L&T FINANCE LIMITED

L&T Finance Limited ("**Company**") was incorporated at Kolkata as Apeejay Finance Group Private Limited on November 24, 1993 as a private limited company under the Companies Act, 1956, as amended, with registration no. 2160810 and was granted a certificate of incorporation by the Registrar of Companies, West Bengal at Kolkata ("**RoC**"). Upon conversion of our Company from private limited to public limited, the name of our Company was changed to Apeejay Finance Group Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on February 14, 1994. The name of our Company was further changed to Family Credit Limited and a fresh certificate of incorporation was granted by the ROC on July 12, 2007. The name of our Company was further changed to L&T Finance Limited and a fresh certificate of incorporation was granted by the ROC on March 17, 2017 pursuant to the scheme of amalgamation effective from February 13, 2017. Our Company is registered as a non deposit accepting non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 bearing registration number B.05.06200. For further details, see the chapter titled "***History, Main Objects and Key Agreements***" on page 130 of this Draft Shelf Prospectus. The Corporate Identification Number of our Company is U65910WB1993FLC060810.

Registered Office: 7th Floor, Technopolis, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake, Kolkata 700 091, West Bengal
Tel: 033-66111800

Corporate Office: Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra
Tel: +91 22 6212 5000; **Fax**: +91 22 6212 5553

Company Secretary and Compliance Officer: Mr. Gufran Ahmed Siddiqui; **Tel**: +91 22 6212 5000; **Fax**: +91 22 6212 5553
E-mail: investorgrievances@ltfs.com; **Website**: www.ltfs.com

PUBLIC ISSUE BY L&T FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 (INDIAN RUPEES ONE THOUSAND) EACH ("SECURED NCDS") AND/ OR UNSECURED, SUBORDINATED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 (INDIAN RUPEES ONE THOUSAND) EACH ("UNSECURED NCDS") FOR AN AMOUNT UPTO ₹ 5000,00,00,000 (INDIAN RUPEES FIVE THOUSAND CRORES) ("SHELF LIMIT") ("ISSUE"). THE UNSECURED NCDS WILL BE ELIGIBLE FOR TIER II CAPITAL. THE SECURED NCDS AND/ OR UNSECURED NCDS ARE TOGETHER HEREINAFTER REFERRED AS "DEBENTURES / NCDS". THE NCDS WILL BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED.

PROMOTER

Our promoter is L&T Finance Holdings Limited. For further details see the chapter titled "***Our Promoter***" on page 144 of this Draft Shelf Prospectus.

GENERAL RISKS

For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the sections titled "**Risk Factors**" on page 19 of this Draft Shelf Prospectus and "**Material Developments**" on page 159 of this Draft Shelf Prospectus and in the Shelf Prospectus and the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus to be read together with Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue does contain and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue. The information contained in this Draft Shelf Prospectus read together with Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, see chapter titled "***Terms of the Issue***" on page 271 of this Draft Shelf Prospectus.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated "CRISIL AAA/Stable" (pronounced as CRISIL triple A with Stable outlook) for an amount of ₹ 5000 crores, by CRISIL Limited ("**CRISIL**") vide their letter dated November 14, 2019, CARE AAA / Stable (pronounced as CARE triple A with Stable Outlook) for an amount of ₹ 5, 000 crores, by CARE Ratings Ltd. ("**CARE**") vide their letter dated November 15, 2019 and IND AAA / Stable (pronounced as IND triple A with Stable outlook) for an amount of ₹ 5,000 crores, by India Ratings and Research Private Limited ("**India Ratings**") vide their letter dated November 18, 2019. The rating of NCDs by CRISIL, CARE and India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rating letter and rationale for these ratings, see Annexure A, Annexure B and Annexure C of this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

LISTING

The NCDs offered through this Draft Shelf Prospectus along with relevant Tranches are proposed to be listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Our Company has received an 'in-principle' approval from the BSE *vide* their letter no. [●] dated [●] and from NSE *vide* their letter no. [●] dated [●]. For the purpose of the Issue, NSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated November 26, 2019 has been filed with BSE and NSE, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the BSE and NSE. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Company Secretary and Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail.

LEAD MANAGERS TO THE ISSUE

EDELWEISS FINANCIAL SERVICES LIMITED
Edelweiss House
Off CST Road, Kalina, Mumbai 400 098
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: Ltfinance.Ncds@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

A. K. CAPITAL SERVICES LIMITED
30-38 Free Press House, 3rd Floor,
Free Press Journal Marg, 215, Nariman Point,
Mumbai 400021
Maharashtra, India
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: ltfinance.ncd2019@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Aanchal Wagle / Lokesh Shah
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

TRUST INVESTMENT ADVISORS PRIVATE LIMITED
109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5066
Email: projectvajra@trustgroup.in
Investor Grievance email:
customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms Hani Jalan
Compliance Officer: Mr. Ankur Jain
SEBI Registration No.: INM000011120
CIN: U67190MH2006PTC162464

JM FINANCIAL LIMITED
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India
Tel: +91 22 6630 3030
Fax: +91 22 6630 3330
Email: LTF.bondissue2019@jmfl.com
Investor Grievance email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Ms. Prachee Dhuri
Compliance Officer: Mr. Sunny Shah
SEBI Registration No.: INM000010361
CIN: L67120MH1986PLC038784

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited**
Asian Building,
Ground Floor, 17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400001
Tel: +91 (22) 40807000
Fax: 66311776/40807080
Email: itsl@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Dinesh Ladwa
SEBI Registration No.: IND000000460
CIN: U65991MH2001GOI131154

REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LIMITED
C- 101, 247 Park
LBS Marg, Vikhroli (West)
Mumbai- 400083, Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: ncd3.ltfin2019@linkintime.co.in
Investor Grievance mail: ncd3.ltfin2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
Compliance Officer: Mr. B. N. Ramakrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

ISSUE PROGRAMME*

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus

ISSUE CLOSES ON: As specified in the relevant Tranche Prospectus

*****The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the authorised signatory(ies) as authorised by the Board of Directors of our Company pursuant to the resolution dated July 19, 2019 ("**Authorised Personnel**"). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE.*

*** IDBI Trusteeship Services Limited has by its letter dated November 21, 2019 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the Debt Regulations and for its name to be included in this Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. See Annexure D of this Draft Shelf Prospectus*

*A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Kolkata, West Bengal, in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "**Material Contracts and Documents for Inspection**" on page 333 of this Draft Shelf Prospectus.*

TABLE OF CONTENTS

SECTION I-GENERAL 3

DEFINITIONS AND ABBREVIATIONS 3
CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION 15
FORWARD-LOOKING STATEMENTS 18

SECTION II-RISK FACTORS 19

SECTION III-INTRODUCTION 50

GENERAL INFORMATION 50
CAPITAL STRUCTURE 59
OBJECTS OF THE ISSUE 63
STATEMENT OF TAX BENEFITS 66

SECTION IV - ABOUT OUR COMPANY 75

INDUSTRY OVERVIEW 75
OUR BUSINESS 102
HISTORY, MAIN OBJECTS AND KEY AGREEMENTS 130
OUR MANAGEMENT 134
OUR PROMOTER 144
RELATED PARTY TRANSACTIONS 157

SECTION V-FINANCIAL INFORMATION 158

FINANCIAL INFORMATION 158
MATERIAL DEVELOPMENTS 159
SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS 160
FINANCIAL INDEBTEDNESS 164

SECTION VI- LEGAL AND OTHER INFORMATION 201

OUTSTANDING LITIGATIONS AND DEFAULTS 201
REGULATIONS AND POLICIES 241
OTHER REGULATORY AND STATUTORY DISCLOSURES 252

SECTION VII- ISSUE RELATED INFORMATION 267

ISSUE STRUCTURE 267
TERMS OF THE ISSUE 271
ISSUE PROCEDURE 284

SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY 307

SECTION IX - OTHER INFORMATION 333

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION 333
DECLARATION 335

ANNEXURE A 336

ANNEXURE B 337

ANNEXURE C 338

ANNEXURE D 339

SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "**the Issuer**", "**our Company**", "**the Company**" or "**L&T Finance Limited**" are to L&T Finance Limited, a non-banking financial company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at 7th Floor, Technopolis, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata - 700091 West Bengal. Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "we" or "us" or "our" are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
Articles/ Articles of Association/AoA	Articles of Association of our Company, as amended.
Associate Companies	L&T Infra Debt Fund Limited and Grameen Capital India Private Limited* * *As per the accounting policies of the Company, Grameen Capital India Private Limited is treated as an investment, pursuant to the Company's investment in the preference shares of Grameen Capital India Private Limited.* *Further, as per Companies Act, Grameen Capital India Private Limited is treated as an associate company of our Company.*
Audited Ind AS Consolidated Financial Statements	The Consolidated Balance Sheet of the Company as at March 31, 2019 and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity for the financial years ended March 31, 2019 and the summary of significant accounting policies including notes thereto prepared in accordance with Ind AS
Audited Ind AS Financial Statements	Audited Ind AS Standalone Financial Statements and Audited Ind AS Consolidated Financial Statements
Audited Ind AS Standalone Financial Statements	The Standalone Balance Sheet of the Company as at March 31, 2019 and the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Cash flows and the Standalone Statement of Changes in Equity for the financial years ended March 31, 2019 and the summary of significant accounting policies including notes thereto prepared in accordance with Ind AS
Authorised Personnel	Persons authorised to carry out certain acts in terms of the resolution of the Board dated July 19, 2019.
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof.
Business Transfer Agreement	Agreement dated September 4, 2018 executed between our Company and Centrum Financial Services Limited pertaining to slump sale of the supply chain financing business of the Company
Committee of Directors	The committee constituted by our Board of Directors by a board resolution dated December 31, 2012 and as reconstituted from time to time
Corporate Office	Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra.
Deed of Assignment	The deed of assignment dated December 31, 2018 executed between our Company and Centrum Financial Services Limited in relation to the transfer of the supply chain business
Deferred Expenditure	Unamortised premium on loan/ debentures
Director	Director of our Company, unless otherwise specified.

Term	Description
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Financial Information	Reformatted Financial Information (under IGAAP) and Audited Ind AS Financial Statements
Group Companies/ Group companies of our Company	Larsen & Toubro Limited, L&T Infrastructure Finance Company Limited, Larsen & Toubro Infotech Limited, L&T Capital Company Limited, L&T Capital Markets Limited, L&T Housing Finance Limited, L&T Investment Management Limited, L&T Financial Consultants Limited, L&T Infra Investment Partners Advisory Private Limited, L&T Infra Debt Fund Limited, L&T Electricals and Automation Limited, Metro Tunneling Group and Magtorq Private Limited *. **identified on the basis of the related party list, set out in the Annual Report of our Company for five year Financial Year ended March 31, 2019.*
Independent Director(s)	The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
KMP	Key Managerial Personnel, as defined under the Companies Act, 2013, section 2(51), as amended as under: *"key managerial personnel", in relation to a company, means -* *i. the Chief Executive Officer or the managing director or the manager;* *ii. the company secretary;* *iii. the whole-time director;* *iv. the Chief Financial Officer; and* *v. such other officer not more than one level below the directors who is in whole-time employment designed as key managerial personnel by the Board; and* vi. *such other officer as may be prescribed;"*
Limited Review Financials / Limited Review Financial Results/ Unaudited Ind AS Interim Financial Information	The Unaudited Ind AS Standalone Interim Financial Information for the half year ended September 30, 2019 prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind As) notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended for time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 read with Sub-section (1) of section 210A of Companies Act, 2013, as amended and presented in accordance with the requirements of the SEBI LODR Regulations.
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended.
Net Worth	As per Sec 2(57) of the Companies Act, 2013, Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, Deferred Expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.
Preference Shares	Preference shares of our Company of face value of ₹ 100 each.
Reformatted Consolidated Financial Information /Reformatted Consolidated Financial Information (under IGAAP)	The reformatted consolidated financial information of assets and liabilities of our Company as at March 31, 2018 and March 31, 2017 and the reformatted consolidated information of profit and loss and the reformatted consolidated information of cash flows for each of the years ended March 31, 2018 and March 31, 2017, and the summary of significant accounting policies as examined by our Company's Statutory Auditors, Deloitte Haskins & Sells LLP, Chartered Accountants. Our audited consolidated financial information as at and for the years ended March 31, 2018 and March 31, 2017 form the basis for such Reformatted Consolidated Financial Information.
Reformatted Financial	Reformatted Consolidated Financial Information and Reformatted

Term	Description
Information / Reformatted Financial Information (under IGAAP)	Standalone Financial Information.
Reformatted Standalone Financial Information /Reformatted Standalone Financial Information (under IGAAP)	The reformatted standalone statement of assets and liabilities as at March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 the reformatted standalone information of profit and loss and the reformatted standalone information of cash flows for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, Deloitte Haskins and Sells LLP, Chartered Accountants. The audited standalone financial statements as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 form the basis for such Reformatted Standalone Financial Information.
Registered Office	7th Floor, Technopolis, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata -700091 West Bengal.
RoC/Registrar of Companies	Registrar of Companies, Kolkata, West Bengal
Scheme of Amalgamation	The merger of L&T Finance Limited and L&T Fincorp Limited with Family Credit Limited (now known as L&T Finance Limited) as approved by the High Court at Calcutta vide its order dated November 28, 2016, with effect from the appointed date as per the scheme of amalgamation (being April 1, 2016) and by the NCLT, Mumbai Bench, vide its order dated January 24, 2017. The Scheme of Amalgamation was filed with the ROC on February 13, 2017.
Shareholders	The holders of the Equity Shares from time to time
Statutory Auditors/Auditors	Deloitte Haskins and Sells LLP, Chartered Accountants.
Trademark License Agreement	Agreement dated December 1, 2010 executed *inter alia* between L&T and L&T Finance Limited read together with the Amendment Agreement dated March 31, 2015 executed *inter alia* between L&T, L&T Finance Limited and L&T Fincorp Limited
Transition Services Agreement	Agreement dated September 4, 2018 executed between our Company and Centrum Financial Services Limited

Issue related terms

Term	Description
"ASBA" or "Application Supported by Blocked Amount" or "ASBA Application" or "Application"	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB.
A.K. Capital	A. K. Capital Services Limited
Abridged Prospectus	A memorandum containing the salient features of Shelf Prospectus and the respective Tranche Prospectus(es)
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to the Issue to the successful Allottees.
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue.
Applicant(s)/ Investor(s)/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus, Abridged Prospectus and the Application Form for any Tranche Issue.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue.

