	13-Jun-2014	27,000.00	27,000.00	-	9.44%	13-Jun-2016	Redeemable at par at the end of 731 days from the date of allotment
Series E of FY 2014-15	₹ 25 lakhs each	13-Jun-2014	21,500.00	21,500.00	-	9.35%	13-May-2016	Redeemable at par at the end of 700 days from the date of allotment
Series F of FY 2014-15	₹ 25 lakhs each	15-Jul-2014	18,500.00	18,500.00	-	9.45%	15-Jul-2016	Redeemable at par at the end of 731 days from the date of allotment
Series G of FY 2014-15	₹ 25 lakhs each	23-Sep-2014	5,000.00	5,000.00	-	9.36%	23-Sep-2016	Redeemable at par at the end of 731 days from the date of allotment
Series H of FY 2014-15	₹ 25 lakhs each	3-Nov-2014	10,000.00	-	10,000.00	9.27%	18-Dec-2015	Redeemable at par at the end of 410 days from the date of allotment
Series H of FY 2014-15	₹ 25 lakhs each	3-Nov-2014	10,000.00	-	10,000.00	9.27%	18-Dec-2015	Redeemable at par at the end of 410 days from the date of allotment
Series I of FY 2014-15	₹ 25 lakhs each	7-Nov-2014	10,000.00	10,000.00	-	9.27%	18-Dec-2016	Redeemable at par at the end of 406 days from the date of allotment
Series I of FY 2014-15	₹ 25 lakhs each	7-Nov-2014	2,500.00	2,500.00	-	9.27%	16-Feb-2017	Redeemable at par at the end of 466 days from the date of allotment
Series I of FY 2014-15	₹ 25 lakhs each	7-Nov-2014	900.00	900.00	-	9.31%	7-Nov-2017	Redeemable at par at the end of 1096 days from the date of allotment
Series J of FY 2014-15	₹ 25 lakhs each	12-Nov-2014	3,000.00	3,000.00	-	8.87%	20-Oct-2016	Redeemable at par at the end of 708 days from the date of allotment
Series K of FY 2014-15	₹ 25 lakhs each	30-Jan-2015	12,500.00	12,500.00	-	8.60%	30-Jan-2017	Redeemable at par at the end of 731 days from the date of allotment
Series K of FY 2014-15	₹ 25 lakhs each	30-Jan-2015	12,500.00	12,500.00	-	8.60%	28-Jul-2017	Redeemable at par at the end of 910 days from the date of allotment
Series L of FY 2014-15	₹ 25 lakhs each	13-Feb-2015	3,000.00	3,000.00	-	9.04%	13-Feb-2017	Redeemable at par at the end of 731 days from the date of allotment
Series L of FY 2014-15	₹ 25 lakhs each	13-Feb-2015	2,400.00	2,400.00	-	9.05%	21-Feb-2017	Redeemable at par at the end of 739 days from the date of allotment

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

Note 4.(i). (v) Secured Redeemable Non-Convertible Debentures : Private Placement										(₹ in Lakhs)
Series	Face value per Debenture	Date of Allotment	Amount	Non-Current Maturities	Current Maturities	Interest rate % p.a.	Date of redemption	Redeemable Terms		
Series L of FY 2014-15	₹ 25 lakhs each	13-Feb-2015	500.00	500.00	-	9.03%	4-Apr-2017	Redeemable at par at the end of 781 days from the date of allotment		
Series L of FY 2014-15	₹ 25 lakhs each	13-Feb-2015	1,025.00	1,025.00	-	9.02%	17-Apr-2017	Redeemable at par at the end of 794 days from the date of allotment		
Series L of FY 2014-15	₹ 25 lakhs each	13-Feb-2015	1,675.00	1,675.00	-	9.05%	27-Feb-2017	Redeemable at par at the end of 745 days from the date of allotment		
Series P of 2013-14 - OPT II	₹ 25 lakhs each	14-Mar-2014	1,600.00	-	1,600.00	9.97%	7-Apr-2015	Bullet payment on redemption date i.e., 07.04.15		
Series P of 2013-14 - OPT III	₹ 25 lakhs each	14-Mar-2014	2,000.00	-	2,000.00	9.97%	8-Apr-2015	Bullet payment on redemption date i.e., 08.04.15		
Series D of 2010-11	₹ 10 lakhs each	16-Apr-2010	7,500.00	-	7,500.00	8.91%	16-Apr-2015	At the end of 5 years from the date of allotment		
Series P of 2013-14 - OPT V	₹ 25 lakhs each	14-Mar-2014	5,000.00	-	5,000.00	9.96%	16-Apr-2015	Bullet payment on redemption date i.e., 16.04.15		
Series A of 2013-14	₹ 10 lakhs each	2-May-2013	12,500.00	-	12,500.00	8.95%	4-May-2015	Bullet payment on redemption date i.e., 04.05.15		
Series B of 2013-14	₹ 10 lakhs each	15-May-2013	25,000.00	-	25,000.00	8.95%	15-Jun-2015	Bullet payment on redemption date i.e., 15.06.15		
Series N of 2013-14	₹ 25 lakhs each	28-Feb-2014	15,000.00	-	15,000.00	9.99%	31-Aug-2015	Bullet payment on redemption date i.e., 31.08.15		
Series E of 2010-11	₹ 10 lakhs each	16-Apr-2010	7,500.00	7,500.00	-	8.91%	16-Apr-2016	At the end of 6 years from the date of allotment		
Series G of 2013-14	₹ 25 lakhs each	9-Dec-2013	4,300.00	4,300.00	-	9.90%	9-Dec-2016	Bullet payment on redemption date i.e., 09.12.16		
Series H of 2013-14 - OPT I	₹ 25 lakhs each	16-Jan-2014	1,500.00	1,500.00	-	9.80%	16-Jan-2017	Bullet payment on redemption date i.e., 16.01.17		
Series F of 2010-11	₹ 10 lakhs each	16-Apr-2010	7,500.00	7,500.00	-	8.91%	15-Apr-2017	At the end of 7 years from the date of allotment		
Series G of 2010-11	₹ 10 lakhs each	16-Apr-2010	7,500.00	7,500.00	-	8.91%	16-Apr-2018	At the end of 8 years from the date of allotment		
Series D of 2013-14	₹ 10 lakhs each	30-May-2013	5,000.00	5,000.00	-	8.35%	30-May-2018	Bullet payment on redemption date i.e., 30.05.18		
Series F of 2013-14	₹ 25 lakhs each	12-Nov-2013	5,100.00	5,100.00	-	9.70%	12-Nov-2018	Bullet payment on redemption date i.e., 12.11.18		
Series H of 2013-14 - OPT II	₹ 25 lakhs each	16-Jan-2014	5,000.00	5,000.00	-	9.80%	16-Jan-2019	Bullet payment on redemption date i.e., 16.01.19		
Series E of 2012-13	₹ 10 lakhs each	11-Jan-2013	45,000.00	45,000.00	-	9.00%	11-Jan-2023	10 years from Deemed date of Allotment, redemption date is 11th Jan 23		
Series C of 2013-14	₹ 10 lakhs each	29-May-2013	11,000.00	11,000.00	-	8.35%	29-May-2023	Bullet payment on redemption date i.e., 29.05.23		
Series A of 2011-12	₹ 10 lakhs each	18-Oct-2011	50,000.00	50,000.00	-	9.70%	18-Oct-2028	At the end of 17 years from the date of allotment, Put call option at the end of 10 years		
Series A of 2014-15 - OPT I	₹ 25 lakhs each	26-May-2014	5,250.00	5,250.00	-	9.75%	29-Apr-2016	Bullet payment on redemption date i.e., 29.04.16		
Series A of 2014-15 - OPT II	₹ 25 lakhs each	26-May-2014	1,250.00	1,250.00	-	9.75%	11-May-2016	Bullet payment on redemption date i.e., 11.05.16		
Series A of 2014-15 - OPT III	₹ 25 lakhs each	26-May-2014	3,500.00	3,500.00	-	9.75%	26-May-2016	Bullet payment on redemption date i.e., 26.05.16		
Series B of 2014-15	₹ 25 lakhs each	6-Jun-2014	10,000.00	10,000.00	-	9.50%	6-Jun-2017	Bullet payment on redemption date i.e., 06.06.17		
Series C of 2014-15 - OPT I	₹ 25 lakhs each	13-Jun-2014	7,675.00	7,675.00	-	9.25%	13-Jun-2019	Bullet payment on redemption date i.e., 13.06.19		
Series D of 2014-15 - OPT III	₹ 25 lakhs each	18-Jun-2014	1,950.00	1,950.00	-	9.25%	18-Jun-2019	Bullet payment on redemption date i.e., 18.06.19		
Series E of 2014-15 - OPT III	₹ 25 lakhs each	26-Jun-2014	4,025.00	4,025.00	-	9.50%	26-Jul-2016	Bullet payment on redemption date i.e., 26.07.16		
Series E of 2014-15 - OPT IV	₹ 25 lakhs each	26-Jun-2014	475.00	475.00	-	9.30%	26-Jun-2019	Bullet payment on redemption date i.e., 26.06.19		
Series F of 2014-15	₹ 25 lakhs each	4-Jul-2014	1,500.00	1,500.00	-	9.30%	4-Jul-2019	Bullet payment on redemption date i.e., 04.07.19		
Series G of 2014-15 - OPT II	₹ 25 lakhs each	31-Jul-2014	1,000.00	1,000.00	-	9.45%	31-Jul-2017	Bullet payment on redemption date i.e., 31.07.17		
Series I of 2014-15 - OPT I	₹ 25 lakhs each	11-Sep-2014	10,075.00	10,075.00	-	9.50%	11-Sep-2019	Bullet payment on redemption date i.e., 11.09.19		
Series I of 2014-15 - OPT II	₹ 25 lakhs each	11-Sep-2014	1,675.00	1,675.00	-	9.55%	11-Sep-2017	Bullet payment on redemption date i.e., 11.09.17		
Series I of 2014-15 - OPT II	₹ 25 lakhs each	19-Sep-2014	1,100.00	1,100.00	-	9.55%	19-Sep-2017	Bullet payment on redemption date i.e., 19.09.17		
Series I of 2014-15 - OPT III	₹ 25 lakhs each	19-Sep-2014	500.00	500.00	-	9.50%	19-Sep-2019	Bullet payment on redemption date i.e., 19.09.19		
Series K of 2014-15 - OPT II	₹ 25 lakhs each	26-Sep-2014	1,500.00	1,500.00	-	9.55%	26-Sep-2017	Bullet payment on redemption date i.e., 26.09.17		

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Note 4.(f).(v) Secured Redeemable Non-Convertible Debentures : Private Placement								(₹ in Lakhs)
Series	Face value per Debenture	Date of Allotment	Amount	Non-Current Maturities	Current Maturities	Interest rate % p.a.	Date of redemption	Redeemable Terms
Series K of 2014-15 - OPT III	₹ 25 lakhs each	26-Sep-2014	1,600.00	1,600.00	-	9.50%	26-Sep-2019	Bullet payment on redemption date i.e., 26.09.19
Series L of 2014-15	₹ 25 lakhs each	21-Oct-2014	1,050.00	1,050.00	-	9.15%	21-Oct-2019	Bullet payment on redemption date i.e., 21.10.19
Series M of 2014-15	₹ 25 lakhs each	3-Nov-2014	10,000.00	10,000.00	-	9.27%	16-Dec-2016	18.12.15 (if call option exercised) and 16.12.16 (if call option not exercised)
Series O of 2014-15 - OPT II	₹ 25 lakhs each	10-Dec-2014	10,000.00	10,000.00	-	9.05%	19-Dec-2016	18.12.15 (if call option exercised) and 19.12.16 (if call option not exercised)
Series O of 2014-15 - OPT III	₹ 25 lakhs each	10-Dec-2014	15,000.00	15,000.00	-	9.05%	17-Mar-2017	17.03.16 (if call option exercised) and 17.03.17 (if call option not exercised)
Series P of 2014-15	₹ 25 lakhs each	17-Dec-2014	40,000.00	40,000.00	-	9.25%	10-Jun-2016	10.06.15 (if call option exercised) and 10.06.16 (if call option not exercised)
Series Q of 2014-15	₹ 25 lakhs each	22-Dec-2014	30,000.00	30,000.00	-	9.15%	12-Sep-2016	10.09.15 (if call option exercised) and 12.09.16 (if call option not exercised)
Series T of 2014-15 - OPT I	₹ 25 lakhs each	21-Jan-2015	500.00	500.00	-	8.60%	19-Jan-2018	Bullet payment on redemption date i.e., 19.01.18
Series T of 2014-15 - OPT II	₹ 25 lakhs each	21-Jan-2015	14,500.00	14,500.00	-	8.65%	21-Jan-2020	Bullet payment on redemption date i.e., 21.01.20
Series V of 2014-15 - OPT I	₹ 25 lakhs each	2-Mar-2015	10,000.00	10,000.00	-	9.05%	2-Mar-2017	Bullet payment on redemption date i.e., 02.03.17
Series V of 2014-15 - OPT II	₹ 25 lakhs each	2-Mar-2015	1,000.00	1,000.00	-	9.06%	15-Mar-2017	Bullet payment on redemption date i.e., 15.03.17
Series V of 2014-15 - OPT III	₹ 25 lakhs each	2-Mar-2015	3,700.00	3,700.00	-	9.04%	17-Apr-2017	Bullet payment on redemption date i.e., 17.04.17
Series V of 2014-15 - OPT IV	₹ 25 lakhs each	2-Mar-2015	500.00	500.00	-	9.02%	17-Aug-2017	Bullet payment on redemption date i.e., 17.08.17
Series V of 2014-15 - OPT V	₹ 25 lakhs each	2-Mar-2015	1,000.00	1,000.00	-	9.02%	4-Sep-2017	Bullet payment on redemption date i.e., 04.09.17
Series V of 2014-15 - OPT VI	₹ 25 lakhs each	2-Mar-2015	5,000.00	5,000.00	-	9.06%	5-Mar-2018	Bullet payment on redemption date i.e., 05.03.18
Series W of 2014-15 - OPT I	₹ 25 lakhs each	20-Mar-2015	700.00	700.00	-	8.99%	2-May-2017	Bullet payment on redemption date i.e., 02.05.17
Series W of 2014-15 - OPT II	₹ 25 lakhs each	20-Mar-2015	2,000.00	2,000.00	-	8.99%	2-May-2017	Bullet payment on redemption date i.e., 02.05.17
Series W of 2014-15 - OPT III	₹ 25 lakhs each	20-Mar-2015	3,000.00	3,000.00	-	8.97%	20-Sep-2017	Bullet payment on redemption date i.e., 20.09.17
Series W of 2014-15 - OPT IV	₹ 25 lakhs each	20-Mar-2015	7,000.00	7,000.00	-	8.98%	29-Sep-2017	Bullet payment on redemption date i.e., 29.09.17
Series X of 2014-15	₹ 25 lakhs each	24-Mar-2015	7,500.00	7,500.00	-	9.00%	26-Feb-2018	Bullet payment on redemption date i.e., 26.02.18
Series E of FY 2013 - 14 Opt I	₹ 25 lakhs each	26-Dec-2013	1,000.00	-	1,000.00	9.96%	5-Jun-2015	Redeemable at par at the end of 526 days from the date of allotment
Series E of FY 2013 - 14 Opt III	₹ 25 lakhs each	26-Dec-2013	325.00	325.00	-	10.05%	22-Dec-2016	Redeemable at par at the end of 1092 days from the date of allotment
Series A of FY 2014 - 15 Opt I	₹ 25 lakhs each	3-Jun-2014	1,000.00	-	1,000.00	9.60%	3-Dec-2015	Redeemable at par at the end of 548 days from the date of allotment
Series A of FY 2014 - 15 Opt II	₹ 25 lakhs each	3-Jun-2014	1,500.00	1,500.00	-	9.67%	3-Jun-2016	Redeemable at par at the end of 731 days from the date of allotment
Series C of FY 2014-15 Opt III	₹ 25 lakhs each	27-Aug-2014	700.00	700.00	-	9.70%	16-Aug-2016	Redeemable at par at the end of 720 days from the date of allotment
Series C of FY 2014-15 Opt IV	₹ 25 lakhs each	27-Aug-2014	1,475.00	1,475.00	-	9.70%	19-Sep-2016	Redeemable at par at the end of 754 days from the date of allotment
Series C of FY 2014-15 Opt V	₹ 25 lakhs each	27-Aug-2014	1,500.00	1,500.00	-	9.70%	26-Aug-2016	Redeemable at par at the end of 730 days from the date of allotment
Series E of FY 2014-15	₹ 25 lakhs each	22-Sep-2014	1,900.00	1,900.00	-	9.71%	13-Sep-2016	Redeemable at par at the end of 722 days from the date of allotment
Series G of FY 2014-15 Opt II	₹ 25 lakhs each	29-Sep-2014	1,000.00	1,000.00	-	9.59%	1-Apr-2016	Redeemable at par at the end of 550 days from the date of allotment
Series H of FY 2014-15 Opt I	₹ 25 lakhs each	13-Oct-2014	375.00	375.00	-	9.65%	27-Sep-2016	Redeemable at par at the end of 715 days from the date of allotment
Series H of FY 2014-15 Opt II	₹ 25 lakhs each	13-Oct-2014	875.00	875.00	-	9.66%	10-Oct-2016	Redeemable at par at the end of 728 days from the date of allotment
Series I of FY 2014-15	₹ 25 lakhs each	28-Oct-2014	5,000.00	5,000.00	-	9.50%	28-Sep-2016	Redeemable at par at the end of 701 days from the date of allotment
Series I of FY 2014-15	₹ 25 lakhs each	28-Oct-2014	4,975.00	4,975.00	-	9.50%	28-Sep-2016	Redeemable at par at the end of 701 days from the date of allotment
Series II of FY 2014-15	₹ 25 lakhs each	28-Oct-2014	1,000.00	1,000.00	-	9.57%	27-Oct-2017	Redeemable at par at the end of 1095 days from the date of allotment

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Note 4.(i). (v) Secured Redeemable Non-Convertible Debentures : Private Placement							(₹ in Lakhs)
Series	Face value per Debenture	Date of Allotment	Amount	Non-Current Maturities	Current Maturities	Interest rate % p.a.	Redeemable Terms
Series I of FY 2014-15 Opt I	₹ 25 lakhs each	24-Nov-2014	5,000.00	5,000.00	-	9.18%	Redeemable at par at the end of 514 days from the date of allotment
Series I of FY 2014-15 Opt II	₹ 25 lakhs each	24-Nov-2014	5,000.00	-	5,000.00	8.83%	Redeemable at par at the end of 385 days from the date of allotment
Series K of FY 2014-15 Opt II	₹ 25 lakhs each	10-Dec-2014	30,000.00	30,000.00	-	9.10%	Redeemable at par at the end of 812 days from the date of allotment
Series L of FY 2014-15 Opt I	₹ 25 lakhs each	26-Dec-2014	1,050.00	1,050.00	-	9.07%	Redeemable at par at the end of 724 days from the date of allotment
Series L of FY 2014-15 Opt II	₹ 25 lakhs each	26-Dec-2014	2,000.00	2,000.00	-	9.07%	Redeemable at par at the end of 727 days from the date of allotment
Series L of FY 2014-15 Opt III	₹ 25 lakhs each	26-Dec-2014	900.00	900.00	-	9.06%	Redeemable at par at the end of 1076 days from the date of allotment
Series N of FY 2014-15 Opt I	₹ 55 Lakhs each	21-Jan-2015	10,000.00	10,000.00	-	9.20%	Redeemable at par at the end of 756 days from the date of allotment
Series N of FY 2014-15 Opt II	₹ 55 Lakhs each	21-Jan-2015	12,000.00	12,000.00	-	9.20%	Redeemable at par at the end of 1094 days from the date of allotment
Series O of FY 2014-15 Opt I	₹ 25 lakhs each	18-Feb-2015	2,500.00	2,500.00	-	9.15%	Redeemable at par at the end of 730 days from the date of allotment
Series O of FY 2014-15 Opt III	₹ 25 lakhs each	18-Feb-2015	5,000.00	5,000.00	-	9.55%	Redeemable at par at the end of 518 days from the date of allotment
Series P of FY 2014-15 Opt I	₹ 25 lakhs each	24-Feb-2015	500.00	500.00	-	9.15%	Redeemable at par at the end of 1079 days from the date of allotment
Series P of FY 2014-15 Opt II	₹ 25 lakhs each	24-Feb-2015	500.00	500.00	-	9.24%	Redeemable at par at the end of 1095 days from the date of allotment
Series P of FY 2014-15 Opt III	₹ 25 lakhs each	24-Feb-2015	15,000.00	15,000.00	-	9.22%	Redeemable at par at the end of 1207 days from the date of allotment
Series P of FY 2014-15 Opt IV	₹ 25 lakhs each	24-Feb-2015	2,500.00	2,500.00	-	9.25%	Redeemable at par at the end of 1826 days from the date of allotment
Series P of FY 2014-15 Opt V	₹ 25 lakhs each	24-Feb-2015	2,200.00	2,200.00	-	9.24%	Redeemable at par at the end of 1106 days from the date of allotment
Series Q of FY 2014-15	₹ 100 Lakhs each	13-Mar-2015	15,000.00	15,000.00	-	9.10%	Redeemable at par at the end of 1111 days from the date of allotment
Series R of FY 2014-15	₹ 25 lakhs each	27-Mar-2015	5,000.00	5,000.00	-	9.30%	Redeemable at par at the end of 458 days from the date of allotment
Series A of 2014-15 - OPT I	₹ 25 lakhs each	10-Jun-2014	7,500.00	7,500.00	-	9.60%	Bullet payment on redemption date
Series A of 2014-15 - OPT II	₹ 25 lakhs each	10-Jun-2014	8,000.00	8,000.00	-	9.70%	Bullet payment on redemption date
Series A of 2014-15 - OPT III	₹ 25 lakhs each	10-Jun-2014	9,500.00	9,500.00	-	9.70%	Bullet payment on redemption date
Series B of 2014-15 - OPT I	₹ 25 lakhs each	28-Jan-2015	10,000.00	10,000.00	-	8.49%	Bullet payment on redemption date
Series B of 2014-15 - OPT II	₹ 25 lakhs each	28-Jan-2015	10,000.00	10,000.00	-	8.51%	Bullet payment on redemption date
Series A of 2013-14	₹ 25 lakhs each	26-Mar-2014	19,500.00	19,500.00	-	10.40%	Bullet payment on redemption date
Series A of 12-13 Opt 2	₹ 25 lakhs each	21-Mar-2014	2,000.00	-	2,000.00	9.70%	Redeemable at par on maturity date
Series A of 14-15 Opt 1	₹ 25 lakhs each	28-May-2014	7,500.00	7,500.00	-	9.89%	Redeemable at par on maturity date
Series A of 14-15 Opt 2	₹ 25 lakhs each	28-May-2014	450.00	450.00	-	9.75%	Redeemable at par on maturity date
Series B of 13-14 OPT I	₹ 25 lakhs each	27-Nov-2014	3,000.00	-	3,000.00	10.35%	Redeemable at par on maturity date
Series B of 13-14 OPT II	₹ 25 lakhs each	27-Nov-2013	1,500.00	-	1,500.00	10.35%	Redeemable at par on maturity date
Series B of 14-15	₹ 25 lakhs each	30-May-2014	1,000.00	1,000.00	-	9.68%	Redeemable at par on maturity date
Series C of 14-15	₹ 25 lakhs each	18-Jun-2014	5,000.00	5,000.00	-	9.65%	Redeemable at par on 19.06.2015-if call option exercised & on 20.06.2016-if call option not exercised
Series D of 14-15	₹ 25 lakhs each	26-Jun-2014	30,000.00	30,000.00	-	9.65%	Redeemable at par on maturity date
Series E of 14-15 OPT I	₹ 25 lakhs each	03-Jul-2014	1,000.00	1,000.00	-	9.71%	Redeemable at par on maturity date
Series E of 14-15 OPT II	₹ 25 lakhs each	03-Jul-2014	750.00	750.00	-	9.79%	Redeemable at par on maturity date
Series F of 14-15	₹ 25 lakhs each	28-Aug-2014	6,000.00	6,000.00	-	9.75%	Redeemable at par on maturity date
Series G of 14-15 OPT 1	₹ 25 lakhs each	05-Sep-2014	3,100.00	3,100.00	-	9.71%	Redeemable at par on maturity date
Series G of 14-15 OPT 2	₹ 25 lakhs each	05-Sep-2014	500.00	500.00	-	9.70%	Redeemable at par on maturity date
Series G of 14-15 OPT 3	₹ 25 lakhs each	05-Sep-2014	1,800.00	1,800.00	-	9.71%	Redeemable at par on maturity date
Series G of 14-15 OPT 4	₹ 25 lakhs each	05-Sep-2014	500.00	500.00	-	9.70%	Redeemable at par on maturity date