Term	Description
Application Form/ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and respective Tranche Prospectus.
Application/ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and respective Tranche Prospectus(es).
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant.
ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Banker(s) to the Issue	Collectively the Public Issue Account Bank(s) and Refund Bank
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
BSE	BSE Limited.
CARE	CARE Ratings Limited
Category I Investor	• Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Mutual Funds registered with SEBI; • Resident Venture Capital Funds/ Alternative Investment Fund registered with SEBI, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a Net Worth of more than ₹ 50,000 lakh as per the last audited financial statements; and • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.

Term	Description
Category II Investor	• Companies within the meaning of section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons.
Category III Investor	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakhs across all series of NCDs in Issue.
Category IV Investor	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakhs across all series of NCDs in Issue.
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations.
CIBIL	TransUnion CIBIL Limited
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.
Consortium Agreement	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium Members	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium/ Members of the Consortium (each individually, a member of the consortium)	The Lead Managers and Consortium Members
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CRISIL, CARE and India Ratings
CRISIL	CRISIL Limited
Debenture Holder (s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trust Deed(s)	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue.
Debenture Trustee Agreement	The agreement dated November 22, 2019 entered into between the Debenture Trustee and our Company.
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture Holders, in this Issue being IDBI Trusteeship Services Limited

Term	Description
Debenture(s) / NCD(s)	Secured, Redeemable, Non-Convertible Debentures of face value ₹ 1,000/- each (Secured NCDs) and/or Unsecured Subordinated Non-Convertible Debentures of face value ₹ 1,000/- each (Unsecured NCDs), proposed to be issued under this Issue. The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II Capital.
Debt Application Circular(s)	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012 and Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Deemed Date of Allotment	The date on which the Authorised Personnel approve the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Authorised Personnel or such other person notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement.
Designated Intermediary(ies)	Collectively, the Lead Managers, the Consortium Members, sub-brokers, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the Application Forms to CRTAs. The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange.
Designated Stock Exchange	NSE.
Direct Online Application	The Application made using the online interface and online payment facility of the Stock Exchange, as applicable. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form.
DP / Depository Participant	A depository participant as defined under the Depositories Act.
Draft Shelf Prospectus	This Draft Shelf Prospectus dated November 26, 2019, filed by our Company with BSE and NSE for receiving public comments, in accordance the Regulation 6(2) of the SEBI Debt Regulations and forwarded to SEBI for record purpose.
Edelweiss	Edelweiss Financial Services Limited.
ICRA	ICRA Limited
India Ratings	India Ratings and Research Private Limited.
Interest Payment Date/ Coupon Payment Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue.

Term	Description
Issue	Public issue by L&T Finance Limited of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each ("**Secured NCDs**") and/ or unsecured, subordinated, redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each ("**Unsecured NCDs**") for an amount up to ₹ 5000,00,00,000 (Indian Rupees Five Thousand Crores) ("**Shelf Limit**"). The Unsecured NCDs will be eligible for Tier II capital. The Secured NCDs and/ or Unsecured NCDs are together hereinafter referred as "**Debentures / NCDs**". The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any tranche issue (each a "**Tranche Issue**"), which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus (collectively the "**Offer Document**").
Issue Agreement	The Issue Agreement dated November 25, 2019 entered between our Company and the Lead Managers.
Issue Closing Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Opening Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
JM Financial	JM Financial Limited
L&T	Larsen & Toubro Limited.
Lead Managers/ LMs	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Trust Investment Advisors Private Limited and JM Financial Limited.
Market Lot	1 (one) NCD.
NSE	National Stock Exchange of India Limited.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Offer Document	This Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus read with any notices, corrigenda, addenda thereto.
Promoter	L&T Finance Holdings Limited.
Public Issue Account	Account(s) opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus(es).
Public Issue Account Agreement	As specified in the relevant Tranche Prospectus.
Public Issue Account Bank	As specified in the relevant Tranche Prospectus.
Record Date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company will be deemed as the Record Date.
Redemption Amount	As specified in the relevant Tranche Prospectus.
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus.
Refund Account	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in relevant Tranche Prospectus.
Refund Bank(s)	As specified in the relevant Tranche Prospectus.

Term	Description
Register of Debenture Holders	The Register of Debenture Holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and as more particularly detailed in the chapter titled "***Terms of the Issue – Register of NCD Holders***" on page 277 of this Draft Shelf Prospectus.
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants.
Registrar Agreement	Agreement dated November 22, 2019 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar to the Issue/ Registrar	Link Intime India Private Limited.
Secured Debenture Holder (s) /Secured NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the Depository and/or the register of Secured NCD Holders (if any) maintained by our Company if required under applicable law.
Secured NCDs	Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000/- each.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Series	As specified in the relevant Tranche Prospectus.
Shelf Limit	The aggregate limit of the Issue, being ₹ 5,000 crores to be issued under this Draft Shelf Prospectus, Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus that shall be filed by our Company with the SEBI, BSE, NSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Simplified Listing Agreement	The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Specified Cities/Specified Locations	Bidding Centres where the Consortium shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Stock Exchange	BSE and NSE.
Subordinated Debt	Subordinated Debt means a fully paid up instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument shall be subjected to discounting as provided hereunder: Remaining maturity of the instruments and rate of discount (a) up to one year 100% (b) more than one year but up to two years 80% (c) more than two years but up to three years 60% (d) more than three years but up to four years 40% (e) more than four years but up to five years 20% to the extent such discounted value does not exceed fifty per cent of Tier I capital.
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries.
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms.

Term	Description
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Syndicate/ Members of the Syndicate	Collectively, the Consortium Members and Lead Managers to the Issue.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital.
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Transaction Registration Slip or TRS or Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Tripartite Agreements	Tripartite agreement dated June 24, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated May 31, 2012 among our Company, the Registrar and NSDL.
Trust	Trust Investment Advisors Private Limited.
Unsecured Debenture Holder (s) / Unsecured NCD Holder(s)	The holders of the Unsecured NCDs whose name appears in the database of the Depository and/or the register of Unsecured NCD Holders (if any) maintained by our Company if required under applicable law.
Unsecured NCDs	NCDs offered under this Issue which are listed, rated, subordinated, redeemable, non-convertible debentures and are not secured by any charge on the assets of Issuer and which will be eligible for Tier II capital.

Term	Description
Wilful Defaulter	A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.
Working Day(s)/ Business Day(s)	Working Day(s) shall mean all days excluding Saturdays and Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall be all trading days of stock exchanges excluding Saturdays and Sundays and bank holidays in Mumbai.

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or ₹ or Indian Rupees or INR or Rs.	The lawful currency of India
ACH	Automated Clearing House
AGM	Annual General Meeting
ALCO	Assets Liability Management Committee
AML	Anti Money Laundering
AS	Accounting Standards issued by Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
Billion	100,00,00,000 (One hundred crores)
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
CEIC	Census Economic Information Centre
Code of Criminal Procedure/ CrPC	Code of Criminal Procedure, 1973
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act 2013	Companies Act, 2013, as amended and, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Draft Shel Prospectus, along with the relevant rules made thereunder
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR / CAR	Capital to Risk-Weighted Assets Ratio/ Capital Adequacy Ratio
Crore	1,00,00,000 (One hundred lakhs)
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996, as amended read with regulations framed thereunder
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP ID	Depository Participant's Identity Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DSA	Direct Sales Agent
ECS	Electronic Clearing Scheme
ESOP	Employee Stock Option Scheme
Expected Credit Loss /ExCL	ExCL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate.
FDI	Foreign Direct Investment

Term/Abbreviation	Description/ Full Form
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended
Financial Year / FY/ Fiscal/Fiscal Year	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
Gross NPAs/GNPAs	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade. Gross NPA is also referred to as GNPAs
GST	Goods and Services Tax
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Income Tax Act or IT Act	Income Tax Act, 1961
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act
India	Republic of India
Indian GAAP/ IGAAP	Accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014
IPC	Indian Penal Code, 1860
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
KYC	Know Your Customer
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LTV	Loan to value
MCA	Ministry of Corporate Affairs, GoI
Million	10,00,000 (Ten lakhs)
MoF	Ministry of Finance, GoI
N.I. Act	Negotiable Instruments Act, 1881, as amended
NACH	National Automated Clearing House
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines
NBFC-ND-SI	Systemically Important Non deposit taking NBFC, regulated by the RBI guidelines
NEFT	National Electronic Fund Transfer
NRI or Non-Resident Indian	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934 as amended
RTGS	Real Time Gross Settlement

Term/Abbreviation	Description/ Full Form
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ExCL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS
Stage 2 Provision	Stage 2 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS
Stage 3 Provision	Stage 3 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
AMC	Asset Management Company
AUM	Asset Under Management (*meaning total adjusted Loans & Advances*)
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
LIC	Life Insurance Corporation of India
LTV	Loan to value ratio
MICR	Magnetic Ink Character Recognition.
MoU	Memorandum of Understanding.
NPAs	Non-Performing Assets.
RBI	Reserve Bank of India.
UTI	Unit Trust of India.
WCDL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled "***Capital Structure***", "***Regulations and Policies***", "***History, Main Objects and Key Agreements***", "***Statement of Tax Benefits***", "***Our Management***", "***Financial Indebtedness***", "***Outstanding Litigation and Defaults***" and "***Issue Procedure***" on pages 59 , 241, 130, 66, 134, 164, 201 and 284 , respectively will have the meanings ascribed to them in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Shelf Prospectus to "**India**" are to the Republic of India and its territories and possessions. All references to the Government or State Government are to Government of India, Central or State, as applicable.

Presentation of Financial Information

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Our Company's financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 15/2013 dated September 13, 2013 and/or General Circular 8/2014 dated April 4, 2014, as applicable. With effect from April 01, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated January 18, 2016, for financial reporting purposes, our Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 and/or Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015 ("**Ind AS**"), as applicable.

The Audited Ind AS Consolidated Financial Statements and Audited Ind AS Standalone Financial Statements collectively referred to hereinafter as the "Audited Ind AS Financial Statements" and the audit reports on the Audited Ind AS Financial Statements as issued by our Company's Statutory Auditor, Deloitte Haskins & Sells LLP, Chartered Accountants, are included in this Draft Shelf Prospectus in the section titled "***Financial Information***" beginning at page 158 of this Draft Shelf Prospectus.

The Reformatted Standalone Financial Information and the Reformatted Consolidated Financial Information are included in this Draft Shelf Prospectus and collectively referred to hereinafter as the "**Reformatted Financial Information**". The examination reports on the Reformatted Financial Information as issued by our Company's Statutory Auditor, Deloitte Haskins & Sells LLP, Chartered Accountants, are included in this Draft Shelf Prospectus in the chapter titled "***Financial Information***" beginning at page 158 of this Draft Shelf Prospectus.

The unaudited standalone financial results of our Company for the six months ended September 30, 2019 submitted to the Stock Exchange pursuant to the requirements of SEBI LODR Regulations ("**Unaudited Ind AS Interim Financial Information**") are included in this Draft Shelf Prospectus in the chapter titled "***Financial Information***" beginning at page 158 of this Draft Shelf Prospectus.

Unless stated otherwise or unless context requires otherwise, the financial data used in this Draft Shelf Prospectus for the financial year ended on March 31, 2019 and for the six months ended September 2019 and is derived from the Audited Ind AS Standalone Financial Statements and Unaudited Ind AS Interim Financial Information.

Unless stated otherwise or unless context requires otherwise, the financial data used in this Draft Shelf Prospectus is derived from our Company's Reformatted Financial Information as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 prepared in accordance with the Accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

Unless stated otherwise or unless context requires otherwise, the financial data used in this Draft Shelf Prospectus as at March 31, 2019 and September 30, 2019 is prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind As) notified under the Companies (Indian Accounting Standard) Rules, 2015 (as amended for time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by Section 133 read with Sub-section (1) of section 210A of Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment. .

Further, the financial data and numbers used in this Draft Shelf Prospectus are under Ind AS and IGAAP, as specifically mentioned in this Draft Shelf Prospectus and is not strictly comparable.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Draft Shelf Prospectus is on a standalone basis.

Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off.

Unless stated otherwise, macroeconomic and industry data used throughout this Draft Shelf Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Draft Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Draft Self Prospectus is meaningful depends on the readers' familiarity with and understanding of methodologies used in compiling such data.

The extent to which the market and industry data used in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. We have relied on the CRISIL Industry Report[s] for industry related data that has been disclosed in this Draft Shelf Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"**Internal Risk Factor no. 50 – We have not independently verified certain data in this Draft Shelf Prospectus**"* on page no. 40 of this Draft Shelf Prospectus.

While we have compiled, extracted and reproduced data from external sources, including third parties, trade, industry or general publications, we accept responsibility for accurately reproducing such data. However, neither we nor the Lead Managers have independently verified this data and neither we nor the Lead Managers make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Lead Managers can assure potential investors as to their accuracy.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to "**₹**", "**Indian Rupees**", "**INR**", "**Rs.**" and "**Rupees**" are to the legal currency of India, references to "**US$**", "**USD**", and "**U.S. dollars**" are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Draft Shelf Prospectus, data will be given in ₹ in crores.

Certain figures contained in this Draft Shelf Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

India has decided to adopt the "Convergence of its existing standards with IFRS with some difference" referred to as the "Indian Accounting Standards" or "Ind AS". In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2018. Accordingly, our financial statements for the financial year ending March 31, 2019 and half year ending on September 30, 2019 prepared under Ind AS, may not be comparable with financial statements of previous years prepared under Indian GAAP.

There are significant differences between Indian GAAP and Ind AS. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For further information, see the chapter

titled "***Summary of significant differences between Indian GAAP and Ind AS****"* on page 160 of this Draft Shelf Prospectus.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CRISIL, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (in ₹) of the USD for the respective dates are provided below:

Currency	September 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
USD	70.69	69.44	65.04	64.84	66.33	62.59

Source: www.rbi.org.in and www.fbil.org.in.

In the event that March 31 of any of the respective years is a public holiday, the previous working day not being a public holiday has been considered.