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Note 4.(i).(v) Secured Redeemable Non-Convertible Debentures : Private Placement							(₹ in Lakhs)	
Series	Face value per Debenture	Date of Allotment	Amount	Non-Current Maturities	Current Maturities	Interest rate % p.a.	Date of redemption	Redeemable Terms
Series G of 14-15 OPT 5	₹ 25 lakhs each	05-Sep-2014	1,300.00	1,300.00	-	9.70%	28-Sep-2016	Redeemable at par on maturity date
Series G of 14-15 OPT 6	₹ 25 lakhs each	05-Sep-2014	300.00	300.00	-	9.71%	31-Aug-2017	Redeemable at par on maturity date
Series H of 14-15 OPT 1	₹ 25 lakhs each	19-Sep-2014	5,000.00	5,000.00	-	9.80%	17-Sep-2021	Redeemable at par on maturity date
Series I of 14-15	₹ 25 lakhs each	28-Oct-2014	10,000.00	10,000.00	-	9.50%	11-Nov-2016	Redeemable at par on 12.11.2015-if call option exercised & on 11.11.2016-if call option not exercised
Series J of 14-15 OPT I	₹ 25 lakhs each	07-Nov-2014	1,000.00	1,000.00	-	9.54%	31-Oct-2016	Redeemable at par on maturity date
Series J of 14-15 OPT II	₹ 25 lakhs each	07-Nov-2014	1,500.00	1,500.00	-	9.45%	07-Nov-2019	Redeemable at par on maturity date
Series J of 14-15 OPT III	₹ 25 lakhs each	07-Nov-2014	600.00	600.00	-	9.45%	06-Nov-2021	Redeemable at par on maturity date
Series K of 14-15 OPT 1	₹ 25 lakhs each	28-Nov-2014	2,400.00	2,400.00	-	9.01%	04-Dec-2017	Redeemable at par on maturity date
Series K of 14-15 OPT 2	₹ 25 lakhs each	28-Nov-2014	400.00	400.00	-	9.01%	24-Nov-2016	Redeemable at par on maturity date
Series L of 14-15 OPT 1	₹ 25 lakhs each	15-Dec-2014	1,000.00	1,000.00	-	9.15%	13-Dec-2019	Redeemable at par on maturity date
Series L of 14-15 OPT 2	₹ 25 lakhs each	15-Dec-2014	2,000.00	2,000.00	-	9.15%	15-Dec-2021	Redeemable at par on maturity date
Series M of 14-15	₹ 25 lakhs each	07-Jan-2015	4,400.00	4,400.00	-	9.07%	15-Jan-2018	Redeemable at par on maturity date
Series N of 14-15 OPT 1	₹ 25 lakhs each	16-Jan-2015	3,000.00	3,000.00	-	9.11%	16-Jan-2018	Redeemable at par on maturity date
Series N of 14-15 OPT 2	₹ 25 lakhs each	16-Jan-2015	30,000.00	30,000.00	-	9.20%	16-Jan-2020	Redeemable at par on maturity date
Series N of 14-15 OPT 3	₹ 25 lakhs each	16-Jan-2015	7,000.00	7,000.00	-	9.20%	14-Jan-2022	Redeemable at par on maturity date
Series P of 14-15 OPT 1	₹ 25 lakhs each	24-Feb-2015	2,000.00	2,000.00	-	9.10%	24-Feb-2020	Redeemable at par on maturity date
Series P of 14-15 OPT 2	₹ 25 lakhs each	24-Feb-2015	1,000.00	1,000.00	-	9.10%	24-Feb-2022	Redeemable at par on maturity date
Series Q of 14-15 OPT 1	₹ 25 lakhs each	23-Mar-2015	2,000.00	2,000.00	-	9.06%	22-Mar-2018	Redeemable at par on maturity date
Series Q of 14-15 OPT 2	₹ 25 lakhs each	23-Mar-2015	525.00	525.00	-	9.05%	06-Mar-2017	Redeemable at par on maturity date
Series Q of 14-15 OPT 3	₹ 25 lakhs each	23-Mar-2015	125.00	125.00	-	9.02%	19-Dec-2016	Redeemable at par on maturity date
Series Q of 14-15 OPT 4	₹ 25 lakhs each	23-Mar-2015	175.00	175.00	-	9.04%	06-Feb-2017	Redeemable at par on maturity date
Series Q of 14-15 OPT 5	₹ 25 lakhs each	23-Mar-2015	825.00	825.00	-	9.05%	25-Apr-2018	Redeemable at par on maturity date
Series Q of 14-15 OPT 6	₹ 25 lakhs each	23-Mar-2015	500.00	500.00	-	9.05%	02-Apr-2018	Redeemable at par on maturity date
Series Q of 14-15 OPT 7	₹ 25 lakhs each	23-Mar-2015	5,000.00	5,000.00	-	9.05%	03-Apr-2018	Redeemable at par on maturity date
Series A of FY14	₹ 25 lakhs each	27-Nov-2014	2,000.00	-	2,000.00	10.44%	07-Apr-2015	Redeemable at par on maturity date
Series E of FY14 - OPT II	₹ 25 lakhs each	20-Mar-2014	900.00	900.00	-	10.23%	03-Jan-2017	Redeemable at par on maturity date
Series A of FY15 - OPT I	₹ 25 lakhs each	10-Jun-2014	14,000.00	14,000.00	-	9.95%	10-Jun-2016	Redeemable at par on maturity date
Series A of FY15 - OPT II	₹ 25 lakhs each	10-Jun-2014	2,500.00	2,500.00	-	9.96%	17-Jun-2016	Redeemable at par on maturity date
Series A of FY15 - OPT III	₹ 25 lakhs each	10-Jun-2014	5,000.00	5,000.00	-	9.94%	25-Jul-2016	Redeemable at par on maturity date
Series C of FY15 - OPT III	₹ 25 lakhs each	25-Jun-2014	2,400.00	2,400.00	-	9.76%	19-Jun-2017	Redeemable at par on maturity date
Series D of FY15 - OPT II	₹ 25 lakhs each	27-Jun-2014	18,000.00	18,000.00	-	9.85%	27-Jun-2016	Redeemable at par on maturity date
Series F of FY15	₹ 25 lakhs each	03-Nov-2014	15,000.00	15,000.00	-	9.48%	18-Nov-2016	Redeemable at par on maturity date
Series G of FY15	₹ 25 lakhs each	17-Nov-2014	10,000.00	-	10,000.00	9.02%	17-Dec-2015	Redeemable at par on maturity date
Series H of FY15	₹ 25 lakhs each	28-Nov-2014	3,000.00	-	3,000.00	8.83%	18-Dec-2015	Redeemable at par on maturity date
Series J of FY15	₹ 25 lakhs each	29-Jan-2015	10,000.00	10,000.00	-	8.94%	02-May-2016	Redeemable at par on maturity date
Series K of FY15	₹ 25 lakhs each	02-Feb-2015	3,850.00	-	3,850.00	8.83%	03-Mar-2016	Redeemable at par on maturity date
Series L of FY15	₹ 100 Lakh each	13-Mar-2015	10,000.00	10,000.00	-	9.10%	28-Mar-2018	Redeemable at par on maturity date
Series M of FY15	₹ 25 lakhs each	30-Mar-2015	10,000.00	10,000.00	-	9.30%	15-Jul-2016	Redeemable at par on maturity date
			1,231,250.00	1,070,800.00	160,450.00			

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

Note 4.(i). (v) Secured Redeemable Non-Convertible Debentures : Private Placement										(₹ in Lakhs)
Public Placement										
Series	Face value per Debenture	Date of Allotment	Amount	Non-Current Maturities	Current Maturities	Interest rate % p.a.	Date of redemption	Redeemable Terms		
NCD 2009 Series 3	₹ 1,000 each	17-Sep-2009	12,238.49	12,238.49	-	9.95%	17-Jan-2017	Redeemable at par at the end of 2679 days from the date of allotment		
NCD 2009 Series 4	₹ 1,000 each	17-Sep-2009	46,304.96	46,304.96	-	10.24%	17-Sep-2019	Redeemable at par at the end of 3652 days from the date of allotment		
Series 2010A – 1	₹ 1,000 each	02-Dec-2010	1,908.20	1,908.20	-	7.75%	02-Dec-2017	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment.		
Series 2010A – 2	₹ 1,000 each	02-Dec-2010	4,717.17	4,717.17	-	7.75%	02-Dec-2017			
Series 2010A – 3	₹ 1,000 each	02-Dec-2010	6,289.60	-	6,289.60	7.50%	02-Dec-2015	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment.		
Series 2010A – 4	₹ 1,000 each	02-Dec-2010	12,706.40	-	12,706.40	7.50%	02-Dec-2015			
Series 2011A – 1	₹ 1,000 each	23-Mar-2011	9,069.27	-	9,069.27	8.20%	23-Mar-2016	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment.		
Series 2011A – 2	₹ 1,000 each	23-Mar-2011	30,930.73	-	30,930.73	8.30%	23-Mar-2016			
Series 2011 B - 1	₹ 1,000 each	10-Jan-2012	15,185.00	15,185.00	-	9.00%	10-Jan-2017			
Series 2011 B - 2	₹ 1,000 each	10-Jan-2012	37,755.81	37,755.81	-	9.00%	10-Jan-2017			
Series 2012 A - 1	₹ 1,000 each	24-Mar-2012	12,129.31	12,129.31	-	8.70%	24-Mar-2017			
Series 2012 A - 2	₹ 1,000 each	24-Mar-2012	35,755.18	35,755.18	-	8.70%	24-Mar-2017			
			224,990.12	165,994.12	58,996.00					
Grand Total			1,456,240.12	1,236,794.12	219,446.00					

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

Note 4.(I).(vi) Term Loan from Bank

(₹ in Lakhs)

Repayment terms	Tenure	Interest Rate Range	Non-Current Maturities	Current Maturities
Bullet	up to 5 years	9.01%-10.00%	67,500.00	-
Bullet	up to 5 years	10.01%-11.00%	365,523.04	72,499.67
Bullet	Above 5 years	10.01%-11.00%	32,639.00	1,371.00
Annual	up to 5 years	10.01%-11.00%	10,000.00	10,000.00
Annual	Above 5 years	10.01%-11.00%	10,500.00	3,000.00
Half Yearly	up to 5 years	9.01%-10.00%	750.00	1,333.33
Half Yearly	up to 5 years	10.01%-11.00%	5,000.00	2,500.00
Half Yearly	Above 5 years	9.01%-10.00%	2,999.75	333.33
Half Yearly	Above 5 years	10.01%-11.00%	178,830.58	58,334.67
Quarterly	up to 5 years	10.01%-11.00%	108,001.90	189,536.03
Quarterly	Above 5 years	9.01%-10.00%	45,000.00	-
Quarterly	Above 5 years	10.01%-11.00%	178,044.67	89,665.33
			1,004,788.94	428,573.36

Note 4.(I).(vii) Demand Loan from Bank

(₹ in Lakhs)

Repayment terms	Tenure	Interest Rate Range	Non-Current Maturities	Current Maturities
Bullet	up to 5 years	10.01%-11.00%	3,333.34	3,333.33
			3,333.34	3,333.33

Unsecured:

Non-Current:

Note 4.(II).(i) Unsecured Redeemable Non-Convertible Subordinate Debt

(₹ in Lakhs)

Series	Face value per Debenture	Date of Allotment	Amount	Non-Current Maturities	Current Maturities	Interest rate % p.a.	Date of redemption
Series J of FY 2012-13	₹ 10 lakhs each	21-Dec-2012	27,500.00	7,500.00	-	9.80%	21-Dec-2022
Series H of FY 2007-08	₹ 10 lakhs each	20-Feb-2008	7,500.00	27,500.00	-	10.50%	20-Feb-2018
Series I of FY 2013-14	₹ 10 lakhs each	27-Mar-2014	5,000.00	5,000.00	-	10.35%	27-Mar-2024
Series C of FY14	₹ 10 lakhs each	28-Feb-2014	2,500.00	2,500.00	-	10.90%	28-Feb-2024
Series F of FY14	₹ 10 lakhs each	27-Mar-2014	1,500.00	1,500.00	-	10.90%	27-Mar-2024
Series A of FY 13	₹ 100 lakhs each	30-Apr-2012	20,000.00	20,000.00	-	9.90%	29-Apr-2022
Series J of FY 14	₹ 100 lakhs each	31-Jan-2014	2,500.00	2,500.00	-	9.73%	31-Jan-2024
Series K of FY 14	₹ 100 lakhs each	10-Feb-2014	2,000.00	2,000.00	-	9.73%	9-Feb-2024
Series L of FY 14	₹ 100 lakhs each	18-Feb-2014	2,000.00	2,000.00	-	9.73%	16-Feb-2024
Series O of FY 14	₹ 100 lakhs each	4-Mar-2014	500.00	500.00	-	9.73%	4-Mar-2024
Series M of FY 14	₹ 100 lakhs each	14-Mar-2014	3,000.00	3,000.00	-	9.73%	14-Mar-2024
Series N of FY 15	₹ 10 lakhs each	13-Nov-2014	10,000.00	10,000.00	-	9.10%	13-Nov-2024
Series S of FY 15	₹ 10 lakhs each	19-Jan-2015	12,500.00	12,500.00	-	8.75%	17-Jan-2025
Series U of FY 15	₹ 10 lakhs each	18-Feb-2015	22,500.00	22,500.00	-	8.75%	18-Feb-2025
Series O of FY 15	₹ 10 lakhs each	29-Jan-2015	10,000.00	10,000.00	-	9.35%	29-Jan-2025
			129,000.00	129,000.00	-		

Note 4.(II).(ii) Term Loan from Bank

(₹ in Lakhs)

Repayment terms	Tenure	Interest Rate Range	Non-Current Maturities	Current Maturities
Bullet	up to 2 years	10.01%-11.00%	519,300.00	-
Grand Total			519,300.00	-

Note 4.(II).(iii) Perpetual Debt

(₹ in Lakhs)

Series	Face value per Debenture	Date of Allotment	Amount	Non-Current Maturities	Current Maturities	Interest rate % p.a.
Series F of FY 2011-2012	₹ 10 lakhs each	30/Dec/11	20,000.00	20,000.00	-	11.50%
Series I of FY 2013-2014	₹ 100 lakhs each	29/Jan/14	5,000.00	5,000.00	-	10.35%
Total			25,000.00	25,000.00	-	

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

5 Other long term liabilities

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on debentures	44,393.46	37,140.49
Long term obligations	8,321.21	4,210.76
Security deposits and margin money received	3,150.70	2,499.83
Deferred income on loan processing and assignments	3,913.36	3,560.39
Construction finance - Debt Service Reserve amount and interest payable thereon	488.20	474.34
Others	133.66	1,474.77
Total other long term liabilities	60,400.59	49,360.58

6 Long term provisions

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Contingent provision against standard assets	12,310.30	9,378.35
Interest capitalised on restructured assets	13,697.44	10,389.48
For Employee benefits		
- Gratuity	421.45	231.12
- Leave Encashment	24.21	-
Others	254.59	-
Total long term provisions	26,707.99	19,998.95

7 Short term borrowings

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
(I) Secured		
Term loans		
- from banks	10,000.00	45,000.00
Bank overdraft/ Cash Credit	36,254.27	7,659.97
Working capital demand loan	-	5,400.00
Total I	46,254.27	58,059.97
(II) Unsecured		
Term loans		
- from banks	-	2,200.00
Commercial papers	550,200.00	352,800.00
Less : Unexpired discounting charge	7,607.70	5,952.06
Loans and advances from related parties (ICDs)	5,229.60	5,140.60
Bank overdraft/ Cash Credit	4,793.50	20,467.28
Working capital demand loan	-	22,000.00
Total II	552,615.40	396,655.82
Total short term borrowings Total (I + II)	598,869.67	454,715.79

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

8 Trade payable

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
- Dues to Micro and Small Enterprises	-	-
- Others	7,222.49	3,716.74
Total trade payable	7,222.49	3,716.74

9 Other current liabilities

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on borrowings	67,228.18	37,375.78
Deferred income on loan processing and assignments	1,089.04	1,489.63
Security deposits and cash margin money received	1,160.86	602.90
Short term obligations	11,561.53	26,576.53
Statutory dues	3,711.24	3,859.68
Advance from customers	22,598.15	14,363.46
Trade payable for capital goods	83.68	104.19
Debenture Application money refundable	77.77	119.98
Unclaimed dividend	52.83	26.77
Unclaimed interest on debentures	980.97	767.99
Bank book credit balance	40,357.17	28,056.62
Accrued expenses	7,872.51	9,090.67
Other liabilities	9,542.84	4,726.83
Total other current liabilities	166,316.77	127,161.03

10 Short term provisions

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Contingent provision against standard assets	4,405.83	3,344.15
For Employee benefits		
- Gratuity	264.26	8.52
- Leave Encashment	1,920.87	1,494.65
- Others	9.87	77.11
Proposed Dividend @ ₹ 0.80 (Previous Year ₹ 0.75) per equity share	2,195.00	1,580.28
Dividend Distribution Tax	13,762.29	12,888.37
Others	11.41	3.17
	113.09	117.34
Total short term provisions	20,487.62	17,933.31

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

Notes 11 : Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1-Apr-14	Additions	Adjustments on acquisition	Sale / Adjustment	As at 31-Mar-15	Upto 31-Mar-14	Upto 31-Mar-15	As at 31-Mar-14
Tangible Assets								
Owned Assets								
Land - freehold	15,798.50	163.22	-	-	15,961.72	-	-	15,798.50
Buildings	10,751.98	516.69	-	78.58	11,190.09	686.90	857.62	10,065.08
Office Equipment	2,234.32	208.58	-	132.90	2,310.00	1,413.13	1,715.09	821.19
Furniture and fixtures	1,986.33	216.04	-	99.13	2,103.24	1,079.99	1,248.43	906.34
Leasehold Renovation	3,194.90	631.42	-	-	3,826.32	1,672.21	2,308.71	1,522.69
Computers	6,680.03	1,353.09	-	256.94	7,776.18	4,386.11	5,613.61	2,293.92
Motor car	79.33	-	-	7.18	72.15	47.04	51.55	32.29
Owned Assets Leased out								
Plant and Machinery	9,925.22	162.42	-	630.48	9,457.16	3,101.66	3,653.59	6,823.56
Office Equipment	203.27	72.42	-	3.93	271.76	28.47	80.17	174.80
Furniture and fixtures	1,430.85	429.84	-	6.15	1,854.54	401.52	591.33	1,029.33
Motor car	21,720.91	4,225.93	-	5,474.86	20,471.98	6,629.86	7,019.17	15,091.05
Vehicles	904.80	-	-	-	904.80	507.80	636.17	397.00
Computers	5,274.78	13.60	-	1,851.58	3,436.80	3,142.39	2,712.18	2,132.39
(A)	80,185.22	7,993.25	-	8,541.73	79,636.74	23,097.08	26,487.62	57,088.14
Intangible Assets								
Owned Assets								
Specialised software	6,388.01	804.38	-	-	7,192.39	4,578.79	5,849.43	1,809.22
(B)	6,388.01	804.38	-	-	7,192.39	4,578.79	5,849.43	1,809.22
Total (A) + (B)	86,573.23	8,797.63	-	8,541.73	86,829.13	27,675.87	32,337.05	58,897.36
Previous year	71,906.57	19,001.37	3,047.72	7,382.43	86,573.23	23,144.85	27,675.87	-

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

12 Non current investments

		(₹ in Lakhs)			
		As at March 31, 2015		As at March 31, 2014	
		No. of shares / Debentures		No. of shares / Debentures	
12.(I) Trade Investments (valued at cost unless stated otherwise)					
Unquoted equity instruments					
Investment in Associates					
Feedback Infra Private Ltd (formely Feedback Infrastructure Services Private Ltd)		3,790,000	1,942.49	3,790,000	1,942.49
(Equity Shares of ₹ 100 each fully paid)					
Add : Goodwill on acquisition		1,847.51		1,847.51	
Add : Adjustment for post acquisition share of profit		729.97		333.54	
NAC Infrastructure Equipment Limited				4,500,000	450.00
(Equity Shares of ₹ 10 each fully paid)					
Total (A)		4,519.97		4,573.54	
12.(II) Other Investments (valued at cost unless stated otherwise)					
A) Quoted instruments					
Investment in equity					
City Union Bank Limited		-		24,712,337	3,890.62
(Equity Shares of ₹ 1 each fully paid)					
Integrated Digital Info Services Limited		383,334	11.73	383,334	11.73
(Equity Shares of ₹ 10 each fully paid)					
Elque Polyesters Limited		194,300	19.43	194,300	19.43
(Equity Shares of ₹ 10 each fully paid)					
Monnet Industries Limited		5,640	2.26	5,640	2.26
(Equity Shares of ₹ 10 each fully paid)					
Monnet Ispat And Energy Limited		3,008	0.75	3,008	0.75
(Equity Shares of ₹ 10 each fully paid)					
Monnet Project Developers Limited		11,280	4.51	11,280	4.51
(Equity Shares of ₹ 10 each fully paid)					
Jaypee Infratech Limited		3,785,221	1,331.01	3,785,221	1,331.01
(Equity Shares of ₹ 10 each fully paid)					
Glodyne Technoserve Limited		-	-	319,262	22.67
(Equity Shares of ₹ 6 each fully paid)					
Investment in Debentures					
IDFC Ltd (M+150bps) 16 May 2017		400	4,683.98	400	4,683.98
(Debentures of ₹ 1,000,000 each)					
B) Unquoted instruments					
Investment in equity					
Invent Assets Securitisation & Reconstruction Private Limited		7,100,000	1,597.50	7,100,000	1,597.50
(Equity Shares of ₹ 10 each fully paid)					
Alpha Micro Finance Consultants Private Limited		200,000	20.00	200,000	20.00
(Equity Shares of ₹ 10 each fully paid)					
Metropoli Overseas Limited		99,400	14.91	99,400	14.91
(Equity Shares of ₹ 10 each fully paid)					
Anil Chemicals and Industries Limited		40,000	8.00	40,000	8.00
(Equity Shares of ₹ 10 each fully paid)					
BSCPL Infrastructure Limited		-	-	1,047,916	6,004.56
(Equity Shares of ₹ 10 each fully paid)					
Tikona Digital Networks Private Limited		605	17.18	605	17.18
(Equity Shares of ₹ 10 each fully paid)					
Bhoruka Power Corporation Limited		100	0.85	100	0.85
(Equity Shares of ₹ 10 each fully paid)					
Bhoruka Power Holdings Private Limited		100	0.02	100	0.02
(Equity Shares of ₹ 10 each fully paid)					

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

12 Non current investments

			(₹ in Lakhs)	
	As at March 31, 2015		As at March 31, 2014	
	No. of shares /		No. of shares /	
	Debentures		Debentures	
The Kalyan Janatha Sahakari Bank Limited (Equity Shares of ₹ 25 each fully paid)	20,000	5.00	20,000	5.00
The Malad Sahakari Bank Limited (Equity Shares of ₹ 10 each fully paid)	100	0.01	100	0.01
Mission Holdings Private Limited (Equity Shares of ₹ 10 each fully paid)	100	0.01	100	0.01
Indian Highways Management Company Limited (Equity Shares of ₹ 10 each fully paid)	1,500,000	150.00	-	-
Hanjer Biotech Energies Private Limited (Equity Shares of ₹ 10 each fully paid)	-	-	208,716	944.31
Coastal Projects Limited (Equity Shares of ₹ 10 each fully paid)	-	-	328,526	1,481.54
MF Utilities India Private limited (Equity Shares of ₹ 1 each fully paid)	500,000	5.00	-	-
Investments in units of fund				
LICHFL Urban Development Fund	3,420	314.54	2,870	287.00
L&T Infra Investments Partner Fund	11,277,664	11,268.66	10,461,689	10,452.69
Investments in Debentures				
Compulsory Convertible Debentures				
Tikona Digital Networks Private Limited (Debentures of ₹ 2,840 each fully paid)	579,772	16,465.52	541,040	15,365.54
Bhoruka Power Corporation Limited (Debentures of ₹ 100,000 each fully paid)	23,336	24,836.00	15,336	15,336.00
Multiple option exchangeable debentures				
Mission Holdings Private Limited (Debentures of ₹ 100,000 each fully paid)	5,500	5,500.00	5,500	5,500.00
Investments in Cumulative Redeemable Preference Shares				
Anrak Aluminium Limited (10% Preference Shares of ₹ 10 each fully paid)	93,750,000	9,375.00	125,000,000	12,500.00
KSK Energy Ventures Limited (8% Preference Shares of ₹ 10 each fully paid)	-	-	34,000,000	3,400.00
Others				
KKR India debt Opportunities Fund III Security Receipt		2,260.00		725.00
Phoenix ARC Private Limited		12,600.06		12,197.38
EARC Trust - SC 105 Trust		11,985.00		-
Sponsoror's contribution to trustee		0.10		0.10
Investments in open ended Mutual Funds - (L&T Arbitrage Opportunity Fund)		150.00		-
LTFL Securitisation Trust 2002		0.01		0.01
12% National Saving Certificate 2002 (Deposited as security with sales tax authorities)		0.04		0.04
Total (B)				95,824.61
(A + B)				
		102,627.08		
		107,147.05		100,398.15
Less : Provision for diminution in the value of Investments		2,832.44		1,466.66
Total non current investments		104,314.61		98,931.49
Note:				
Aggregate amount of quoted investments (Market value of ₹ 5,354.79 Lakhs (Previous Year ₹ 18,810.48 Lakhs)		6,053.67		9,966.95
Aggregate amount of unquoted investments		101,093.38		90,431.20