Further, in case of specific provision in the loan agreement for a rate other than the RBI rate, the rate has been taken as prescribed as in the respective loan agreement.

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements" and are not forecasts or projections relating to our Company's financial performance. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- demand for our products and services;
- performance of the new and pre-owned vehicles industry;
- OEM and employee relationships;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Draft Shelf Prospectus, including under the section titled "***Risk Factors***" on page 19 of this Draft Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled ***"Our Business", "Risk Factors"*** and ***"Outstanding Litigations and Defaults"*** on pages 102 , 19 and 201 respectively of this Draft Shelf Prospectus. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Draft Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company, its Directors and its officers, nor any of their respective affiliates or associates, Lead Managers nor any of its Directors and its officers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing this Draft Shelf Prospectus and the date of the Allotment.

SECTION II-RISK FACTORS

RISK FACTORS

An investment in NCDs involves a certain degree of risk. You should carefully consider all the information contained in this Draft Shelf Prospectus, including the risks and uncertainties described below, before making an investment decision in relation to NCDs. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition, cash flows and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Draft Shelf Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Shelf Prospectus. Unless otherwise stated and unless the context requires otherwise, the financial information used in this section is derived from and should be read in conjunction with Reformatted Financial Information and Audited Ind AS Financial Statements of our Company.

Unless stated otherwise or unless context requires otherwise, the financial data for the financial year ended on March 31, 2019 and for the six months ended September 2019 is derived from the Audited Ind AS Standalone Financial Statements and Unaudited Ind AS Interim Financial Information and the financial data for the financial years ended on March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 is derived from the Reformatted Standalone Financial Information and are not comparable as they are prepared under different GAAPs/ accounting standards.

Investors are advised to read the following risk factors carefully before making an investment in the NCDs offered in this Issue. You must rely on your examination of our Company and this Issue, including the risks and uncertainties involved.

INTERNAL RISKS

1. *Any disruption in our sources of funding or increase in costs of funding could adversely affect our liquidity and financial condition.*

The liquidity and profitability of our business depends, largely, on our timely access to, and the costs associated with, raising funds. Our funding requirements historically have been met from various sources, including funds raised from borrowings from banks, issuance of retail non-convertible debentures (invested in by debt market participants including Mutual Funds, Pension Funds, Scheduled Commercial Banks, Retirement Funds, National Pension Scheme, Insurance Players, Corporates, Foreign Portfolio Investors and other Debt Market Participants allowed by SEBI) commercial papers (invested in by mutual funds, banks, and other debt market participants allowed by SEBI), equity and preference shares, inter-corporate deposits from corporates, collateralized borrowing and lending obligations under the CCIL platform, and corporate bond repo transactions entered into with banks. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Further, our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our customers. Our ability to raise funds at competitive rates depends on various factors including our current and future results of operations and financial condition, Corporate Governance, our risk management policies, the shareholding of our Promoter in our Company, our asset quality, our capital position, our liquidity planning and execution thereof, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, our net interest margins, income and market share may be adversely affected.

Certain regulatory developments have affected NBFCs' access to select funding sources and have affected their costs of borrowings including through funding from banks, capital markets, and securitization and assignment transactions. For example, pursuant to the RBI circular dated May 3, 2011, loans extended by commercial banks to NBFCs after April 1, 2011, are not considered priority sector loans. While scheduled commercial banks may still choose to lend to NBFCs, they may charge higher rates to do so as these loans no longer count towards their priority sector lending requirements.

Further, the restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non- Banking Financial Companies dated July 1, 2015 (the "**Master Circular**") may restrict our ability to obtain bank financing for specific activities. Under this Master Circular, certain activities by NBFCs are ineligible for financing by banks, including certain types of discounting and rediscounting of bills; current and long term investments in shares, debentures, loans and advances by NBFCs to their subsidiaries and group companies; lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market; unsecured loans; inter-corporate deposits provided by NBFCs; and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues or in the form of loans of a temporary nature pending the raising of long-term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

Changes in economic conditions, regulatory policies or lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, or at all, which could adversely affect our liquidity and financial condition.

2. ***We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.***

We operate in a highly competitive industry. Given the diversity of our businesses, and the products and services offered by us, we face competition from the full spectrum of public sector banks, private sector banks, foreign banks, financial institutions, captive finance affiliates of players in various industries, small finance banks and other NBFCs who are active in infrastructure, rural and housing business. Some of our competitors have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. Some of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Competition in our industry depends on, among other things, the ongoing evolution of government and regulatory policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

Potentially, other banks and NBFCs could compete with us for business as well as procurement of funds at competitive rates. Further, in relation to our farm equipment and two wheeler finance businesses, we rely on tie-ups with equipment manufacturers and are a preferred financier to them and their dealers. We rely on these relationships to procure customers and effectively sell our services. In the event such equipment manufacturers set up their own in-house financiers or expand their in-house financing capabilities, they may terminate or reduce the extent of their relationship with us, and such in-house financiers may compete with us in providing loans under these businesses. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business.

3. ***We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads between the interest rates at which we borrow and lend.***

Our business strategy involves a high level of ongoing interaction with our customers. We believe that

this involvement is an important part of developing our relationship with our customers, identifying new cross-selling opportunities and monitoring our performance. However, this level of involvement also entails higher levels of operating costs and also requires a relatively higher gross spread, or margin, on the finance products we offer in order to maintain profitability. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations.

4. ***We are affected by volatility in interest rates for both our lending and borrowings, which could cause our net interest income to decline and adversely affect our results of operations and profitability.***

A significant component of our revenue is the interest on term loans and other financing activity (net of reversal) we receive from the loans we disburse, which comprised ₹ 4,105.17 crore or 92.19 % of our total income of ₹ 4,453.07 crore for the six months ended September 30, 2019 and ₹ 7,011.72 crore or 94.98% of our total income of ₹ 7,382.59 crore for the financial year 2019.

Our net interest margins are affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions international price of key energy commodities, climatic factors and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rate we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors such as banks, who may have access to funds at a lower cost or lower cost deposits. Further in the event of passing any increase in cost of our borrowing to customers/borrower may impede their ability to service the debt and can potentially expose us to increase in gross stage 3 assets and increased risk of default. To the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders with a borrowing profile more suited to a given economic environment. Further, our ability to pass on any increase in interest rates to borrowers may also be constrained by regulations implemented by the Government or the RBI. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

Fluctuations in interest rates may also adversely affect our investment operations. In a rising interest rate environment, particularly if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities in the Debt Capital Markets (DCM) segment. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates, which could adversely affect our ability to hedge against interest rate volatility. There can be no assurance that we will continue to enter into such interest rate hedging instruments or that we will be able to enter into the correct amount of such instruments to adequately hedge against interest rate volatility in the future, among other reasons, because of the inherent basis risk in hedging instruments arising out of the nature of instruments available for interest rate hedging in the financial markets. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings on account of any reasons including the above may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

5. ***The risk of non-payment or default by borrowers may adversely affect our financial condition and results of operations.***

As of September 30, 2019, our total adjusted loans and advances outstanding were ₹ 51,382.46 crore. The table below sets out a breakdown of our total adjusted loans and advances and Gross Stage 3 Assets by business segments:

	Adjusted Total Loans and Advances	**Gross Stage 3 Assets**	
	₹ crore	**₹ crore**	**% of total loans**
Wholesale business	7,227.35	345.50	4.82%

	Adjusted Total Loans and Advances	Gross Stage 3 Assets	
	₹ crore	₹ crore	% of total loans
Housing business	11,258.21	8.12	0.07%
Rural business	26,596.52	987.33	3.71%
Defocused business	6,300.38	1,403.85	27.52%
Total Adjusted Loans and advances:	51,382.46	2,744.80	5.48%

Under wholesale business, we primarily provide debt, equity or hybrid financing, and financial advisory and syndication services related to infrastructure projects in India. Infrastructure projects are characterized by project-specific risks as well as general risks. These risks are generally beyond our control, and include:

- political, regulatory and legal actions that may adversely affect project viability;
- interruptions or disruption in domestic or international financial markets, whether for equity or debt funds;
- changes in government and regulatory policies;
- time and cost overruns in the construction and operation of infrastructure projects;
- adverse changes in market demand or prices for the products or services that the project, when completed, is expected to provide;
- the unwillingness of consumers to pay for infrastructure services;
- the inability of consumers to pay for infrastructure services;
- the inability of infrastructure developers to pass on additional costs to government infrastructure utilities under contractual arrangements with them;
- shortages of, or adverse price developments in respect of raw materials and key project inputs such as oil and natural gas;
- potential defaults under financing arrangements with lenders and investors;
- failure of third parties to perform on their contractual obligations;
- adverse developments in the overall economic environment in India;
- technological failure/obsolescence
- interest rate or currency exchange rate fluctuations or changes in tax regulations; and
- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve.

Our housing business comprises of loans against property and real estate finance. Under real estate finance, we provide construction finance loans and they may be exposed to risks related to time and cost overruns. Factors such as third party performance risks, delays in obtaining the requisite approvals, environmental risks, changes in market conditions, changes in government or regulatory policies, permits, licenses or certifications from the relevant authorities as well as shortages of, or material increases in prices of, construction materials, equipment, technical skills and labour, or other unforeseeable problems and circumstances may lead to delays in, or prevent the completion of, real estate development projects and result in costs exceeding those originally budgeted, which may affect real estate developers' ability to repay their loans.

In addition, real estate developers may be impacted by the passing of the Real Estate (Regulation and Development) Act, 2016, which is in effect from March 26, 2016 (the "**Real Estate Act**"). The Real Estate Act sets forth a reporting, compliance regime governing real estate projects, including mandating developers to disclose details of registered projects including with respect to the land status, approvals and other such details, and requiring developers to pay interest in case of delays in project completion. Further, the Real Estate Act also makes it mandatory for real estate developers to put 70.00% of the amount collected from buyers for a real estate project into a separate bank account, which amount may only be used for land costs and costs for construction of such real estate projects and sets forth a separate resolution mechanism for real estate disputes.

The Insolvency and Bankruptcy Code, 2016 was notified on August 2016 offering comprehensive insolvency legislation encompassing all companies, partnerships and individuals. Further promulgation of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 amended the definition of

"financial debt" so as to accord home owners of residential real estate projects undergoing construction the status of a financial creditor. MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("**FSP Rules**") *interalia* governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. This may lead to risk of any single home buyer initiating corporate insolvency resolution process against the developers and leading to admittance of the borrowing entity in NCLT. This may thereby hinder loan repayments in respect of real estate projects funded by us.

For our rural business (which comprises of farm equipment finance, two-wheeler finance and micro loans), our Gross Stage 3 may be impacted by the difficulty to carry out precise credit risk analysis on borrowers as they typically do not have formal credit histories supported by tax returns and other documents that would enable us to assess their creditworthiness. In addition, we may not receive updated information regarding any change in the financial condition of these borrowers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by these borrowers or our employees. Borrowers in our rural business segment are also typically less sophisticated and may be particularly susceptible to adverse economic conditions, adverse environmental factors such as weak monsoons or flooding and other natural calamities.

Our borrowers may also default on their obligations to us as a result of their bankruptcy, loss of job or livelihood, illness, competition within their respective sectors, lack of liquidity, time and cost overrun, operational failure, breach of contract, government or other regulatory intervention and other reasons such as their inability to adapt to changes in the macro business environment. As of September 30, 2019, our total adjusted loans and advances outstanding were ₹ 51,382.46 crore and we expect that the size of our loan assets will grow as a result of our expansion strategy in existing as well as new products, which may expose us to an increase in Gross Stage 3 and an increased risk of defaults. Non-payment or default by borrowers in the future may adversely affect our financial condition and results of operations.

6. ***Any adverse developments in the industries in which we operate, may adversely affect our business and results of operations.***

Our principal business segments are rural, housing and infrastructure. Any adverse developments in the industries we operate in, may adversely affect our business and results of operations. Our asset portfolios include, and will likely continue to include, a high concentration of the foregoing business lines and the success of our lending business is thus dependent on, amongst others:

- the demand for two-wheelers, farm equipment and micro loans in India, including the factors affecting such demand (e.g. changes in Indian regulations and policies affecting utility vehicles, tractors and commercial vehicles, demand for transportation services in India, fuel price and consumer access to financing in the rural market);
- the demand for housing in India and developments in the real estate sector in India, including movement in real estate prices and changes in the legal and regulatory framework governing real estate transactions;
- the demand for infrastructure projects in India;
- any adverse developments in the industry, such impact of currency demonetization in 2016;
- monsoons, failed rains, droughts, floods, natural disasters and calamities;
- regulatory changes, changes in tax policies, adverse court rulings, environment-protection guidelines;
- political events such as loan waivers, subsidies and other schemes announced by central and state governments; and
- other macroeconomic conditions in India and globally.

7. ***We have significant exposure to certain sectors. Any negative trends in these sectors may affect the ability of our borrowers to perform their obligations under their existing financing agreements with us and increase the level of Gross Stage 3 assets in our portfolio, adversely affecting our business, financial performance and results of operations.***

We have significant exposure in renewable energy, roads, transportation projects, power transmission, housing, construction and rural sectors in India and may continue to have significant concentration of loans in these sectors. As on September 30, 2019, with 5.75 %, 21.35 %, 4.01 %, 15.08 %, 11.69 % and

1.13 % of our total adjusted loans and advances comprising of loans towards renewable energy projects, construction finance, transportation projects, farm equipment, two-wheelers and power transmission projects, respectively. Any significant negative trends in these sectors may affect the business of our borrowers, which in turn may affect their ability to perform their obligations under their existing financing agreements with us. Consequently, this may increase the level of Gross Stage 3 assets in our portfolio and may adversely affect our business, financial performance and results of operations.

8. ***We have significant exposure to certain borrowers. Any negative developments impacting the ability of such borrowers to perform their obligations under their existing financing agreements with us and increase in the level of Gross Stage 3 assets in our portfolio, may adversely affect our business, financial performance and results of operations.***

Our top 20 borrowers (including affiliates of such borrowers) in terms of adjusted loans and advances represented 19.44%, 17.14%, 17.80% and 18.71% of our total adjusted loans and advances as of September 30, 2019, March 31, 2019, 2018 and 2017, respectively. We may continue to have significant concentration of loans to such borrowers or other large corporate groups in India. Any negative developments impacting the ability of such borrowers to perform their obligations under their financing agreements with us, including any defaults on their obligations as a result of their bankruptcy, competition within their respective sectors, lack of liquidity, operational failure, government or other regulatory intervention, among others, may increase the level of Gross Stage 3 assets in our portfolio and may adversely affect our business, financial performance and results of operations.

9. ***We are subject to supervision by regulatory authorities and non-compliance with observations made by regulatory authorities during their periodic inspections could expose us to penalties and restrictions.***

As an NBFC, we are subject to periodic inspection by the RBI under Section 45N of the Reserve Bank of India Act, 1934 (the "**RBI Act**"), pursuant to which the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. Any irregularities found during such investigations by such regulatory authorities could similarly, expose us to warnings, penalties and restrictions.

During the course of finalization of inspection, regulatory authorities share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities also seek certain clarifications and share their findings in the ordinary course of business. We have responded to observations made by such authorities and addressed them, however we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future. For instance, pursuant to the inspection of our book of accounts for Fiscal 2019, the RBI highlighted, among others, sanctioning loans without linking it to the projected cash flows, restructuring of corporate loans without examining recoverability of loans and with lenient terms and conditions, audit committee was not functioning in the desired manner and non-availability of loan agreements in vernacular language. Our Company subsequently filed a letter with the RBI, replying to the observations made in the inspection report, and has responded to follow-up observations issued by the RBI.

In the event we are unable to resolve such deficiencies to the satisfaction of the relevant authority, we may be restricted in our ability to conduct our business as we currently do. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the regulatory authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation.

10. ***Our statutory auditors have highlighted certain matters of emphasis to their audit reports relating to our audited financial statements, which may affect our future financial results***.

Our statutory auditors have highlighted certain matters of emphasis to their audit opinion relating to our last five audited financial statements and Unaudited Ind AS Interim Financial Information for the six month period ended September 30, 2019, as mentioned below:

Financial year ended	**Auditor remarks**
March 31, 2017	**Emphasis of matter in standalone financial statements:**

	The auditors have drawn attention to note 29.15 of the financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the financial statements of the Company. The auditors have not modified their opinion in respect of these matters. **Emphasis of matter in consolidated financial statements:** The auditors have drawn attention to note 29.15 of the financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the financial statements of the Company. The auditors have not modified their opinion in respect of these matters.

There can be no assurance that our statutory auditors will not include further matters of emphasis or other similar comments in the audit reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report on our financial statements in the future may also adversely affect the trading price of the NCDs.

11. ***We are subject to laws and regulations governing the banking and financial services industry in India and changes in laws and regulations governing us could adversely affect our business, results of operations and prospects.***

As an NBFC, we are subject to regulation by Government authorities, including the RBI. For example, we are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other master directions. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Additionally, we are required to make various filings with the RBI, the Registrar of Companies, the Stock Exchanges where our debt securities are listed and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act, SEBI LODR Regulations and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and legal proceedings.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. Further, the legal, regulatory and policy environment in which we operate is evolving and subject to change. The laws, regulations and policies applicable to us may be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply with applicable laws and regulations. Such changes may also adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law, regulations and policies.

12. ***Certain of the loans provided by us are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of Gross Stage 3 and may adversely affect our business, prospects, results of operations and financial condition.***

Some of the loans provided by us are unsecured loans, recovery of which may be more challenging than the secured loans. The following table sets out the amount of unsecured adjusted loans and advances of our micro loans and corporate finance loans, respectively, as of September 30, 2019:

Business group	Total Adjusted Loans and Advances (Unsecured) ₹ crore	Percentage of Total Adjusted Loans and Advances ₹ crore	Net Stage 3 Assets ₹ crore	Net Stage 3 Assets/ Total Adjusted Loans and Advances (Unsecured)
Micro loans[1]	12,839.60	24.99%	17.56	0.14%
Corporate finance loans	1,480.89	2.88 %	202.56	13.68%
Retail Loans	649.18	1.26 %	2.51	0.39%

Business group	Total Adjusted Loans and Advances (Unsecured) ₹ crore	Percentage of Total Adjusted Loans and Advances ₹ crore	Net Stage 3 Assets ₹ crore	Net Stage 3 Assets/ Total Adjusted Loans and Advances (Unsecured)
Total	14,969.67	29.13%	222.63	14.21%

[1] *Micro loans forms part of our rural business segment.*

Unsecured loans present a higher risk of loss in case of a credit default as compared to loans to customers in other asset-backed financing products. In addition, there can be no assurance that our monitoring and risk management procedures will succeed in effectively predicting the right income levels of these customers or that our loan loss reserves will be sufficient to cover any actual losses. If there is a default by customers on repayment of such unsecured loans or if we are unable to recover our principal and interest through appropriate legal proceedings, we may experience increased levels of Gross Stage 3 and we may be required to make related provisions and write-offs that may have an adverse effect on our business prospects, financial condition and results of operations.

13. ***We may be exposed to potential losses due to a decline in value of assets secured in our favour, and due to delays in the enforcement of such security upon default by our borrowers.***

As at September 30, 2019 and March 31, 2019, approximately 70.87% and 71.78% respectively of our total loan portfolio (excluding inter-corporate deposits), is secured by a mix of both movable and immovable assets or other forms of collateral, depending on the nature of the transaction. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions (both global and domestic). For example, in relation to our wholesale business, our collateral is typically the assets and cash-flows from infrastructure projects such as renewable energy generation projects, power transmission projects and road projects. Any decrease in the value of such projects, including due to deterioration in the quality of such projects, inadequate development or maintenance or as a result of decreased demand, may result in diminishing the value of our collaterals. In the event of default by our customers, we cannot assure you that we will be able to sell our collateral including machinery, stock, two-wheelers or agricultural equipment or properties provided as security, due to various reasons including, unforeseen delays in our ability to take immediate action, winding up and foreclosure proceedings, defects in title, defects in perfection of the collateral or documentation relevant to the assets, stock market downturns, fraudulent transfers by our customers, difficulty in locating movable assets and the necessity of obtaining regulatory approvals and/or court orders for the enforcement of our collateral over those assets.

In addition, the value of real estate properties secured under our loans is largely dependent on prevalent real estate market conditions, as well the quality of the construction and the pedigree of the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. Any developments or events that adversely affect the real estate sector, including without limitation, changes in government policies, introduction of any stringent norms regarding construction, floor space index or other compliances, may also result in diminishing the value of our collaterals. If any of the projects which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security.

Similarly, for the asset-backed loans of our rural business segment, the equipment and vehicles purchased by our customers are hypothecated in our favour as security for the loans provided by us. The value of the equipment or vehicles, however, is subject to depreciation, deterioration, or a reduction in value on account of a number of external factors (such as wear and tear), over the course of time. Consequently, the realizable value of the collateral for the loan provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Further, in the case of a default, we typically repossess the asset financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers.

14. ***Micro loans pose unique risks not generally associated with other forms of lending in India, and, as a result, we may experience increased levels of Gross Stage 3 loans and related provisions and write-offs that could have an adverse effect on our business, future financial performance and results of operations.***

Our micro loans customers typically belong to economically weaker segments of society in India, who have limited sources of income and / or irregularity of income or earnings, savings and credit records, and who typically cannot provide us with any collateral or security for their borrowings. As a result, our micro loans customers present a higher credit risk of default than the customers of the other segments of our business (who have greater financial resources and more established credit histories) and other borrowers living in urban areas with better access to education, employment opportunities, medical and social services. In addition, we rely on non-traditional guarantee mechanisms in connection with our loan products, which are generally secured by individual and joint liability group guarantees, rather than tangible assets. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the joint liability group in the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities or forced migration. Further, while we have our own customized due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. In addition, repayment of micro loans are susceptible to various political and social risks, including any adverse publicity relating to the micro loans sector, misinformation, public criticism of the micro loans sector, the introduction of a stringent regulatory regime, or religious beliefs relating to loans and interest payments. Delinquency in the micro-loans in a particular area or region may have contagion effect on the otherwise regularly-repaying borrowers. As a result, our micro loans pose a higher degree of risk than loans secured with physical collateral.

The gross NPAs as a percentage of the total adjusted loans and advances were 4.68%, 4.06% and 0.01% as at March 31, 2018, 2017 and 2016, respectively, while the net NPAs as a percentage of net adjusted loans and advances were 0.56%, 3.65% and 0.01% as at March 31, 2018, 2017 and 2016, respectively.

As at September 30, 2019 and March 31, 2019, adjusted loans and advances for our micro loans segment were ₹ 12,840.53 crore and ₹ 12,475.80 crore respectively, which accounted for 24.99% and 24.42% of our total adjusted loans and advances. As at September 30, 2019 and March 31, 2019 Gross Stage 3 Assets for our micro loans was ₹ 314.16 crore and ₹ 377.60 crore. As on September 30, 2019 and as of March 31, 2019 the Gross Stage 3 Assets as a percentage of the total adjusted loans and advances for our micro loans segment was 2.45 % and 3.03% and Net Stage 3 Assets as a percentage of net adjusted loans and advances for our micro loans segment was 0.14 % and 0.23% . Due to the underlying financial and social circumstances of our micro loans customers and our non-traditional lending practices we may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that could have an adverse effect on our business, future financial performance and results of operations.

15. ***We may be unable to sell or reduce the size of loans under our defocused businesses which may adversely affect our business and results of operations.***

Commencing from April 1, 2016, we have streamlined and reorganized our financing businesses and employees under three primary financing business segments, i.e., rural business, housing business and wholesale business. Correspondingly, we divested certain part of, and are in the process of running-down, non-core business assets. These businesses include commercial vehicle financing, construction equipment financing, receivable discounting, car financing, among others. We have, vide a Business Transfer Agreement dated September 4, 2018 read together with the Deed of Assignment dated December 31, 2018 transferred our supply chain business by way of slump sale in favour of Centrum Financial Services Limited, effective December 31, 2018. Further, in April 2019 we identified certain business segment under wholesale – Structured & corporate finance and debt capital market where we were marginal players and shifted those businesses to defocused book. Our defocused businesses comprised 12.26 %, 1.45 %, and 3.75% of our total adjusted loans and advances as of September 30, 2019 and March 31, 2019, and March 31, 2018, respectively. In the event we are unable to further reduce the amount of loans outstanding under our defocused businesses or sell these loans to third parties at

acceptable rates, or at all, or if we have to write-off these loans or classify them as Gross Stage 3, our business, asset quality and results of operations may be adversely affected.

16. ***Our Promoter is also the Promoter of L&T Infrastructure Finance Company Limited ("LTIFCL"), L&T Housing Finance Limited ("LTHFL") and L&T Infra Debt Fund Limited ("L&T IDF") that operates in similar lines of business as us. Further, two of our Directors are also on the board of directors of LTIFCL and one of our Director is also on the board of directors of L&T IDF. In the event of a conflict of interest, our Promoter and our Directors may favour the interests of LTIFCL and/or LTHFL and/or L&T IDF, over our interests.***

Our Promoter, L&T Finance Holdings Limited is also the promoter of LTIFCL, which is interalia involved in the infrastructure finance business and housing finance business. LTIFCL primarily focus on underwriting greenfield infrastructure projects and refinancing operational projects and construction finance loans for real estate developers while LTHFL and L&T IDF primarily focus on construction finance loans for real estate developers and loans for infrastructure projects respectively. Our Company is also involved in the infrastructure finance business, housing finance business and other financing business. Our customer base and consequently our products being offered by LTIFCL LTHFL and L&T IDF, in the market may adversely affect the acquisition of clients, retention of our business. Further, we cannot assure you that LTIFCL, LTHFL and L&T IDF will not offer similar products in our geographical markets or to our customer base, which could create a potential conflict of interest for our Promoter. Further, our directors Mr. Dinanath Mohandas Dubhashi and Mr. Rishi Mandawat are also directors on the board of LTIFCL. Further, all our directors are also directors on the board of LTHFL. Mr. Dinanath Mohandas Dubhashi is also the director on the board of our Company and L&T IDF. We cannot assure you that our Directors will not compete in business in which we are already present or will enter into in the future. Due to such conflicts of interest, our Promoter and Directors may make decisions which may not be in the best interests of our shareholders/ stakeholders and adversely affect our business, results of operations and financial condition.

17. ***If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.***

We adhere to provisioning requirements related to our loan assets pursuant to applicable RBI regulations, as are relevant to us. For details relating to our Gross Stage 3, provisions for Gross Stage 3 and RBI provisioning norms, see "***Our Business***" on page 102 of this Draft Shelf Prospectus. If our provisioning requirements are insufficient to cover our existing or future levels of Gross Stage 3 loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

18. ***Part of our collections from customers is in cash, exposing us to certain operational risks.***

Part of our collections, specifically collections in our rural business segments, is in cash. Large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. Certain of our customers are from the rural and semi-urban markets, which carry additional risks due to limitations on infrastructure and technology. We have experienced 112, 44, 12, 20, 7 and 10 instances of fraud, for amounts aggregating to ₹ 0.56 crores, ₹ 0.64 crores ₹ 0.63 crores, ₹ 0.59 crores, ₹ 0.25 crores and ₹ 0.55 crores, in the six months ended September 30, 2019 and Financial Year 2019, 2018, 2017, 2016 and 2015 respectively. While we obtain insurance for our cash in transit and safes for storage of cash, we cannot assure you that the insurance obtained by us adequately covers all risks involved or will be paid in relation to the entire amount involved, or at all.

While we have implemented technology that tracks our cash collections, taken insurance policies, including coverage for cash in safes and in transit, and undertaken measures to detect and prevent unauthorized transactions, fraud or misappropriation, this may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We

may also be party to criminal proceedings and civil litigation related to our cash collections.

Our business is also susceptible to fraud by dealers, distributors and other agents through the forgery of documents, multiple financing of the same vehicle and unauthorized collection of instalments on behalf of us. Given the high volume of transactions involving cash processed by us in our rural business, certain instances of fraud and misconduct by our representatives or employees may go unnoticed for some time before they are discovered and successfully rectified. Even when we discover instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, there can be no assurance that we will recover any amounts lost through such fraud or other misconduct. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of such systems will result in losses that are difficult to detect or rectify.