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

13 Deferred tax assets (net)

In compliance with the Accounting Standard (AS) 22 on 'Accounting for Taxes on Income' the Company has provided for deferred tax assets (net) in the statement of Profit & Loss on account of timing differences. The major components of deferred tax assets and liabilities arising on account of timing differences are:

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Component		
Deferred tax liability		
Amount transferred to Special Reserve	993.17	516.57
Other item giving rise to timing difference	866.50	543.84
	1,859.67	1,060.41
Deferred tax assets		
Provision for NPA/interest receivable	23,279.25	16,996.95
Provision on Standard Assets	1,103.16	353.50
Difference between book depreciation and tax depreciation	3,819.39	1,175.05
Provision for leave encashment	553.80	165.61
Other item giving rise to timing difference	2,082.90	4,110.96
	30,838.50	22,802.07
Net deferred tax assets	28,978.83	21,741.66

14 Long term loans and advances

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Unsecured (Considered good)		
Capital Advances	894.19	194.64
Advance taxes (net)	21,144.69	15,133.54
Security Deposit	5,896.30	4,320.14
Total long term loans and advances	27,935.18	19,648.32

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

15 Long term loans and advances towards financing activities

(₹ in Lakhs)

		As at March 31, 2015		As at March 31, 2014	
		Non current portion#	Current maturities	Non current portion#	Current maturities
(I) Secured					
Considered good					
Term loans		3,061,001.41	784,389.55	2,531,140.91	836,032.70
Finance Lease		6,830.79	6,366.19	8,372.33	5,459.25
Debentures		278,907.53	5,977.93	191,237.95	13,690.00
		3,346,739.73	796,733.67	2,730,751.19	855,181.95
Less : Allowances for non-performing assets		40,788.84	-	32,426.68	-
Less: Provision on Restructured Assets		11,797.20	-	6,898.12	-
Less : Allowances for standard assets		1,711.01	-	2,871.00	-
Total I		3,292,442.68	796,733.67	2,688,555.39	855,181.95
(II) Unsecured					
Term loans		168,367.26	47,258.23	100,782.80	42,954.17
Debentures		1,822.51	4,000.00	-	-
		170,189.77	51,258.23	100,782.80	42,954.17
Less : Allowances for non-performing assets		5,433.75	-	2,919.12	-
Total II		164,756.02	51,258.23	97,863.68	42,954.17
Total long term loans and advances towards financing activities (I + II)		3,457,198.70	847,991.90	2,786,419.07	898,136.12

#Borrower wise loans and advances towards financing activity under the NPA category has been treated as non - current.

16 Other non current assets

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Advances recoverable in cash or in kind or for value to be received	8,770.60	6,087.73
Unamortised loss on sale of NPAs	5,575.88	-
Accrued interest/premium on debentures and loans	24,124.29	8,836.41
Others	13.40	16.09
Total other non current assets	38,484.17	14,940.23

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

17 Current investments

(₹ in Lakhs)

	As at March 31, 2015		As at March 31, 2014	
	No. of units		No. of units	
Non-trade Investments (valued at cost unless stated otherwise)				
Investment in Equity shares				
Quoted instruments				
C&C Construction Limited (Equity Shares of ₹ 10 each fully paid)	2,137,801	848.00	877,081	371.01
Coastal Projects Limited (Equity Shares of ₹ 10 each fully paid)	328,526	-	-	-
B.L. Kashyap & Sons Limited (Equity Shares of ₹ 1 each fully paid)	7,882,522	412.95	7,882,522	413.83
Shiv-Vani Oil & Gas Exploration Services Limited (Equity Shares of ₹ 10 each fully paid)	1,940,514	460.87	-	-
Government of India securities				
7.50% Government of India Stock 2034	14,000	14.17	14,000	14.17
6.13% Government of India Stock 2028	40,000	38.22	40,000	38.22
7.30% Food Corporation of India Bonds 2015	10,000	-	10,000	10.02
Investment in Debenture/Bonds:				
Indian Overseas Bank (Perpetual Bond)	4,249	42,490.00	-	-
Unquoted instruments				
Investment in Equity shares				
ICOMM Tele Limited (Equity Shares of ₹ 10 each fully paid)	41,667	50.00	41,667	50.00
VMC Systems Limited (Equity Shares of ₹ 10 each fully paid)	907,264	1,930.94	460,492	897.96
Saumya Mining Limited (Equity Shares of ₹ 10 each fully paid)	1,077,986	517.64	-	-
Bhushan Steels Limited (Equity Shares of ₹ 10 each fully paid)	475,146	684.80	-	-
Glodyne Technoserve Limited (Equity Shares of ₹ 6 each fully paid)	319,262	22.67	-	-
Coastal Projects Limited (Equity Shares of ₹ 10 each fully paid)	328,526	1,481.54	-	-
Hanjer Biotech Energies Private Limited (Equity Shares of ₹ 10 each fully paid)	208,716	944.31	-	-
Share Application Money pending allotment				
Shiv-Vani Oil & Gas Exploration Services Limited	-	240.36	-	-
Current maturity of long term investment				
KSK Energy Ventures Limited (Equity Shares of ₹ 10 each fully paid)	34,000,000	3,400.00	33,000,000	3,300.00
Investment in Mutual Funds		110,219.23		169,214.23
		163,755.70		174,309.44
Less : Provision for diminution in the value of Investments		3,148.69		213.14
Total current investments		160,607.01		174,096.30

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

18 Trade receivable

(₹ in Lakhs)

	As at March 31, 2015		As at March 31, 2014	
Secured				
Considered good				
Debts outstanding for a period exceeding six months	-		-	
Other	281.90	281.90	563.78	563.78
Unsecured				
Considered good				
Debts outstanding for a period exceeding six months	187.50		154.04	
Other	1,667.79	1,855.29	2,353.85	2,507.89
Total trade receivable	2,137.19		3,071.67	

19 Cash and bank balances

(₹ in Lakhs)

	As at March 31, 2015		As at March 31, 2014	
Cash and cash equivalents				
Balance with Banks				
In Current Account	17,096.05		19,697.57	
In Deposit account	65,707.18		42,045.54	
(Deposits with original maturity of less than three months)				
Cash on hand	2,041.36		760.91	
Cheques on hand	-		14,402.83	
Other balances				
In earmarked accounts				
-unclaimed infrastructure bonds application money	77.77		119.98	
-unclaimed interest on infrastructure bonds	980.97		767.88	
Deposits with original maturity for more than 3 months but less than 12 months	329.24		479.18	
Deposits with original maturity for more than 12 months	0.38		-	
Total cash and bank balances	86,232.95		78,273.89	

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

20 Short term loans and advances towards financing activities

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
(I) Secured		
Term loans	716.73	236.34
	716.73	236.34
(II) Unsecured		
Term loans	270,406.03	184,923.51
	270,406.03	184,923.51
Total short term loans and advances towards financing activities	271,122.76	185,159.85

21 Other current assets

(₹ in Lakhs)

	As at March 31, 2015	As at March 31, 2014
Advances recoverable in cash or in kind or for value to be received	10,885.82	9,568.65
Less : Provision for Advances	45.93	4,053.00
Accrued interest and other receivable	80,401.75	61,878.10
Accrual of Fee Income	212.81	287.82
Security deposit	924.63	457.50
Unamortised loss on sale of NPAs	11,946.19	-
Assets acquired in settlement of claims	7,895.24	-
Others	1,254.74	769.75
Total other current assets	113,475.25	68,908.82

22 Revenue from operations

(₹ in Lakhs)

	2014-2015	2013-2014
Term Loans and other financing activity (net of reversal)	543,603.15	467,812.36
Lease	10,091.99	10,948.55
Bill Discounting	11,157.34	8,429.22
Interest on Debentures	25,400.76	-
Dividend Income on:		
Equity shares	-	224.27
Preference Shares	721.95	396.71
Other Income from Preference Shares	2,883.50	1,949.04
Financial Advisory Fees	6,100.57	3,333.72
Investment Management Fees	12,651.25	9,463.93
Commission and Brokerage	3,524.30	323.55
Gain/(Loss) on loan sell down	683.32	452.83
Other operational income	2,804.73	2,259.63
Total revenue from operations	619,622.86	505,593.81

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

23 Other Income

(₹ in Lakhs)

	2014-2015		2013-2014	
Income from investments (Trade)				
- Interest and dividend on investments	5,265.19		5,257.24	
- Profit on sale / redemption of investments	6,331.79	11,596.98	11,218.67	16,475.91
Interest on Income Tax Refund		6.10		54.43
Others		2,518.99		1,594.27
Total other Income	14,122.07		18,124.61	

24 Finance cost

(₹ in Lakhs)

	2014-2015		2013-2014	
Interest expenses		354,139.37		305,299.47
Other borrowing cost		2,639.36		1,837.35
Exchange loss (attributable to finance cost)		-		250.95
Total finance cost		356,778.73		307,387.77

25 Employee benefits expense

(₹ in Lakhs)

	2014-2015		2013-2014	
Salaries		31,439.43		25,252.02
Contribution to and provision for:				
Provident fund and Pension fund	1,337.30		1,082.96	
Gratuity fund	580.86		(47.19)	
Superannuation fund	214.17		235.87	
Compensated absences/ leave encashment	567.32	2,699.65	10.15	1,281.79
Expenses on ESOP		99.35		133.62
Welfare and other expenses		988.62		697.22
Total employee benefits expense		35,227.05		27,364.65

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

26 Administration and other expenses

(₹ in Lakhs)

	2014-2015	2013-2014
Travelling and conveyance	3,087.93	2,803.87
Printing and stationery	764.64	801.34
Telephone and postage	2,230.62	2,291.67
Directors' Sitting fees	74.28	72.17
Non Executive Directors Remunerations	193.48	116.86
Brokerage and service charges	7,581.60	8,368.28
Stamping charges	144.12	167.66
Advertising and publicity	689.37	1,078.62
Repairs and maintenance	3,457.34	2,766.82
Rent	4,311.64	4,162.59
Rates and taxes	502.56	575.69
Electricity charges	786.80	728.35
Property Maintenance	79.45	54.90
Insurance	444.96	360.48
Auditors remuneration		
Audit fees	119.06	84.89
Tax audit fees	15.63	19.85
Limited Review	37.53	29.89
Certification	29.52	36.82
Expenses reimbursed	7.16	17.25
	208.90	188.70
Professional fees	24,955.54	21,465.55
Bank Charges	895.02	738.50
Filling fees	18.67	370.43
Loss on sale of fixed assets	910.31	2,044.60
Membership and subscription	317.08	319.53
Brand license fees	2,985.44	2,739.46
Corporate social responsibilities	1,308.05	319.08
Mutual fund scheme expenses	3,289.91	870.48
PMS business promotion and distribution expenses	728.26	346.05
Donation	4.25	50.00
Miscellaneous expenses	2,958.17	2,051.05
Total administration and other expenses	62,928.39	55,852.73

27 Allowances and write offs

(₹ in Lakhs)

	2014-2015	2013-2014
Provision for standard assets	3,430.99	3,446.52
Adjustment for standard assets provision	(894.95)	-
Provision for non-performing assets	8,620.42	10,144.68
Provision for restructured assets	3,121.15	3,838.21
Provision for diminution in value of investments	4,265.11	1,020.23
Provision for advances and receivables	(3,752.18)	4,053.00
Loss on foreclosure of loans (net)	15,071.04	8,282.28
Loss on sale of investments in associate	450.00	-
Bad debts write off	35,855.92	11,826.01
Total allowances and write offs	66,167.50	42,610.93

28 Notes on financial statements

28.1 Basis of preparation:

- The Consolidated Financial Statement (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statement", Accounting Standard (AS) 23 "Accounting for investment in Associates in Consolidated Financial Statement" as notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The CFS comprises the financial

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

statements of L&T Finance Holdings Limited, its subsidiaries and associates. Reference in these notes to L&T Finance Holdings Limited, Company, Companies or Group shall mean to include L&T Finance Holdings Limited or any of its subsidiaries and associates, unless otherwise stated.