19. ***We depend on the accuracy and completeness of information about borrowers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether to extend credit or to enter into other transactions with customers, we rely on information furnished to us by or on behalf of borrowers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from borrowers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus such as CIBIL and Equifax, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation on the part of our customers or employees. In addition, customers may misrepresent information in the loan application forms including in relation to the intended end use of the loans and may apply the loans disbursed for end uses different from those mentioned in the loan application form. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Although as part of our credit policy, we are required to conduct credit checks of all our customers, including with credit bureaus, and conduct site-visits (wherever relevant) and personal discussions, there can be no assurance that such credit information will be accurate or comprehensive. There may be relatively less financial and credit information available on retail and rural individual borrowers, micro, small and medium enterprises and in relation to the possibility of double-financing obtained by any such clients, than may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our Gross Stage 3 and restructured assets, which could adversely affect our business prospects, financial condition and results of operations.

20. ***We are in the process of upgrading our information technology systems and any failure to achieve intended results from such upgrades may adversely affect our operations and reputation.***

Our business is dependent upon increasingly complex and interdependent information technology systems and as part of our emphasis on data analytics and increasing use of electronic processes in our businesses, we are in the process of upgrading such systems. See the chapter titled "***Our Business***" on page 102 of this Draft Shelf Prospectus. We have commenced utilizing the loan management system capabilities of a reputed third party and have migrated our data from our previous loan management systems. We have also entered into agreements with third parties such as IT companies to upgrade our IT infrastructure and are in the process of establishing new technology enabled centralized processing units. If our IT vendors are unable to fulfil their contractual obligations or if we encounter any failure in the timely implementation, performance or integration of such systems, we may not be able to recover the expenses we incurred, experience interruptions in our operations, loss of customers, damaged

reputation and weakening of our competitive position.

Further, our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis, including adopting and implementing new technologies before our competitors. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Any failure to effectively maintain or improve or upgrade our technology systems in a timely manner could adversely affect our competitiveness, financial position and results of operations.

21. ***Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition.***

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of rating agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. For example, our credit ratings may depend on the financial performance and business prospects of our Promoter and its majority shareholding in our Company. CRISIL, CARE, India Ratings and ICRA have rated our Company's NCDs at [CRISIL] AAA/Stable, CARE AAA/Stable, IND AAA / Stable and ICRA AAA/Negative, respectively. The rating on our Company's short-term debt by ICRA, CRISIL and CARE are at ICRA A1+, CRISIL A1+ and CARE A1+, respectively. For further details, see the chapter titled "***Our Business***" on page 102.

Credit ratings across the industries we operate may also depend on the underlying circumstances and economic environment around such industries. For instance, in 2016, as a result of a number of factors, such as the Government of India's demonetization measures, the credit ratings of a number of NBFCs were downgraded.

India Ratings vide rating rationale dated November 15, 2019 has opined in its rating sensitivities that dilution of support expectations from L&T group is either on account of the Company's inability to manage asset quality (especially in view of the high loan growth strategy), resulting in higher-than-expected losses or diminished business prospects, materially weakened financial parameters, lack of improvement in standalone as well as overall liquidity position, inadequate improvement in leverage in the opinion of the agency or decreased importance of the Company or financial services to the L&T group, or otherwise could lead to a rating downgrade. The lack of timely support in terms of equity capital for growth or a liquidity event would also lead to a negative rating action. Also, any material deterioration in the credit profile of the L&T group or a change of ownership outside of the group could also lead to a negative rating action.

Further, CRISIL vide rating rationale dated November 14, 2019, has listed out the following downward factors for Company's rating (a) Decline in the credit risk profile of Larsen and Toubro Limited by one notch could lead to a similar rating change for the Company's Promoter and its subsidiaries; (b) Any material change in the shareholding or support philosophy of Larsen and Toubro Limited for our Promoter, its subsidiaries and its associates; (c) Weakening in the capital structure of the our Promoter, its subsidiaries and its associates, with gearing exceeding 7.5 times on a steady-state basis, and/or deterioration in asset quality leading to a substantial decline in profitability.

Also, CARE in its rating rationale dated November 19, 2019 has mentioned key negative factors as (a) Weakening of our parent company's credit profile; (b) Material deterioration in asset quality for L&T Finance Holdings Limited group; and (c) Increase in gearing (Debt/Net-worth) beyond 9x levels at L&T Finance Holdings Limited group level.

Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. However, these ratings are not recommendations to buy, sell or hold securities and prospective investors should take their own decisions.

22. ***We may require additional financing for our business operations and the failure to obtain additional***

financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.

We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

23. ***We may experience difficulties in expanding our business into new regions and markets in India.***

As part of our growth strategy, we continue to evaluate opportunities to expand our business into new markets in and outside India. For our rural business we intend to expand our branch network services in the rural and semi-urban markets of India, as well as additional districts in the states in which we are present. Factors such as competition, customer requirements, regulatory regimes, business practices and customs in these new markets may differ from those in our existing markets, and our experience in our existing markets may not be applicable to these new markets. For instance, a number of states in India have enacted laws to regulate money lending transactions. These laws establish a maximum rate of interest that can be charged. There is ambiguity on whether or not NBFCs are required to comply with the provisions of these state money lending laws. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. If it is judicially determined or clarified in law that such statutes apply to NBFCs, our expansion in such states could be hindered.

In addition, as we enter new markets and geographical regions, we are likely to compete with not only other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with target customers.

As we plan to expand our geographic footprint, our business may also be exposed to additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no existing relationship; successfully marketing our products in markets in which we have no familiarity; attracting customers in a market in which we do not have significant experience or visibility; being subject to additional local and/or foreign taxes; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to new markets in and outside of India, in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations may adversely affect our business, financial conditions, and results of operations.

24. ***We may develop new financial products which may not yield the intended results and which in turn may have an adverse effect on our business, prospects and results of operations.***

We may from time to time evaluate the introduction and launch of new financial products. Developing and commercializing a new product can be time consuming, costly and subject to numerous factors, including among others:

- ability to correctly anticipate customer demand and the market for such products;
- ability to develop products in a timely manner and in compliance with regulatory requirements;
- risk that any of our products that maybe under development, if and when fully developed and tested, will not perform as expected;
- delays or unanticipated costs; and
- delay in locating and establishing collaborations with distributors or other channels to distribute our products in our targeted markets.

We cannot assure you that any expenses we incur in developing or distributing such products will be recovered, partially or at all, even if we are successful in launching such products. In the event we fail to successfully and timely develop, and launch new financial products, our business, prospects and results of operations may be adversely affected.

25. ***We may make acquisitions of, or investments in, complementary businesses or products, or seek to engage in strategic transactions which may be on terms that may not be commercially advantageous, may require additional debt or equity financing, and may not yield intended results.***

We periodically review potential acquisition of products, product rights and complementary businesses and intend to continue to evaluate, potential product or business acquisitions including to expand our geographic presence and product portfolio. Further, we may seek to engage in strategic transactions with third parties, such as tie-ups, joint ventures, restructuring, business combinations, among others. We cannot assure you that we will be able to identify suitable acquisition, strategic transactions or investment opportunities. To the extent that we do identify opportunities that we believe to be suitable, we cannot assure you that we will be able to reach an agreement, that the terms we may agree to will be commercially advantageous to us, or that we will be able to successfully consummate such investments, acquisitions or transactions even after definitive documents have been signed.

If we require financing in order to fund such transaction, we cannot assure you that we will be able to obtain required financing when needed on commercially acceptable terms, or at all. Further, any such transactions may require us to incur non-recurring and other charges, increase our near and long-term expenditures, pose significant integration challenges, require additional expertise, result in dilution of our existing shareholders and disrupt our management and business, which may adversely affect our business, financial position and results of operations. We also may face significant competition in seeking appropriate investments or acquisitions. We cannot assure you that, following the consummation of such investments or acquisitions, these transactions will yield intended results.

26. ***We depend on the services of our management team and employees and our inability to recruit and retain them may adversely affect our business.***

Our future success depends substantially on the continued service and performance of members of our management team, and in particular, our Directors and KMP and also upon our ability to manage key issues relating to human resource such as selecting and retaining key employees, developing managerial experience, addressing emerging challenges and ensuring a high standard of client service. There is intense competition for experienced senior management and other qualified personnel, particularly office managers, field executives and employees with local knowledge in client procurement, loan disbursement and instalment collections. If we cannot hire additional or retain existing management personnel and employees, our ability to expand our business will be impacted and our revenue could be adversely affected. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, divert management resources, adversely affect our origination and collection rates, increase our exposure to high-risk credit and impose significant costs on us. While we have an incentive based remuneration structure, employee stock option schemes and training and development programs designed to encourage employee retention, our inability to attract and retain talented professionals, or the resignation or loss of senior personnel, may have an adverse impact on our business, future financial performance.

As of September 30, 2019, we employed 22,090 permanent employees. Though we believe that we maintain good relationship with our employees, we cannot assure you that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and result operations.

27. ***Our business is heavily dependent on our operations in certain regions in India, and any adverse changes in the conditions affecting these regions can adversely impact our business, financial condition and results of operations.***

Our farm equipment finance business is dependent on the state of Madhya Pradesh, with 14%, 13.80 % and 17.81%, of our outstanding farm equipment finance loans as of September 30, 2019; March 31, 2019, and March 31, 2018 respectively, arising from this state. Further, our housing business operates in 6 locations, out of which, top two locations (Mumbai and NCR) accounted for 59.37%, 62.78% and 70%, of our outstanding housing business loans as of September 30, 2019, March 31, 2019; and March 31, 2018 respectively, arising from these regions.

In the event of a regional slowdown in the economic activity in these regions or factors such as a slowdown in sectors such as real estate or agriculture in these states, we may experience more pronounced effects on our financial condition and results of operations. Our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting, the economy in these regions. Therefore, any significant social, political or economic disruption, or natural calamities or civil disruptions in these regions, or changes in the policies in these regions may affect our business operations, require us to incur additional expenditure and change our business strategies.

28. ***We enter into assignment transactions to transfer certain receivables from our outstanding loan portfolio. If such assignment of receivables is held to be unenforceable under applicable law, our business, financial condition and results of operations could be adversely affected.***

From time to time we assign receivables from our outstanding loan portfolio to other NBFCs and banks for a consideration to, among other reasons, improve our liquidity and financial ratios. As of September 30, 2019, our portfolio of assigned outstanding loans was ₹ 3.36 crore, constituting 0.01 % of our Company's total adjusted loans and advances. In January 2009, the High Court of Gujarat held that the provisions of the Banking Regulation Act, 1949 do not permit banks to assign debt due to them, including the assignment of debt between two banks. However, on appeal, the Supreme Court of India reversed the decision of the High Court of Gujarat and held that assignment of debts by the banks inter-se is not barred by law. If in the future, one or more of the assignment transactions entered into by us is held to be unenforceable by a court of law, due to change in law either through judicial pronouncements or through Government notifications or otherwise we may be required to terminate such assignment transactions. Such events may adversely affect our business, financial condition and results of operations.

29. ***We are required to prepare our financial statements with effect from April 1, 2018 under the Ind AS. As Ind AS differs in various respects from Indian GAAP, our financial statements for the financial year 2019 may not be comparable to our historical financial statements.***

We were required to prepare our financial statements in accordance with Indian GAAP upto financial year ended March 31, 2018. The Companies (Indian Accounting Standards) Rules, 2015 ("IAS Rules"), as amended enacted Ind AS to converge with IFRS with few exceptions and exemptions. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with Ind AS, although any company may voluntarily implement Ind AS for the accounting period beginning from April 1, 2015. All NBFCs having a net worth of more than ₹ 5,000 million are required to mandatorily adopt Ind AS for the accounting period beginning from April 1, 2018 with comparatives for the period ending on March 31, 2018.

Our financial results for financial year ended March 31, 2019 and for comparable period for the financial year ended March 31, 2018 have been adjusted for the changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS permitted under Ind AS 101. For a summary of the significant qualitative differences between Indian GAAP and Ind AS, as applicable to our Company, see "***Summary of Significant Differences Between Indian GAAP and Ind AS***" on page 160 of this Draft Shelf Prospectus. However, this summary may not contain all significant differences between Indian GAAP and Ind AS applicable to our Company and reliance by prospective investors on this summary should be limited. Accordingly, our financial statements for the period commencing from April 1, 2018 are not comparable

to our historical financial statements.

30. ***We face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.***

Certain of our customers are from the rural and semi-urban markets, which may have limited infrastructure, particularly for transportation and electricity. At offices in remote markets, we may face difficulties in conducting operations, such as accessing power facilities, transporting people and equipment, implementing technology measures. We may also face increased costs in conducting our business and operations and implementing security measures. There can be no assurance that such costs will not increase in the future as we expand our network in rural and semi urban markets, which could adversely affect our profitability.

31. ***A decline in our Company's capital ratio or capital adequacy requirement could restrict our future business growth.***

As a NBFC-ND-SI, our Company is required to maintain a capital ratio-requirement of at least 15% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off balance sheet items) on an ongoing basis. In addition, we are regulated by the RBI, and are subject to certain capital adequacy ratios. The minimum capital requirement or capital adequacy ratios required to be maintained by us, as well as the respective capital adequacy ratios of us as at September 30, 2019 and March 31, 2019 are as follows:

Category	Minimum capital requirement/ adequacy ratio	Capital adequacy ratio	
		September 30, 2019	March 31, 2019
NBFC-ND-SI	15%	18.02%	16.98%

If we continue to grow our loan assets and asset base, we will be required to raise additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us.

32. ***Our risk management measures may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated such as the risk of employee or human error. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

Some of our borrowers may not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures, or other related documents, have limited formal education, and may only be able to furnish limited information for us to assess their creditworthiness accurately. In addition, we may not receive updated information regarding any change in their financial condition or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation. It is therefore, difficult to carry out credit risk analysis on our borrowers. Although we have established policies and procedures, they may not be fully effective. For further information, see the chapter titled "***Our Business***" on page 102 of this Draft Shelf Prospectus. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFCs, standards and practices in the sectors we cater to, on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. We cannot assure you that we will successfully implement new technologies or adapt our transaction-processing

systems to customer requirements or evolving market standards.

33. ***Any failure, inadequacy and security breach in our information technology systems may adversely affect our business.***

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices, most of which are connected through computer systems and servers to our head office. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services, particularly in the rural and semi-urban markets in which we primarily operate. Our business is particularly susceptible to such disruptions because of our reliance on technology systems and processes, our mobility solutions and the higher cost of installation and implementation of technology in the rural and semi-urban markets for our rural business. For example, our two-wheeler finance business is conducted entirely through our mobile based technology relying on electronic customer checks, electronic data capture, online income assessment and automated processes. Any failure in these systems may adversely affect our business.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, customer KYC documents (including identity proofs, income and tax statements and bank account details), employee data and propriety business data, trade secrets or other intellectual property, for which we could potentially be liable. In addition, our systems are potentially vulnerable to data security breaches, whether by employees, who may have a lack of experience with our newer information technology systems, or others, that may expose sensitive data to unauthorized persons. Although we have not experienced any significant disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties. Moreover, if there are other shortcomings or failures in our technology systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

34. ***We utilize the services of certain third parties for our operations. Any deficiency or interruption in their services could adversely affect our business and reputation.***

We engage third party service providers from time to time for services including the valuation of assets and legal services, direct selling agents and as collection agents. Such third parties are typically proprietorships or professionals. Our agreements with them typically do not provide for any exclusivity, and accordingly, they can work with other lenders, including our competitors. There can be no assurance that our direct selling agents will continue to provide a significant number of leads for loans to us in comparison with our competitors, or at all. Some third party vendors may also be small companies which are likely to experience financial or operational difficulties than larger, well established companies due to limited financial and other resources. This may result in a delay of services or products delivered to us and we may be unable to find alternative vendors.

In addition, we utilize third party vendors for our information technology systems and rely on such vendors for adequate and timely delivery of services, providing support and troubleshooting advice and maintaining adequate resources and bandwidth for the smooth running of our operations. Our ability to control the manner in which services are provided by third party service providers is limited and we may be held liable on account of any deficiency of services on the part of such service providers. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third party service providers. Any disruption or inefficiency in the services provided by our third-party service providers could affect our business and reputation.

35. ***We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.***

We may face potential liquidity risks because our assets and liabilities mature over different periods. As is typical for NBFCs, we meet a portion of our funding requirements through short-term funding sources,

such as by issuing commercial paper, short-term loans from banks. The majority of our loan assets, however, mature over the medium term. There are stipulated limits for mismatches in the different time buckets in the statement of structural liquidity for NBFCs, which the company continuously monitors and endeavours to stay within. However, our inability to accurately forecast our cash inflows and cash outflows and based on it obtain additional credit facilities or renew our existing credit facilities or fund long term assets in a regulatory compliant, timely and cost-effective manner or at all may lead to negative mismatches between our assets and liabilities, which in turn may adversely affect our operations and profitability and even solvency.

36. ***There are outstanding litigation pending against us, which, if determined adversely, could affect our business, results of operations and financial condition.***

Our Company, Promoter and our Directors are party to legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that no further liability may arise from these claims in the future.

Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations. See the chapter titled "***Outstanding Litigations and Defaults***" on page 201 of this Draft Shelf Prospectus for a description of certain material proceedings involving our Company, Group Companies and our Directors.

37. ***The currency demonetization measures imposed by the Government of India adversely affected the Indian economy and similar unanticipated measures may adversely affect our business operations, financial condition and results of operations.***

On November 8, 2016, the RBI and the Ministry of Finance, Government of India, withdrew the legal tender status of the then in circulation ₹ 500 and ₹ 1,000 currency notes pursuant to a notification dated November 8, 2016. Pursuant to this currency demonetization, these high denomination notes have no value and cannot be used for transactions or exchange purposes. These notes were replaced with a new series of currency notes of ₹ 500 and ₹ 2,000 denominations through banks. The process of demonetization and replacement of these high denomination notes significantly reduced the liquidity, and consequently spending, in those sectors of Indian economy which are being a cash-based. There was substantial impact on predominantly cash-based businesses, informal and unorganized sectors, in particular in relation to our micro loans business. Certain of our customers are low- and middle-income individuals, and micro, small and medium enterprises that have been substantially affected by this measure which in turn had an impact on our collections.

While the comprehensive and long-term impact of this currency demonetization measure is still being ascertained, other similar disruptive measures in the future may also have a significant adverse impact on the economy, our target customer segments and our business prospects.

38. ***We benefit from our relationship with L&T which retains majority shareholding in our Promoter, which will allow it to exercise significant influence over us.***

As on September 30, 2019, L&T controls 63.86% of our Promoter's outstanding Equity Shares. Our Company being a wholly owned subsidiary of our Promoter, L&T will continue to exercise significant influence over our business policies and affairs and all matters requiring ordinary shareholder approval. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoter and/or L&T.

In addition, we operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. We leverage on the goodwill of our Promoter and the L&T group. We believe that this goodwill ensures a steady inflow of business. In the event L&T withdraws the use of its trademark and logo for our operations, is unable to maintain the quality of its services or brand name or its goodwill deteriorates for any reason whatsoever, our business and results of operations may be adversely affected.

In addition, in the event of any change of control, merger, consolidation, takeover or other business combination involving us, a transfer of shares by our Promoter, or actions such as a preferential allotment to any investor or a conversion of any convertible instruments, our ability to leverage the "Larsen & Toubro" brand may be adversely affected and the benefits of being a Larsen & Toubro group company, which includes access to capital and human resources, various operational synergies and our ability to leverage business from other Larsen & Toubro group companies, may no longer be possible and as a result of which, could adversely affect our business, future financial performance and results of operations.

39. ***We have entered into, and may continue to enter into, related party transactions and we cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have entered into transactions with several related parties, including our Promoter and companies in the L&T group. We can give no assurance that we could not have achieved more favourable terms had such transactions been entered into with parties that were not related parties and such transactions would be perceived to be 'arms-length' transactions by the regulatory and statutory bodies. Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition, reputation and results of operations. The transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest and reputational risk. For more information, see the chapter titled "***Related Party Transaction***" on page 157 of this Draft Shelf Prospectus.

40. ***Our Promoter and a Director holds Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Promoter and a Director (*holding 1(one) equity share jointly with the Promoter*) is interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoter and the said Director will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter and the Director may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

41. ***Our Company's Promoter, Directors and related entities have interests in a number of entities which are in businesses similar to our Company's business and this may result in potential conflicts of interest with our Company.***

Our Company's Promoter, Directors and related entities may have interests in various entities that may be engaged in businesses similar to our Company. Commercial transactions in the future between our Company and related parties may result in conflicting interests. Certain decisions concerning our Company's operations or financial structure may present conflicts of interest among our Company's Promoter, Directors and executive officers. Conflicts of interest may also arise out of common business objectives shared by our Company, our Company's Promoter, Directors and their related entities. Our Company's Promoter, Directors and their related entities may compete with our Company and have no obligation to direct any opportunities to our Company. We cannot assure you that these or any other conflicts of interest will be resolved in an impartial manner, and any of these conflicts could adversely affect our business and results of operations.

42. ***Fluctuations in the market values of our investments and other asset portfolio could adversely affect our result of operations and financial condition.***

We maintain a portfolio of investments, which includes government securities, corporate debt securities, certificates of deposits and various mutual fund units. Any financial turmoil in the financial markets has the ability to adversely impact the economic activity in India and globally. Continued deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could adversely affect our reported income and financial condition.

43. ***Any failure or significant weakness of our internal controls system could cause operational errors or incidents of fraud, which would materially and adversely affect our profitability and reputation.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal or concurrent audit functions are equipped to make an evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to our internal risk policies, compliance requirements and internal circular guidelines. While we periodically test and update, as necessary, our internal controls systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified.

Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. We face operational risks in our various businesses and there may be losses due to failures or inadequacies of our internal controls systems. Failures in our internal controls systems may lead to deal errors, pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. Failures or material weaknesses in internal controls may also lead to incidents of fraud. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition.

44. ***We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.***

We require certain statutory and regulatory approvals for conducting our business and may also need additional approvals from regulators in connection with other fee-based products to our customers. For example, we are required to obtain and maintain a certificate of registration for carrying on business as an NBFC. We are also required to comply with the prescribed requirements including exposure limits, classification of Gross Stage 3, KYC requirements and other internal control mechanisms. In the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. We may not be able to obtain such approvals in a timely manner or at all.

In addition, our various offices, meeting centres and customer care centres are required to be registered under the relevant shops and establishments laws of the states and also require a trade license in municipal limits of certain states which are subject to periodic renewals, which we may not be able to obtain in a timely manner. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. Any court in India, arbitration panel or regulatory authority may in the future find that we have not complied with applicable legal or regulatory requirements. We may also be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner or at all, our business may be adversely affected.

If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

45. ***Our insurance coverage may not adequately protect us against losses.***

We maintain insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will

continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.
A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co- insurance requirement, could adversely affect our business, financial condition and results of operations.

46. ***We do not own the "L&T" trademark and logo. In the event that we are unable to use the "L&T" trademark and logo or if there are any unauthorized usage which may result in the dilution of the trademarks recognized with our Company and loss of reputation, our business and results of operations may be adversely affected.***

The "L&T" trademark is registered in favour of L&T. Pursuant to a Trademark License Agreement read together with the scheme of amalgamation effective from February 13, 2017, our Company has been granted a global non-exclusive, non-transferrable license to use the "L&T" trademark and logo for a consideration payable by each of the licensees of up to 0.15% of the assets, or 1.5% of the PAT for the first year, 3.0% of the PAT for the second year or 5.0% of PAT for the third year onwards, of each of the licensees, whichever is lower, plus goods and service tax. The payment of such consideration is made on an annual basis, unless otherwise agreed amongst the parties. The Trademark License Agreement can be terminated by the parties thereto upon written notice in accordance with its terms. Furthermore, the Trademark License Agreement can also be terminated by any party upon change in management control of any of the licensees or upon breach of the terms of the Trademark License Agreement by any of the licensees. In the event that the Trademark License Agreement is terminated, we may have to discontinue the use of the "L&T" trademark and logo. For further details please refer to chapter titled *"**Our Business***" on page 102 of this Draft Shelf Prospectus.

Further, third parties may infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure you that any unauthorized use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

Our inability to use these trademarks and any unauthorized usage could result in the dilution of the trademarks recognized with our Company and loss of reputation, which may result in adverse effects to our business and results of operations.

47. ***Most of our offices and branches are located on leased premises and non-renewal of lease agreements or their renewal on terms unfavourable to us could adversely affect our operations.***

As of September 30, 2019, all our 216 branches are housed on leased premises. Lease agreements entered into in relation to such premises have provisions which allow us to renew the agreement on mutually agreed terms and contain provisions for issuance of notices subject to a notice period in case of termination or non-renewal. In the event, any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

48. ***Our Company has incurred significant indebtedness and may incur additional debt. The conditions and restrictions imposed by our financing agreements could adversely impede our flexibility in conducting our business.***

As of September 30, 2019, our Company, had total borrowings of ₹ 45,115.83 crore. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow further now and in the future;
- affecting our capital adequacy requirements; and
- increasing our interest expenditure.

Most of our financing arrangements are secured by charge on receivables from our outstanding loans and other business operations. Certain of our financing agreements also include certain conditions and covenants requiring us to maintain stipulated financial ratios and obtain consents from lenders prior to carrying out certain activities and entering into certain transactions. For instance, we are required to obtain prior written consents from respective lenders for, among others, the following matters:

- to declare or pay dividend to any of our shareholders whether equity or preference, during any financial year unless we have paid to the lender the dues payable by them in that year;
- to change the capital structure;
- to undertake or permit any merger, amalgamation or compromise with the shareholders, creditors or effect any scheme of amalgamation or reconstruction;
- to amend the MOA and AOA or alter the constitution;
- to undertake substantial change in general nature of business
- to change the ownership or control; and
- to make any major investments by way of deposits, loans or share capital in any manner.

Compliance with the various terms of our loans is subject to interpretation and we cannot assure you that we have requested, received or will receive all consents from our lenders that would be advisable under our financing documents. As a result, it is possible that a lender could assert that we have not complied with certain terms under our financing documents. Any failure to service our indebtedness, comply with a requirement to obtain consent or perform any condition or covenant could impede our flexibility in conducting our business, which may have an adverse effect on our business and results of operations.

49. ***Certain supporting documents in connection with the biographies of certain of our Directors included in the section "Our Management" and certain litigation against our Company included in the section "Outstanding Litigations and Defaults" of this Draft Shelf Prospectus are unavailable***

Certain documents supporting the information included in the biographies pertaining to the previous work experience, for certain of Directors, disclosed in the chapter "***Our Management***" on page 134 of this Draft Shelf Prospectus are unavailable. Such details pertaining to the Directors are supported by affidavits executed by such Directors, certifying the authenticity of the information provided by them.

50. ***We have not independently verified certain data in this Draft Shelf Prospectus.***

We have not independently verified data from industry publications contained herein, including the report, *CRISIL Research – 'NBFC Report 2019', "EcoView 2019" and 'Two Wheeler Report 2019"* prepared by CRISIL, and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, the Indian economy, as well as NBFCs, the housing industry, the automobile industry and mutual funds industry that are included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

51. ***We have availed certain unsecured loans that are recallable by the lenders, subject to the terms and conditions of their grant, at any time.***

We have availed of unsecured loans and other instruments, amounting to ₹ 4,992.60 crore as of September 30, 2019, which are recallable on demand by our lenders. In such cases, the lenders are empowered to require repayment of the facility at any point in time during the tenure. In case any of such loans are recalled on demand by our lenders and we are unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. For further information, see the chapter titled "***Financial Indebtedness****"* on page 164 of this Draft Shelf Prospectus.

52. ***Certain loans and debt raised by us entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.***

There are certain loans and debt, including NCDs raised by us, aggregating to ₹ 19,985.75 crore as of September 30, 2019, interest rates for which are either fully floating or partially floating in nature, expressed as a Marginal Cost of funds-based Lending Rate (MCLR) and interest spread, which is variable. Further, financing agreements in relation to such debt include provisions providing for interest rates to be periodically reset, or changed based on the lender's internal policies. We are susceptible to fluctuations in interest rates and associated risks for such debt. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows net interest income and financial condition.