- b) The notes and significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

28.2 The list of subsidiaries and associates included in the consolidated financial statement are as under

Sr. No.	Name of subsidiary/associate company	Country of Incorporation	As at March 31, 2015		As at March 31, 2014	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
1	L & T Finance Limited	India	100.00	100.00	100.00	100.00
2	L&T Infrastructure Finance Company Limited	India	100.00	100.00	100.00	100.00
3	L&T Fincorp Limited	India	100.00	100.00	100.00	100.00
4	L&T Investment Management Limited	India	100.00	100.00	100.00	100.00
5	L&T Mutual Fund Trustee Limited ¹	India	100.00	100.00	100.00	100.00
6	L&T Access Distribution Services Limited (formerly L&T Access Financial Advisory Services Limited)	India	100.00	100.00	100.00	100.00
7	L & T Vrindavan Properties Limited (formerly :- L&T Unnati Finance Limited)	India	100.00	100.00	100.00	100.00
8	L & T Infra Investment partners advisory Private Limited	India	100.00	100.00	100.00	100.00
9	L & T Infra Investment partners Trustee Private Limited	India	100.00	100.00	100.00	100.00
10	Family Credit Limited	India	100.00	100.00	100.00	100.00
11	L&T Housing Finance Limited	India	100.00	100.00	100.00	100.00
12	Consumer Financial Services Limited	India	100.00	100.00	100.00	100.00
13	L&T Capital Markets Limited	India	100.00	100.00	100.00	100.00
14	L&T Infra Debt Fund Limited	India	100.00	100.00	100.00	100.00
15	Mudit Cements Private Limited	India	100.00	100.00	100.00	100.00
16	L&T Trustee Services Private Limited ¹	India	-	-	100.00	100.00
Name of associate company						
1	Feedback Infra Private Limited (formerly Feedback Infrastructure Services Private Limited)	India	23.16	23.16	23.16	23.16
2	NAC Infrastructure Equipment Limited (till 25th August 2014)	India	-	-	30.00	30.00

Note :

- 1) L&T Mutual Fund Trustee Limited, subsidiary of L&T Finance Holdings Ltd had filed a Scheme of Amalgamation (the "Scheme") for the amalgamation of L&T Trustee Services Pvt. Ltd. with the L&T Mutual Fund Trustee Limited with the Honorable High Court of Judicature at Bombay (the "Court"). The Honorable Court sanctioned the Scheme with effect from April 01, 2013, (the "Appointed Date") vide its Order dated August 08, 2014. The certified copies of the Order of the Court sanctioning the Scheme were filed with the Registrar of Companies, Maharashtra on September 04, 2014 (the "Effective Date").

28.3 Stock option scheme

- a) In respect of stock options granted pursuant to Company's stock options scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation over the vesting period.

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

- b) The grant of options to the employees under the stock option scheme is on the basis of their performance and other eligibility criteria. The options allotted under scheme 2010 are vested over a period of 4 years in ratio of 15%, 20%, 30% and 35% respectively from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. The options granted under scheme 2013 are vest in a graded manner over a period of four year with 15 %, 20%, 30 % and 35 % of grants vesting each year, commencing from the end of 24 month from the date of grant.
- c) Options allotted under scheme 2010 can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of equity. The option granted under scheme 2013 can be exercised anytime within a period of 8 years from the date of grant. Management has discretion to modify the exercise period.
- d) The option granted under scheme 2010 is at exercise price of ₹ 44.20. The option granted under scheme 2013 was at exercise price ₹ 67.85 which was at the last closing price on National stock exchange preceding the date of grant.
- e) During the year ended March 31, 2015, 2,50,000 options were allotted under scheme 2010 and 2,63,50,000 options were allotted under scheme 2013.
- f) The details of the grants are summarised below:

Sr. No.	Particulars	2014-15	2013-14
1	Options granted and outstanding at the beginning of the year	91,06,625	1,11,25,955
2	Options granted during the year	2,66,00,000	9,83,000
3	Options cancelled/ lapsed during the year	7,17,181	13,13,887
4	Options exercised during the year	18,36,925	16,88,443
5	Options granted and outstanding at the end of the year of which		
	- Options vested	43,39,694	28,39,131
	- Options yet to vest	2,88,12,825	62,67,494
6	Weighted average remaining contractual life of options (in years)	7.32	4.33

- g) During the year, the Company has recovered ₹ 123.72 Lakhs (previous year ₹ 149.43 Lakhs) from its subsidiary companies towards the stock options granted to their employees, pursuant to the employee stock option schemes.
- h) Total carrying amount of liabilities arising from employee share-based payment plans as on March 31, 2015 is ₹ 813.27 Lakhs (previous year: ₹ 975.27 Lakhs), including ₹ 416.28 Lakhs (previous year : ₹ 254.89 Lakhs) for which the options have vested to employees as on March 31, 2015.
- i) Weighted average fair values of options granted during the year is ₹ 25.40 (previous year: ₹ 34.53) per options.
- j) The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows

Particulars	2014-2015	2013-2014
a) Weighted average risk-free interest rate	7.90%	8.43%
b) Weighted average expected life of options	4.34 years	2.85 years
c) Weighted average expected volatility	33.15%	35.46%
d) Weighted average expected dividends	₹ 3.47 per option	₹ 2.14 per option
e) Weighted average share price	₹ 67.84 per option	₹ 69.51 per option
f) Weighted average exercise price	₹ 67.63 per option	₹ 44.20 per share
g) Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company shares price applicable to the expected life of each option.	

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

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

i) Defined Contribution Plans :

Amount of ₹ 1,551.47 Lakhs (previous year ₹ 910.95 Lakhs) is recognised as an expense and included in employee benefits expense in the statement of profit and loss.

ii) Defined Benefit Gratuity Plans :

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

Particulars	Gratuity Plan (₹ in Lakhs)	
	As at 31-03-2015	As at 31-03-2014
A. Amount to be recognized in Balance Sheet		
Present Value of Defined Benefit Obligation		
- Wholly Funded	1,815.50	1,333.39
- Wholly Unfunded	252.34	160.63
Less: Fair value of Plan Assets	(1,658.47)	(1,576.60)
Amount not recognised as an Asset [limit in Para 59 (b)]	96.99	101.01
Amount to be recognised as liability or (asset)	506.36	18.43
B. Amounts reflected in the Balance Sheet		
- Liability	694.72	239.64
- Assets	(188.36)	(221.21)
Net Liability (asset)	506.36	18.43

b) The amount recognised in profit and loss account are as follows

Particulars	Gratuity Plan (₹ in Lakhs)	
	2014-15	2013-14
1 Current Service Cost	267.80	285.18
2 Interest on Defined Benefit Obligation	162.04	150.18
3 Expected Return on Plan Assets	(128.94)	(51.76)
4 Actuarial Losses/(Gains)	230.84	(532.70)
5 Past Service Cost	53.43	0.90
6 Effect of any curtailment or settlement	-	-
7 Actuarial Gain not recognized in books	-	-
8 Adjustment for earlier years	-	-
9 Recoverable from ultimate holding company	-	-
10 Total included in Employee Benefit Expenses	-	-
11 Actual Return on Plan Assets	-	-
12 Amount not recognized as Assets (Limits in para 59(b))	(4.31)	101.01
Net Cost recognised in statement of Profit and Loss	580.86	(47.19)
Actual Return on Plan Assets	123.66	78.16

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

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

(₹ in Lakhs)

Particulars	Gratuity Plan	
	As at March 31, 2015	As at March 31, 2014
Opening balance of the present value of Defined Benefit Obligation	1,494.02	1,472.83
Add: Current Service Cost	267.80	285.18
Add: Interest Cost	162.04	150.18
Add/(less): Actuarial Losses/(Gain)	225.56	(490.87)
Add: Past service cost	53.43	-
Add : Liability assume on acquisition/(settlement)	-	181.82
Add: Transferred from holding company	-	-
Add : Actuarial losses / (Gain) due to curtailments	9.43	-
Add: Liabilities Extinguished on Settlements	-	-
Less: Benefits paid	(144.44)	(105.12)
Closing balance of the present value of Defined Benefit Obligation	2,067.84	1,494.02

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

(₹ in Lakhs)

Particulars	Gratuity Plan	
	As at March 31, 2015	As at March 31, 2014
Opening balance of the fair value of the plan assets	1,576.60	602.52
Add: Expected Return on plan assets*	128.94	51.76
Add/(less): Actuarial gains/(losses)	(5.28)	46.91
Add: Assets Distributed on Settlements	-	-
Add: Contributions by Employer	102.65	980.53
Add: Assets Acquired on Acquisition/(Distributed on Divestiture)	-	-
Add: Exchange Difference on Foreign Plans	-	-
Less: Benefits Paid	(144.44)	(105.12)
Closing balance of the plan assets	1,658.47	1,576.60

Note: The fair value of the plan assets under the trust managed provident fund plan has been determined at amounts based on their value at the time of redemption, assuming a constant rate of return to maturity.

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

* Based used to determine the overall expected return:

The trust formed by the company manages the investment of provident fund and gratuity fund. Expected return on plan assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

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

Particulars	Gratuity Plan	
	As at March 31, 2015	As at March 31, 2014
1 Government of India Securities	18%	17%
2 Corporate Bonds	4%	5%
3 Special Deposit Scheme	1%	2%
4 Equity Shares of Listed Companies	2%	2%
5 Property	0%	0%
6 Insurer Managed Funds	75%	74%
7 Others	0%	1%

f) Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

Particulars	As at March 31, 2015	As at March 31, 2014
1. Discount rate	7.90% - 7.95%	9.27%
2. Expected return on plan assets	7.50% - 8.00%	7.14%
3. Salary growth rate	6.00% - 8.00%	6.12%

g) The amounts pertaining to experience adjustments are as follows:

(₹ in Lakhs)

Particulars	As at March 31				
	2015	2014	2013	2012	2011
- Defined Benefit Obligation	(2,067.84)	(1,494.02)	(851.76)	(373.66)	(261.11)
- Plan Assets	1,658.47	1,576.60	542.34	229.58	141.68
- Surplus /(Deficit)	(409.37)	82.58	(309.42)	(144.08)	(119.43)
Exp. Adjustment on Plan Liabilities	(58.04)	(289.77)	(214.32)	33.08	34.91
Exp. Adjustment on Plan Asset	(5.28)	46.30	5.92	0.76	(2.36)

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

iii) Defined Benefit Provident Fund Plan:

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

Particulars	Provident Fund Plan	
	As at March 31, 2015	As at March 31, 2014
A. Net (Liability) / Asset recognized in the Balance Sheet		
Present Value of Funded Obligation	(4,405.27)	(3,417.87)
Present Value of Unfunded obligation	(77.49)	(63.15)
Less: Fair value of Plan Assets	4409.44	3,399.45
Amount to be recognised in the Balance Sheet as (liability) or asset	(73.32)	(81.57)
B. Amounts to be recognised in the Balance Sheet		
Liability	(73.32)	(81.57)
Assets	-	-

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

Particulars	Provident Fund Plan	
	2014-15	2013-14
1 Current Service Cost	456.67	349.54
2 Provident Fund transfer In	-	-
3 Interest on Defined Benefit Obligation	269.26	224.18
4 Expected Return on Plan Assets	(269.26)	(224.18)
5 Net Actuarial Losses/(Gains)	29.59	(11.83)
6 (Shortfall) in actual return on plan assets over interest payable not to be recognised as expenses to the extent of excess of asset over liabilities	(29.59)	11.83
7 Expenses recognized in the statement of Profit & Loss Account	456.67	349.54
8 Actual Return of Plan Asset	307.08	231.72

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

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

(₹ in Lakhs)