53. ***We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/periods. Any negative cash flows in the future could adversely affect our results of operations and financial condition.***

We had a cash outflow from operating activities of ₹ 23.41 crore and ₹ 7,517.73 crore for the six months ended September 30, 2019 and financial year 2019 (as per Ind AS), respectively and ₹ 9,001.93 crore, and ₹ 2,479.32 crore for the financial years 2018 and 2017 (as per IGAAP), respectively. Further, we had a cash outflow/(inflow) from investing activities of ₹ 2,145.81 crore and ₹ (2,197.12) crore, for financial year 2019 and six months ended September 30, 2019, respectively. If we experience any cash outflow in the future, this could adversely affect our business prospects, financial condition and results of operations. For further information, see the section titled "***Financial Information***" on page 158 of this Draft Shelf Prospectus.

54. ***In the event there is a disallowance of certain tax benefits availed by us, we may face increased tax expenses and litigation costs and consequently our business and financial condition may be adversely affected.***

L&T Fincorp Limited and L&T Finance Limited merged with Family Credit Limit and Family Credit Limited was renamed as L&T Finance Limited as a part of the scheme of amalgamation, the appointed date being April 1, 2016. Pursuant to the amalgamation, certain distribution and customer network rights were recognized as an intangible asset, valued at ₹ 438.80 crores and ₹ 2,828.51crores was recorded as goodwill on amalgamation. We have elected to amortize such intangible assets on a straight line basis over a period of five years with effect from April 1, 2016. The tax benefits arising from the amalgamation are subject to assessment under applicable income tax laws. In the event there is a disallowance of the amortization of intangible assets pursuant to the amalgamation, or any other tax benefits arising from the amalgamation, we may face increased tax expenses and litigation costs and consequently our profitability may be adversely affected.

55. ***We have certain contingent liabilities, which, if materialized, may adversely affect our financial condition.***

As of September 30, 2019, we had certain contingent liabilities not provided for, amounting to ₹ 1,322.07 crore determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts. Further, the contingent liability of amounts disclosed in our Reformatted Financial Information represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information on such contingent liabilities as defined under IND AS 37 issued by the ICAI, see "***Financial Information***" on page 158 of this Draft Shelf Prospectus. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

56. ***We have in this Draft Shelf Prospectus included certain non-GAAP financial measures and certain other financial information related to our operations and financial performance. These non-GAAP measures and financial information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies***

Certain non-GAAP financial measures and certain other financial information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Shelf Prospectus. We compute and disclose such non-GAAP financial measures and such other financial information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other NBFCs and financial services companies**.**

57. ***Security provided for the Issue may not be enforceable if the security provided for the Issue is classified as 'Assets' under the IT Act and will be void as against any claim in respect of any tax or any other sum payable by our Company.***

We have certain proceedings pending under the IT Act before the appellate authorities. Under section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, our Company is required to obtain prior consent of the assessing officer to create the security provided for the Issue to the extent classified as assets under section 281 of the IT Act, during the pendency of such proceedings. We made an application to the relevant assessing officer seeking such prior consent on November 22, 2019 under section 281 of the IT Act. In the event that such approval is revoked, the security provided for the Issue to the extent classified as 'Assets' under section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by our Company, including as a result of the completion of these proceedings.

58. ***The new bankruptcy code in India may affect our rights to recover loans from borrowers.***

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 66% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes. Further, under this process, dues owed to the Central and State Governments (including on account of the Consolidated Fund of India or the relevant consolidated fund of a state) rank at par with the residuary debts owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Further, since home owners of residential projects undergoing construction have now been given the status of a financial creditor, they may therefore initiate corporate insolvency resolution process against

the developers. This may thereby hinder loan repayments in respect of real estate projects funded by us. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets *interalia* by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria.

Recently, MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("**FSP Rules**") *interalia* governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

EXTERNAL RISKS

Risks Relating to India

59. ***Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.***

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies, like application of GST;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any

slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance.

60. ***Any adverse change in India's credit rating by an international rating agency could adversely affect our Company's business and profitability.***

In May 2013, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy Government borrowing as the most significant constraints on its ratings and recommended the implementation of reforms and containment of deficits. In June 2013, Fitch, another international rating agency, returned India's sovereign outlook to "stable" from "negative" a year after its initial downgrade of the outlook, stating that the authorities had been successful in containing the upward pressure on the central Government budget deficit in the face of a weaker-than-expected economy and that the authorities had also begun to address structural factors that have weakened the investment climate and growth prospects. Similarly, Standard & Poor's upgraded its outlook on India's sovereign debt rating to "stable" in September 2014 and retained such rating in October 2015, while reaffirming the "BBB" long-term rating on bonds. Standard & Poor's stated that the revision reflects the view that India's improved political setting offers an environment which is conducive to reforms that could boost growth prospects and improve fiscal management. Further, Moody's raised the rating from the lowest investment grade of Baa3 to Baa2 and changed the outlook from stable to positive. Recently in the month of November 2019, the outlook on the Government of India's rating was further changed to negative from stable by Moody's. Going forward, the sovereign ratings outlook will remain dependent on whether the Government is able to transition the economy out of a low-growth and high inflation environment, as well as exercise adequate fiscal restraint. Any adverse change in India's credit ratings by international rating agencies may adversely impact our Company's business and limit its access to capital markets.

61. ***The instability of economic policies and the political situation in India could adversely affect the Indian financing industry.***

There is no assurance that the liberalisation policies of the government will continue in the future. Protests against privatisation could slow down the pace of liberalisation and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic and international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued various economic liberalisation policies such as relaxing the restrictions in the private sector over the past few years.
The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. As a result, our Company's business may be affected by changes in the interest rates, government policy and taxation. Furthermore, our Company's business may be adversely affected by social and civil unrest or other negative political, economic or other developments in or affecting India.

62. ***Financial difficulties and other problems in certain financial institutions in India could cause our Company's business to suffer and adversely affect our Company's results of operations.***

Our Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Our Company can also be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is commonly referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges which exposes our Company to the systemic risks faced by entities operating in the Indian financial system. For instance, certain Indian financial institutions have experienced difficulties in recent years, including with respect to write-offs of Gross Stage 3 loans made to certain large, corporate borrowers. Some co-operative banks (which tend to operate in rural sector) have also faced serious

financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs merging with stronger entities. Any instability in or any difficulties faced by the Indian financial system could create an adverse market perception in relation to Indian financial institutions, banks and the NBFCs. This, in turn, could adversely affect our Company's business and future financial performance.

63. ***Any volatility in the exchange rate may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact our Company.***

Capital inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. While the current account deficit ("**CAD**") remained a main area of concern over fiscal year 2012 and fiscal year 2013, it has shrunk sharply in fiscal year 2015 and fiscal year 2016. A substantial decline in the imports bill, mainly on account of lower crude oil prices led to a significant narrowing in the trade deficit that in turn reduced the size of the CAD. However, the primary challenge for the Indian Rupee was the volatile swings in capital flows. The Indian Rupee recorded a high of ₹ 68.42 to U.S. dollar and a low of ₹ 72.23 to the U.S. dollar between April 1, 2019 to September 30, 2019 and has been volatile in the past few months. Although the Indian Rupee is less vulnerable given the improvements in the CAD, high forex reserves, no capital account convertibility and visible moderation in inflation rates, there remains a possibility of regulatory intervention in the foreign exchange market to control volatility of the exchange rate. The need to intervene at that point in time may result in a decline in India's foreign exchange reserves and subsequently reduce the amount of liquidity in the domestic financial system. This in turn could adversely impact domestic interest rates.

64. ***The introduction of GST effective July 1, 2017 has resulted in an increase in our tax expenses and future increases in our tax expenses may result in additional cost which may adversely affect our business, financial condition and results of operations.***

The introduction of the GST effective July 1, 2017 has resulted in increased administrative compliance for companies which is a consequence of increased registration and form filing requirements, as a result of the change to state-level tax compliance from centralized tax compliance pre-GST. The rate of GST on financial services, excluding interest revenue, is 18% compared to the 15% service tax rate that was payable before the implementation of GST. While certain companies are allowed 100% of the input tax credit, NBFCs, such as our Company, and banks are required to reverse 50% of the input tax credit under GST, which was also the rule under the service tax regime. However, due to the increase in the tax rate, our input tax credit reversal has increased from 7.75% under service tax to 9.0% under GST for most of the services that we avail resulting in additional cost. Although this impact is partially offset due to the fact that we are entitled to avail input tax credit on the goods and services we purchase, the implementation of GST has resulted in an overall increase in our tax expenses. Also, as under GST, more than one adjudicating authority will be involved, each authority may hold a different opinion on the same underlying issue which will prolong the adjudication process and lead to increase in pending litigations.

65. ***The proposed new taxation system in India could adversely affect our Company's business, prospects, financial condition, cash flows and results of operations.***

The Government has proposed major reforms in Indian tax laws, namely provisions relating to the GAAR (General Anti Avoidance Rules). The provisions have been introduced in the Finance Act 2012 and will apply (as per the Finance Act 2015) in respect of an assessment year beginning on 1 April 2018 and thereafter. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (a) creates rights, or obligations, which are not normally created between persons dealing at arm's length; (b) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act 1961; (c) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (d) is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes. If GAAR provisions are invoked, the tax authorities would have wide powers, including denial of tax benefit or a benefit under a tax treaty.

As the taxation system is intended to undergo significant changes, the effect of such changes on the financial system cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, prospects, financial condition and results of operations.

66. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may result in a loss of business confidence and as a result, these events may negatively affect our Company's business and the global financial markets. In addition, any deterioration in relations between India and its neighbouring countries might result in concerns by investors in relation to the stability in the Indian region, which may adversely affect our Company's business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on our Company. Such incidents may also result in general perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our Company's business.

67. ***Natural calamities could have a negative impact on the Indian economy and could adversely affect our Company's business.***

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our Company's business.

Risks Relating to the Issue

68. ***Changes in interest rates may affect the price of our NCDs.***

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities tend to fall and when interest rates drop, the prices tend to increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

69. ***You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.***

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, cash flows, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. In case of Secured NCDs, although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100.00% asset cover for the NCDs, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

70. ***This Draft Shelf Prospectus includes certain unaudited financial information, which has been subjected to limited review, in relation to our Company. Reliance on such information should, accordingly, be limited. Additionally, our Company may publish additional unaudited financial information during the Issue Period.***

This Draft Shelf Prospectus includes Unaudited Ind AS Interim Financial Information in relation to our Company for the half year ended September 30, 2019 in respect of which the Auditors have issued their Review Report dated October 18, 2019. As Unaudited Ind AS Interim Financial Information prepared by our Company in accordance with Regulation 52(2) of the SEBI LODR Regulations have been subject only to a limited review and as described in Standard on Review Engagements (SRE) 2410, "Review of

Interim Financial Information" Performed by the Independent Auditor of the Entity" issued by the ICAI, and not to an audit, any reliance by prospective investors on such Limited Review Financial Information for the half year ended September 30, 2019 should, accordingly, be limited. Additionally, in accordance with applicable law, our Company is required to publish its half yearly financial information with the stock exchanges.

Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Draft Shelf Prospectus.

71. ***There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.***

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context and pursuant to this Draft Shelf Prospectus.

There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

72. ***Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus our ability to raise further debts.***

The NCDs proposed to be issued under this Issue have been rated [CRISIL] AAA / Stable (pronounced as CRISIL triple A rating with Stable outlook) for an amount of ₹ 5,000 crore, by CRISIL vide their letter dated November 14, 2019 , CARE AAA / Stable (pronounced as CARE triple A with Stable outlook) for an amount of ₹ 5,000 crore by CARE vide their letter dated November 15, 2019 and IND AAA / Stable (pronounced as IND triple A with Stable outlook) for an amount of ₹ 5,000 crore by India Ratings vide their letter dated November 18, 2019. Any downgrade of our credit ratings would increase borrowing costs and constraint our access to capital and debt markets and, as a result, would negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. There is a possibility of increase in forced-sale of our NCDs by the investors resulting in sharp decline in their market price. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

73. ***Securities on our secured NCDs rank as pari passu with our Company's secured indebtedness.***

Substantially, our Company's assets represented mainly by the loan receivables are being used to secure our Company's debt. As at September 30, 2019, our Company's secured borrowing was ₹ 34,276.42 crore. Securities on our secured NCDs will rank *pari passu* with any of our Company's secured obligations with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt. In addition, the secured NCDs will rank *pari passu* to the existing and future secured indebtedness and other secured liabilities and obligations of our Company.

74. ***Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders, wherever applicable.***

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, wherever applicable raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the NCD holders will rank *pari passu* with other charge holder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

75. ***There are certain risks in connection with the Unsecured NCDs***

The Unsecured NCDs will be in the nature of subordinated debt and hence the claims of the holders thereof will be subordinated to the claims of other secured and other unsecured creditors of our Company. Further, since no charge upon the assets of our Company would be created in connection with the Unsecured NCDs, in the event of default in connection therewith, the holders of Unsecured NCDs may not be able to recover their principal amount and/or the interest accrued thereon in a timely manner, for the entire value of the Unsecured NCDs held by them or at all. Accordingly, in such a case the holders of the Unsecured NCDs may lose all or a part of their investment therein. Further, the payment of interest and the repayment of the principal amount before the due maturity in connection with the Unsecured NCDs would be subject to the requirements of RBI, which may also require our Company to obtain prior approval from the RBI in certain circumstances.

76. ***Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.***

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 326 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

77. ***You may be subject to taxes arising on the sale of the NCDs.***

Sale of NCDs by any holder may give rise to tax liability, as discussed in the chapter titled "***Statement of Tax Benefits***" on page 66 of this Draft Shelf Prospectus.

78. ***There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.***

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial performance, cash flows, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs and/or be remain, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid for a prolonged period with no buyers for our NCDs in the market.

79. ***The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.***

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for our various financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements. For further details, see the section titled "*Objects of the Issue*" of this Draft Shelf Prospectus. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

80. ***There may be a delay in making refund to Applicants.***

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your

applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (ii) withdrawal of the Issue, or (iii) failure to obtain the final approval from the NSE and/or BSE for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

SECTION III-INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated at Kolkata as Apeejay Finance Group Private Limited on November 24, 1993 as a private limited company under the Companies Act, 1956, as amended, with registration no. 2160810 and was granted a certificate of incorporation by the Registrar of Companies, West Bengal at Kolkata ("RoC"). Upon conversion of our Company from private limited to public limited, the name of our Company was changed to Apeejay Finance Group Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on February 14, 1994. The name of our Company was further changed to Family Credit Limited and a fresh certificate of incorporation was granted by the ROC on July 12, 2007. The name of our Company was further changed to L&T Finance Limited and a fresh certificate of incorporation was granted by the ROC on March 17, 2017 pursuant to the scheme of amalgamation effective from February 13, 2017. Our Company is registered as a non-deposit accepting non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 bearing registration number B-05.06200.