Particulars	Provident Fund Plan	
	As at March 31, 2015	As at March 31, 2014
Opening balance of the present value of Defined Benefit Obligation	3,417.87	2,672.68
Add: Current Service Cost	456.67	349.54
Add: Interest Cost	269.26	224.18
Add: Contribution by Plan Participants	730.31	512.84
Add: Actuarial Losses / (Gain)	(9.21)	(19.37)
Less: Benefits paid	(459.63)	(322.00)
Closing balance of the present value of Defined Benefit Obligation	4405.27	3,417.87

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

(₹ in Lakhs)

Particulars	Provident Fund Plan	
	As at March 31, 2015	As at March 31, 2014
Opening balance of the fair value of the plan assets	3,399.45	2,632.27
Add: Expected Return on plan assets	269.26	224.18
Add/(less): Actuarial gains/(losses)	38.81	7.54
Add: Contributions by Employer	445.20	347.49
Add: Contribution by Plant participants	716.35	509.97
Less: Benefits Paid	(459.63)	(322.00)
Closing balance of the plan assets	4,409.44	3,399.45

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

Particulars	Provident Fund Plan	
	As at March 31, 2015	As at March 31, 2014
1 Government of India Securities	25%	24%
2 State Government Scheme	15%	15%
3 Special Deposit Scheme	10%	12%
4 Public Sector Unit Bond	42%	41%
5 Corporate Bonds	8%	8%
	100%	100%

Note: The interest payment obligation of trust-managed provident fund is assumed to be adequately covered by the interest income on long term investments of the fund. Any shortfall in the interest

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

income over the interest obligation is recognised immediately in the statement of Profit and Loss Account as actuarial losses. Pursuant to the guidance note issued by the Institute of Actuaries, ₹ 20.00 Lakhs (previous year ₹ 40.79 Lakhs) has been recognised in Statement of Profit & Loss on account of interest rate guarantee on Exempt Provident fund.

a) General description of defined benefit plans:

1. Gratuity Plan:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, whichever is earlier. The benefit vests after five years of continuous service. The Company's scheme is more favorable compared to the obligation under the Payment of Gratuity Act, 1972.

2. Provident Fund Plan:

One of the subsidiaries manages Provident Fund Plan through a Provident Fund Trust for its employees which is permitted under the Provident Fund and Miscellaneous Provisions Act, 1952. The Plan envisages contributions by employer and employees and guarantees interest at the rate notified by the Provident Fund Authority. The contribution by employer and employee together with interest are payable at the time of separation from service or retirement whichever is earlier. The benefit under this plan vests immediately on rendering of service.

28.5 Disclosure pursuant to Accounting Standard (AS) 16 Borrowing Cost

Borrowing costs capitalised during the year are ₹ 1,452.93 Lakhs (previous year ₹ 1,150.60 Lakhs).

28.6 Disclosure pursuant to Accounting Standard (AS) 17 Segment Reporting

a) Primary Segment (Business Segment)

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Retail and Mid Market Finance, Wholesale Finance, Investment Management and Other Business. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Information about Business Segment composition:

Retail and Mid Market Finance comprises of Rural Products Finance, Personal Vehicle Finance, Microfinance, Housing Finance, Commercial Vehicle Finance, Construction Equipment Finance, Loans & Leases, Loan Against Shares and Supply Chain Finance,

Wholesale Finance comprises of project finance and non-project corporate finance to infra and non-infra segments across Power – Thermal and Renewable; Transportation – Roads, Ports and Airports; Telecom and Other non-infra segments,

Investment Management comprises of Assets Management of Mutual Fund and Private Equity Fund,

Others comprises of Wealth Management, Financial Product Distribution etc.

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

S. No.	Particulars	(₹ in Lakhs)									
		Retail and Mid Market Finance		Wholesale finance		Investment Management		Other Business		TOTAL	
		For the year ended / As at 31st March, 2015	For the year ended / As at 31st March, 2014	For the year ended / As at 31st March, 2015	For the year ended / As at 31st March, 2014	For the year ended / As at 31st March, 2015	For the year ended / As at 31st March, 2014	For the year ended / As at 31st March, 2015	For the year ended / As at 31st March, 2014	For the year ended / As at 31st March, 2015	For the year ended / As at 31st March, 2014
1	Revenue	3,62,817.38	3,00,095.61	2,39,417.55	1,94,448.99	13,912.00	9,477.48	33,329.24	28,649.37	6,49,476.17	5,32,671.45
2	Less Inter segment revenue									(29,853.31)	(27,077.64)
3	Total revenue (1)-(2)									6,19,622.86	5,05,593.81
4	Segment result	59,411.59	40,954.63	46,807.14	47,462.15	1,199.76	(21.36)	10,063.75	(5,907.35)	1,17,482.27	82,488.07
5	Unallocated expenses									-	-
6	Operating profit (4)-(5)									1,17,482.27	82,488.07
7	Income tax expenses (Including deferred tax)									32,410.80	23,003.91
8	Net profit (6)-(7)									85,071.47	59,484.16
9	Segment assets	26,21,018.77	25,60,120.95	24,36,430.69	17,09,935.08	74,684.97	74,009.14	91,958.70	1,05,152.22	52,24,093.13	44,49,217.39
10	Unallocable assets ¹									50,123.52	36,875.20
11	Total assets (9) + (10)									52,74,216.65	44,86,092.59
12	Segment liabilities	22,67,300.69	22,36,181.26	21,42,274.52	14,63,654.99	3,044.34	2,565.77	87,609.67	1,01,125.28	45,00,229.22	38,03,527.30
13	Unallocable liabilities ²									7,73,987.43	6,82,565.29
14	Total liabilities (12)+(13)									52,74,216.65	44,86,092.59
15	Capital Expenditure (tangible and intangible fixed assets)	7,618.25	16,354.90	124.04	161.48	279.56	183.38	775.78	5,349.33	8,797.63	22,049.09
16	Depreciation & amortisation expenses (included in segment expense)	8,520.03	7,450.86	316.00	265.05	526.62	176.46	187.76	121.90	9,550.41	8,014.27

Note:

1. Includes tax paid on advance/tax deducted as source (net) and deferred tax asset (net)
2. Includes share capital and reserve and surplus

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

b) Secondary Segment (Geographical Segment)

The company operates only in the domestic market. As a result separate segment information for different geographical segments is not disclosed.

28.7 As per the Accounting Standard (AS) 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the related parties, nature and volume of transactions carried out with them in the ordinary course of business are as follows:

Disclosure pursuant to Accounting Standard (AS) 18 Related Party Disclosures:

(a) List of related parties (with whom transactions were carried out during current and previous year):

A Holding Company

- 1 Larsen & Toubro Limited

B Fellow Subsidiary Companies

- 1 L&T General Insurance Company Limited
- 2 Larsen & Toubro InfoTech Limited
- 3 L&T Infrastructure Development Projects Limited.
- 4 L&T Sargent & Lundy Limited
- 5 L&T Shipbuilding Limited
- 6 Larsen & Toubro Electromech LLC
- 7 Nabha Power Limited
- 8 L&T Capital Company Limited
- 9 EWAC Alloys Limited
- 10 Hyderabad International Trade Expositions Limited
- 11 L&T Metro Rail (Hyderabad) Limited
- 12 L&T InfoTech Financial Services Technologies Inc.
- 13 L&T Hydrocarbon Engineering Limited
- 14 L&T Parel Project LLP

C Associate Companies

- 1 Feedback Infra Private Limited
(Formerly known as Feedback Infrastructure Services Private Limited)

D Fellow Joint Ventures

- 1 Metro Tunnelling Group

E Fellow Associates

- 1 JSK Electricals Private Limited
- 2 Magtorq Private Limited
- 3 Rishi Consfab Private Limited
- 4 Salzer Electronics Limited

F Key Management Personnel

- 1 Y. M. Deosthalee (Chairman & Managing Director)
- 2 N. Sivaraman (President & Whole Time Director)

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

(b) Disclosure of related party transactions:-

		(₹ in Lakhs)	
Sr. No.	Nature of Transactions	2014-2015	2013-2014
1	Fee Income		
	• L&T Infrastructure Development Projects Limited.	730.00	303.37
	• L&T Shipbuilding Limited	-	325.84
	• Nabha Power Limited	172.00	-
2	Corporate support charges recovered from	-	
	• L&T General Insurance Company Limited	104.20	215.59
3	Corporate support charges recovered by	-	
	• Larsen & Toubro Limited	428.99	273.64
4	Deputation and other expenses recovered from		
	• Larsen & Toubro Infotech Limited	-	3.55
	• L&T Metro Rail (Hyderabad) Limited	-	2.55
	• L&T General Insurance Limited	414.53	284.26
5	Income on leases	-	
	• Larsen & Toubro Infotech Limited	5.39	14.15
	• Larsen & Toubro Limited	13.11	16.93
	• L&T General Insurance Company Limited	393.11	375.47
6	Interest income on term loan		
	• Ewac Alloys Limited	288.00	443.89
	• Hyderabad International Trade Expositions Limited	170.76	220.77
	• JSK Electricals Private Limited	1.08	1.72
	• Magtorq Private Limited	2.42	0.12
	• Rishi Consfab Private Limited.	2.14	2.87
	• Salzer Electronics Limited	45.61	39.27
7	Networking charges recovered from		
	• Larsen & Toubro Limited	17.11	8.62
8	Rent recovered from		
	• L&T General Insurance Company Limited	2.40	264.41
	• Larsen & Toubro Limited	1.05	0.13
	• L&T Metro Rail (Hyderabad) Limited	2.32	

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

Sr. No.	Nature of Transactions	2014-2015	2013-2014
9	Commission Income		
	• L&T General Insurance Company Limited	347.81	259.47
	• L&T Capital Company Limited	11.37	88.11
	• Larsen and Toubro Limited	16.85	19.28
	• L&T Parel Project LLP	15.41	
10	Interest Income on Non Convertible Debentures		
	• Feedback Infra Private Ltd	622.72	538.52
11	Brand License Fees		
	• Larsen & Toubro Limited	2,848.07	2,573.09
12	Deputation charged recovered by		
	• Larsen & Toubro Limited	-	6.25
13	ESOP Charges recovered by		
	• Larsen & Toubro Limited	0.76	-
14	Interest on secured debentures		
	• Larsen & Toubro Limited	-	27.46
15	Interest expense on inter corporate borrowings		
	• Larsen & Toubro Limited	535.62	67.40
	• Metro Tunnelling Group	271.50	270.79
	• L&T Capital Company Limited	195.21	178.89
16	Data centre charges paid to		
	• Larsen & Toubro Limited	345.07	242.29
17	Professional fees paid to		
	• Larsen & Toubro Limited	169.05	50.21
	• Larsen & Toubro InfoTech Limited	141.16	92.34
	• L&T Sargent & Lundy Limited	0.77	-
	• L&T Electromech LLC	0.91	-
18	Brokerage paid to		
	• Larsen & Toubro Limited	35.08	-
19	Rent recovered by		
	• Larsen & Toubro Limited	324.34	232.54
	• L&T General Insurance Company Limited	285.72	-

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

Sr. No.	Nature of Transactions	2014-2015	2013-2014
20	Data processing charges recovered by		
	• Larsen & Toubro Limited	111.41	58.70
21	Other expenses		
	• L&T Sargent & Lundy Limited	-	0.73
	• L&T Capital Company Limited	20.50	-
	• Larsen & Toubro Limited	61.45	80.96
	• Larsen & Toubro InfoTech Limited	7.50	94.08
22	Purchase of Fixed Asset		
	• Larsen & Toubro Limited	3.90	-
	• Larsen & Toubro Infotech Limited	2.68	24.05
	• L&T Capital Company Limited	-	4.98
23	Inter Corporate borrowing taken from		
	• Larsen & Toubro Limited	20,000.00	20,000.00
	• Metro Tunnelling Group	3,000.00	3,000.00
	• L&T Capital Company Limited	2,267.60	2,190.10
24	Term loan/Operating lease given		
	• JSK Electricals Private Limited	1956.56	2,645.38
	• Magtorq Private Limited	-	143.21
	• Rishi Consfab Private Limited.	403.99	1,570.10
	• Salzer Electronics Limited	197.20	11,024.50
	• L&T General Insurance Company Limited	-	1,605.00
25	Insurance premium		
	• L&T General Insurance Company Limited	-	0.03
26	Interest paid on Non Convertible Debentures		
	• Larsen & Toubro Limited	332.54	467.26
27	Computer Maintenance		
	• L&T Infotech Financial Services Technologies Inc.	-	23.91
	• Larsen & Toubro Limited	32.70	-
28	Reimbursement of expense from		
	• Larsen & Toubro Limited	-	12.37
	• L&T Infrastructure Development Projects Limited	1.28	-

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

Sr. No.	Nature of Transactions	2014-2015	2013-2014
29	Reimbursement of expense to		
	• Larsen & Toubro Limited	16.61	21.00
30	Issue of Non Convertible Debentures		
	• Larsen & Toubro Limited	-	4,500.00
31	Construction charges debited by		
	• Larsen & Toubro Limited	638.91	930.59
32	Managerial remuneration #		
	• Y.M. Deosthalee	696.51	196.12
	• N. Sivaraman	704.73	456.95

Managerial Remuneration excludes provision for gratuity, pension and leave encashment, since it is provided on actuarial basis for the company as a whole.

(c) Amount due to/from related parties:-

(₹ in Lakhs)

Sr. No.	Nature of Transactions	2014-2015	2013-2014
1	Outstanding Balance of ICD taken		
	• Larsen & Toubro Limited	-	20,000.00
	• Metro Tunnelling Group	3,000.00	3,000.00
	• L&T Capital Company Limited	2,229.60	2,140.60
2	Outstanding Balance of loan given		
	• Ewac Alloys Limited	2,400.00	2,400.00
	• Hyderabad International Trade Expositions Limited	989.82	1,390.31
	• Feedback Infrastructure Services Private Ltd	4,000.00	4,000.00
	• JSK Electricals Private Limited	-	218.18
	• Magtorq Private Limited	-	100.00
	• Rishi Consfab Private Limited.	-	209.78
	• Salzer Electronics Limited	1,168.04	1,751.84
3	Outstanding balance of security deposit recovered		
	• L&T General Insurance Company Limited	1,533.90	-
	• Larsen & Toubro Limited	6.56	-

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

Sr. No.	Nature of Transactions	2014-2015	2013-2014
4	Account Payable		
	• Larsen & Toubro Electromech LLC	0.53	0.52
	• Larsen & Toubro Limited	2,989.65	1,727.26
	• Larsen & Toubro Infotech Limited	51.87	38.27
	• L&T Infotech Financial Services Technologies Inc.	-	18.93
	• L&T Hydrocarbon Engineering Limited	1.13	0.33
	• L&T General Insurance Company Limited	13.14	15.31
5	Account Receivable		
	• L&T Infrastructure Development Projects Limited.	1.44	-
	• L&T Shipbuilding Limited	252.81	252.81
	• L&T General Insurance Company Limited	21.59	-
	• Nabha Power Limited	-	276.37
	• Larsen & Toubro Limited	29.28	-
	• L&T Parel Project LLP	10.24	-
6	Outstanding balance of Non convertible debentures issued		
	• Larsen & Toubro Limited	2,175.75	6,195.70
7	Interest accrued but not due on Non Convertible Debenture		
	• Larsen & Toubro Limited	0.62	278.35
	• Feedback Infrastructure services Private Limited	1,240.40	814.95
8	Interest accrued but not due on term loan given		
	• Ewac Alloys Limited	71.01	71.02
	• Hyderabad International Trade Expositions Limited	-	8.32
9	Receivable Discounting		
	• Larsen & Toubro Limited	-	9,896.27
10	Interest accrued but not due on Inter Corporate Borrowings taken		
	• Larsen & Toubro Limited	-	60.66
11	Advance Premium Deposit		
	• L&T General Insurance Company Limited	81.00	105.00

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

28.8 Disclosure in respect of leases pursuant to Accounting Standard (AS) 19 "Leases" :

Finance Lease :

a) Where the company is Lessor:

The group companies have given assets on finance lease to its customers with respective underlying assets/equipments as security. The details of gross investments, unearned finance income and present value of rentals as at March 31, 2015 in respect of these assets are as under:

	(₹ in Lakhs)	
Particulars	2014-15	2013-14
Gross Investments :		
- Within one year	7,831.94	6,896.14
- Later than one year and not later than five years	7,836.45	9,311.36
- Later than five years	163.59	256.17
Total	15,831.98	16,463.67
Unearned Finance Income :		
- Within one year	1,465.75	1,437.06
- Later than one year and not later than five years	1,161.18	1,193.61
- Later than five years	8.07	1.42
Total	2,635.00	2,632.09
Present Value of Rentals :		
- Within one year	6,366.19	5,459.08
- Later than one year and not later than five years	6,675.27	8,117.75
- Later than five years	155.52	254.75
Total	13,196.98	13,831.58

Operating Lease

a) Where the company is lessee:

The group companies have taken cars, furniture and fixtures and premises on operating leases. Lease Payments recognized in the statement of profit and loss during the year is ₹ 3,232.22 Lakhs (previous year ₹ 4,209.27 Lakhs). The future minimum lease payments in respect of which as at March 31, 2015 are as follows:

	(₹ in Lakhs)	
Particulars	2014-15	2013-14
	Lease Payments	
- Within one year	1,515.21	1,765.53
- Later than one year and not later than five years	3,651.92	4,695.13
- Later than five years	-	29.95
Total	5,167.13	6,481.61

b) Where the company is lessor:

	(₹ in Lakhs)	
Particulars	2014-15	2013-14
	Minimum Lease	
- Within one year	7,772.56	8,023.28
- Later than one year and not later than five years	9,776.59	13,303.69
- Later than five years	1,365.51	1,769.89
Total	18,914.66	23,096.86

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

28.9 Basic and Diluted Earnings Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earnings Per Share"

		2014-15	2013-14
Basic			
Profit after tax as per Statement of Profit and Loss (₹ Lakhs)		85,467.90	59,689.33
Less:- Dividend on Cumulative Compulsorily Redeemable Preference Shares		11,337.34	7,597.50
Less:- Redemption premium on Cumulative Compulsorily Redeemable Preference Shares		254.60	-
Profit attributable to equity share holders	A	73,875.96	52,091.83
Number of equity shares		1,720,285,900	1,718,448,975
Weighted average number of equity shares outstanding	B	1,719,284,453	1,717,349,584
Basic EPS before and after extraordinary items (₹)	A/B	4.30	3.03
Diluted			
Profit attributable to equity share holders (₹ Lakhs)	A	73,875.96	52,091.83
Weighted average number of equity shares outstanding	B	1,719,284,453	1,717,349,584
Add: Weighted average no. of potential equity shares on account of employee stock options	C	1,840,351	2,440,556
Weighted average number of shares outstanding for diluted EPS	D=B+C	1,721,124,804	1,719,790,140
Diluted EPS before and after extraordinary items (₹)	A/D	4.29	3.03
Face value of shares (₹)		10.00	10.00

28.10 Contingent liabilities and commitments: Accounting Standard (AS) 29

(₹ in Lakhs)

Contingent Liabilities	As at March 31, 2015	As at March 31, 2014
a) Claims against the Company not acknowledged as debt:		
• Income Tax matter in dispute	12,082.44	12,682.41
• Service Tax / Sales Tax / VAT matters in dispute	1,424.59	1,323.00
• Legal matters in dispute	137.42	69.70
• Other claim not acknowledged as debt	-	-
b) Bank Guarantees	1,047.38	200.30
c) Other money for which the Company is contingently liable; Letter of Credit/ Letter of Comfort	50,971.13	56,724.13
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	5,521.26	4,099.38
b) Other Commitments		
• Undrawn Commitments* (standby facilities)	2,20,141.58	159,526.41
Performance Guarantees	945.00	1,853.25

* This disclosure is given pursuant to the notification no. DNBS.CC.PD.No.252/03.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.

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

28.11 On the basis of replies received by the Group in response to enquiries made, below are the details of dues payable as at the year end to Micro, Small and Medium Enterprises and other particulars that are required to be disclosed under the Companies Act, 2013 or the Micro, Small and Medium Enterprises Development Act, 2006.

Sr. No.	Particulars	As at	As at
		March 31, 2015	March 31, 2014
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	0.79	-
2	The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
4	The amount of Interest accrued and remaining unpaid at the end of each accounting year.	-	-

28.12 The directors recommend payment of final dividend of ₹ 0.80 per equity share of ₹ 10 each on the number of shares outstanding on the record date. Provision for final dividend has been made in the books of accounts for the 1,720,285,900 equity shares outstanding as at March 31, 2015 amounting to ₹ 137,62.29 Lakhs.

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

Borrower Name	No. of shares kept as bailee	
	2014-15	2013-14
Hanjer Biotech Energies Private Limited	325,096	325,096
VMC Systems Ltd	717,736	1,164,508
Coastal Projects Limited	329,245	329,245
C&C Constructions Limited	1,368,799	-
Neeraj Singhal	3,426,608	-
Saumya Mining Limited	513,012	-
Brij Bhushan Singhal	1,022,500	-

28.14 Subsidiaries has entered into currency swap transactions with a view to convert its USD borrowings into Indian rupee borrowing. Accordingly, the Company has revalued the foreign currency borrowing and currency swap at the balance sheet date.

Particulars	2014-15	2013-14
Liability – External Commercial Borrowings	USD 65,000,000	USD 65,000,000
Assets – Currency Swap	USD 65,000,000	USD 65,000,000

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

28.15 Appropriation to the Debenture Redemption Reserve has been created in terms of Section 71 of the Companies Act, 2013 is carried out of distributable profits of the Group.

28.16 Exceptional items during the current year represent gains of ₹ 14,389.42 Lakhs on account of sale of investment in City Union Bank Limited.

28.17 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ Lakhs)	As % of consolidated profit or loss	Amount (₹ Lakhs)
Parent				
L&T Finance Holdings Limited	62.62%	4,90,929.45	30.61%	26,162.80
Subsidiaries				
Indian				
Consumer Financial Services Limited	0.00%	38.66	0.00%	0.15
Family Credit Limited	6.96%	54,553.25	8.52%	7,286.03
L&T Access Distribution Services Limited	(0.08%)	(659.29)	(0.28%)	(236.83)
L&T Capital Markets Limited	0.07%	569.86	(0.48%)	(411.73)
L&T Finance Limited	29.23%	2,29,173.30	29.91%	25,560.48
L&T FinCorp Limited	10.68%	83,775.57	11.81%	10,093.99
L&T Housing Finance Limited	4.30%	33,714.48	4.11%	3,511.38
L&T Infra Debt Fund Limited	5.75%	45,067.22	3.51%	3,003.69
L&T Infra Investment Partners Advisory Private Limited	0.03%	226.53	0.51%	438.63
L&T infra Investment Partners Trustee Private Limited	0.00%	4.50	0.00%	0.41
L&T Infrastructure Finance Company Limited	32.49%	2,54,748.59	26.38%	22,546.67
L&T Investment Management Limited	6.29%	49,307.82	(7.59%)	(6,487.52)
L&T Mutual Fund Trustee Limited	0.02%	154.29	(0.02%)	(15.03)
L&T Vrindavan Properties Limited	1.46%	11,464.10	13.47%	11,516.33
Mudit Cement Private Limited	(0.03%)	(248.86)	(0.41%)	(352.33)
Total Subsidiaries	97.17%	7,61,890.02	89.45%	76,454.32

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ Lakhs)	As % of consolidated profit or loss	Amount (₹ Lakhs)
Minority Interests in all subsidiaries	(1.28%)	(10,030.00)	0.00%	-
Associates (Investments as per equity method)				
Indian				
Feedback Infra Private Limited (formerly Feedback Infrastructure Services Private Limited)	0.58%	4,519.97	0.46%	396.43
Total Associates	0.58%	4519.97	0.46%	396.43
Inter-Company Elimination & Consolidated Adjustments	(59.09%)	(4,63,292.01)	(20.53%)	(17,545.65)
Total	100.00%	7,84,017.43	100.00%	85,467.90

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

As per our report attached
SHARP & TANNAN*Chartered Accountants*

Registration no. 109982W

by the hand of

Firdosh D. Buchia*Partner*

Membership no. 38332

Mumbai, April 23, 2015

For and on behalf of Board of Directors of L&T Finance Holdings Limited**Y.M. Deosthalee***Chairman & Managing Director*

(DIN : 00001698)

N. Suryanarayanan*Company Secretary*

Mumbai, April 23, 2015

N. Sivaraman*President & Whole-time Director*

(DIN : 00001747)

Upma Goel*Deputy Finance Controller*

Notes

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Notes

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L&T Finance Holdings Limited

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Ballard Estate
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