Registered Office

7th Floor, Technopolis,
A- Wing, Plot No. - 4,
Block - BP, Sector -V,
Salt Lake, Kolkata,
West Bengal 700 091, India.
Tel: +91 33 – 6611 1800
E-mail: investorgrievances@ltfs.com
Website: www.ltfs.com
PAN No.: AACCA1963B
LEI No.: 3358004EZG8QSJOAC830

Corporate and Head Office

Brindavan, Plot No. 177, C.S.T. Road,
Kalina, Santacruz (East), Mumbai - 400098,
Maharashtra, India.
Tel: +91 22 6212 5000
Fax: +91 22 6212 5553
E-mail: investorgrievances@ltfs.com
Website: www.ltfs.com

Registration

Corporate Identification Number: U65910WB1993FLC060810 issued by the RoC and LEI No.**:** 3358004EZG8QSJOAC830. Our Company holds a certificate of registration dated September 03, 2007 bearing number B.05.06200 issued initially by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934 and pursuant to the change of the name of our Company to L&T Finance Limited, a fresh certificate of registration dated May 04, 2017 bearing number B-05.06200 has been issued by RBI in lieu of the earlier certificate.

Chief Financial Officer

Mr. Manish Jethwa

L&T Finance Limited
Brindavan Building, Plot No 177,
Vidyanagari Marg, CST Road, Kalina Santacruz (E),
Mumbai 400 098
Tel: +91 022 6212 5000
Fax: +91 022 6212 5553
E-mail: investorgrievances@ltfs.com

Company Secretary and Compliance Officer

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of this Issue are set out below:

Mr. Gufran Ahmed Siddiqui
Company Secretary and Compliance Officer
Brindavan Building, Plot No 177,
Vidyanagari Marg, CST Road, Kalina Santacruz (E),
Mumbai 400 098
Tel: +91 022 6212 5000
Fax: +91 022 6212 5553
E-mail: investorgrievances@ltfs.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre- Issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, or interest on application money, etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or Compliance Officer, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the Bidding Centre of the relevant members of the Lead Managers where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue or Compliance Officer with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members may be addressed directly to the Stock Exchange.

Lead Managers

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road,
Kalina, Mumbai – 400 098
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
E-mail: ltfinance.ncds@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

A. K. Capital Services Limited
30-38, Free Press House, 3rd Floor,
Free Press Journal Marg,
215, Nariman Point,
Mumbai – 400 021
Maharashtra, India
Tel: +91 22 6754 6500
Fax: + 91 22 6610 0594
Email: ltfinance.ncd2019@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Aanchal Wagle/Lokesh Shah
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

Trust Investment Advisors Private Limited
109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Maharashtra, India

Tel: +91 22 4084 5000
Fax: +91 22 4084 5066
Email: projectvajra@trustgroup.in
Investor Grievance Email: customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Compliance Officer: Mr. Ankur Jain
SEBI Registration No.: INM000011120
CIN: U67190MH2006PTC162464

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India
Tel: +91 22 6630 3030
Fax: +91 22 6630 3330
Email: LTF.bondissue2019@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Ms. Prachee Dhuri
Compliance Officer: Mr. Sunny Shah
SEBI Registration No.: INM000010361
CIN: L67120MH1986PLC038784

Debenture Trustee:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Tel: +91 22 4080 7000
Fax: 66311776/40807080
E-mail: itsl@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Dinesh Ladwa
SEBI Registration No.: IND000000460
CIN: U65991MH2001GOI131154

Registrar:

Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083, Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: ncd3.ltfin2019@linkintime.co.in
Investor Grievance mail: ncd3.ltfin2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
Compliance Officer : B. N Ramakrishnan

SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Statutory Auditor:

M/s. Deloitte Haskins & Sells LLP
Indiabulls Finance Centre Tower 3, 31st Floor,
Senapati Bapat Marg, Elphinstone Road (West), Mumbai: 400013

Maharashtra, India
Tel: +91 22 6185 4000
Fax: +91 22 6185 4601
E-mail: rkbhatt@deloitte.com
Contact Person: Mr. Rupen K. Bhatt
Firm Registration No.: 117366W/W-100018

Date of appointment as Statutory Auditor: June 15, 2016

Credit Rating Agencies:

CRISIL Limited
CRlSIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai- 400 076
Tel: 91-22-3342 3000 (B)
Fax: 91-22-3342 3050
E-mail: crisilratingdesk@crisil.com
Website:www.crisil.com
Contact Person: Krishnan Sitaraman
SEBI Registration No.: IN/CRA/00l/1999
CIN: L67120MH1987PLC042363

CARE Ratings Ltd.
4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off. Eastern Express Highway, Sion (E), Mumbai - 400 022
Tel: 91-22- 6754 3456
Fax: 91-22- 6754 3457 / 67
E-mail: ravi.kumar@careratings.com
Website: www.careratings.com
Contact Person: Mr. Ravi Kumar Dasari
SEBI Registration No.: IN/CRA/004/1999
CIN: L67190MH1993PLC071691

India Ratings and Research Private Limited
Wockhardt Towers, 4th floor, Bandra Kurla Complex,
Bandra East, Mumbai 400051
Tel: +91 22 4000 1700
Fax: +91 22 4000 1701
E-mail: shrikant.dev@indiaratings.co.in
Investor Grievance E-mail Id- investor.services@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Mr. Shrikant Dev, Compliance Officer
SEBI Registration No.: IN/CRA/002/1999
CIN: U67100MH1995FTC140049

Legal Advisor to the Issue:

Khaitan & Co
One Indiabulls Centre,
13th Floor, Tower 1,
841 Senapati Bapat Marg
Mumbai- 400 013
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Bankers to the Issue

- **Public Issue Account Bank:**

As specified in relevant Tranche Prospectus.

- **Refund Bank**

As specified in relevant Tranche Prospectus

Bankers to our Company

BNP Paribas
BNP Paribas House, 1, North Avenue, Maker Maxity, Bandra - Kurla Complex, Bandra (East), Mumbai – 400051
Tel: 022 61965093
Email: sonal.shah@asia.bnpparibas.com
Contact Person: Ms Sonal Shah
Website: www.bnpparibas.co.in

Oriental Bank of Commerce
Large Corporate Branch
No. 63, Dr. Radhakrishnan Salai
Mylapore, Chennai – 600 004
Tel: 044 2466 1075, 24661073
Email: bm1043@obc.co.in
Contact Person: Mr. E Venkateshwarlu
Website: www.obcindia.co.in

Punjab & Sind Bank
27/29 Ambalal Doshi Marg Fort, Mumbai 400023
Tel: 022 2265 8721, 022 2269 3438
Fax: 022 2265 1752
Email: b0385@psb.co.in
Contact Person: Mr Mukesh Verma
Website: www.psbindia.com

Punjab National Bank
Large Corporate Branch Rayala Towers, 3rd Floor, # 781-785 Anna Salai Chennai 600002
Tel: 044 2888 5801
Fax: -
Email: bo0305@pnb.co.in
Contact Person: Mr Kumar Shikhar Srivastava

Website: www.pnbindia.in

RBL Bank
One India Bulls Centre, Tower 2B, 6th Floor, 841 Senapati Bapat Marg, Lower Parel (West),
Mumbai - 400013
Tel: 022 4302 0927
Email: Sumant.Paul@rblbank.com
Contact Person: Mr Sumant Paul
Website: www.rblbank.com

Standard Chartered Bank
5th Floor, Crescenzo, C-38/39, G Block, Bandra Kurla Complex, Bandra (East), Maharashtra, 400051
Tel: 022 4265 8211
Email: Praveen.agarwal@sc.com
Contact Person: Mr Praveen Agarwal
Website: www.sc.com/in/

State Bank of India
Corporate Accounts Group Branch, Neville House, 3rd Floor, J.N. Heredia Marg, Ballard Estate, , Mumbai, Maharashtra 400001
Tel: 022 6154 2667
Fax: 022 6154 2802
Email: amt4.09995@sbi.co.in
Contact Person: Relationship Manager AMT-4
Website: https://sbi.co.in/

Syndicate Bank
SyndicateBank Large Corporate Branch, Maker Towers, 2nd Floor, Maker Tower 'E' Wing, Cuffe Parade, Mumbai - 400005
Tel: 022 2216 6649/22163984
Fax: 022 2218 5798
Email: br.5088@syndicatebank.co.in
Contact Person: Lakhbir Singh (Dy General Manager)

Website: www.syndicatebank.in

The Bank of Nova Scotia
Global Banking & Markets, 91-94, 3 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra East, Mumbai - 400051
Tel: 022 6623 5070
Fax: 022 2287 4350
Email: aditya.jain@scotiabank.com
Contact Person: Mr. Aditya Jain
Website: www.scotiabank.com

The South Indian Bank Ltd
G 8 Embassy Centre, 207 - Nariman Point, Mumbai, India - 400 021
Tel: 022 2284 4133
Fax: 022 22026423
Email: br0194@sib.co.in
Contact Person: Mr Hrishikesh Sawant
Website: www.southindianbank.com

Union Bank of India
Industrial Finance Branch, Union Bank Bhawan, 1st Floor, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai- 400021.
Tel: 022 2289 2094
Fax: 022 2285 5037
Email: ifbmumbai@unionbankofindia
Contact Person: Mr M Arun Kumar (Asst. Gen. Manager)
Website: www.unionbankofindia.co.in

UCO Bank
Flagship Corporate Branch, 1st Floor, Mafatlal Centre, Nariman Point, Mumbai
Tel: 022 40549101
Fax: 02240549122
Email: mumfcc@ucobank.co.in
Contact Person: Sh. P.M. Shah (Deputy General Manager)
Website: www.ucobank.com

Deutsche Bank AG
14th Floor, The Capital, C70 G Block, Bandra Kurla Complex, Mumbai- 400051
Tel : 022-7180 4444
Fax: 022 7180 4192
Contact Person: Mr BimalDeep

Axis Bank Limited
Corporate Banking Branch
12, Mittal Tower,
A Wing, Nariman Point
Mumbai - 400 021
Tel: 022 2289 5242
Fax: 022 2289 5216

Bank of Baroda
8, Meghdhoot, Junction of Linking and Turner Road, Bandra (West), Mumbai - 400050
Tel: 022 26453677
Fax: NA

Singh
Website:
www.deutschebank.co.in

Email:
cbbmumbai.branchhead@axisbank.com
Website: www.axisbank.com

Email:
rm2.cfsbai@bankofbaroda.com
Contact Person: Mr Dattatray Hadpadkar
Website:
www.bankofbaroda.com

Bank of America
18th Floor, A-wing, One BKC, G - Block, Bandra Kurla Complex, Bandra East, Mumbai 400051
Tel: 022 6632 3112
Fax: 022 6646 6075
Email: Bhawna.setia@bofa.com
Contact Person: Ms. Bhawna Setia
Website: www.bofa-india.com

Bank of Maharashtra
85-E, Maker Towers, Cuffe Parade, Mumbai - 400005
Tel: 022 2218 3081
Fax: 022 2218 3355
Email: brmgr485@mahabank.co.in
Contact Person: Asst. General Manager
Website: www.bankofmaharashtra.in

Micro Units Development & Refinance Agency Limited (MUDRA)
Swavalamban Bhavan, Plot No. C-11, G-Block
Bandra Kurla Complex
Bandra (East), Mumbai 400051
Tel: 022-67531100
Email: rkumar@mudra.org.in
Contact Person: Shri. Rajesh Kumar, Asst. General Manager
Website: www.mudra.org.in

Central Bank of India
Corporate Finance Branch, 1st Floor, MMO Building, Fort, Mumbai-400 01
Tel: 022 4078 5839
Fax: 022 4078 5838
Email:
agmcfb3007@centralabnk.co.in, cfbcbi@gmail.com
Contact Person: Mr A.S Cooper
Website:
www.centralbankofindia.co.in

DBS Bank
DBS Bank, 19th Floor, Express Towers, Nariman Point,
Mumbai 400 021
Tel: 022 66131256
Fax: 022 6752 8399
Email: paragnarula@dbs.com
Contact Person: Mr. Parag Narula
Website: www.dbs.com

Barclays Bank PLC
Level 8, Ceejay House, Worli, Mumbai – 400018
Tel: 022 6719 6000
Fax: 022 67196760
Email:
Gaurav.sharma@barclays.com/bhanu,chauhan@barclays.com
Contact Person: Gaurav Sharma/Bhanu Chauhan
Website: www.barclays.in

Doha Bank
Sakhar Bhavan, Ground Floor, Plot No 230, Block No 3, Back Bay Reclamation, Nariman Point, Mumbai, Maharashtra 400021
Tel: 022 3394 1103
Email:
sravindran@dohabank.co.in
Contact Person: Mr S Ravindran
Website: www.dohabank.co.in

Federal Bank
A-4, Laxmi Towers, 2nd Floor, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051
Tel: 022 61748618
Email: abhishekp@federalbank.co.in
Contact Person: Mr. Abhishek Pawar (Relationship Manager)
Website: www.federalbank.co.in

HDFC Bank Ltd
B Wing, 4th Floor Peninsula Business Park, Lower Parel (West), Mumbai – 400013.
Tel: 022 3395 8143
Fax: 022 3078 8579
Email:
anant.kumar@hdfcbank.com
Contact Person: Mr Anant Kumar
Website: www.hdfcbank.com

HSBC Ltd.
52/60, M G Road,
Fort, Mumbai - 400001
Tel: 022 2268 1864
Email:
shagunahluwalia@hsbc.co.in
Contact Person: Ms. Shagun Ahluwalia
Website: www.hsbc.co.in

Indian Bank
Corporate Branch
1st and 2nd Floor, G-41 Connaught Place
New Delhi-110001
Tel: 011 23712160, 23712165
Fax: 011 47340971
Email:
corporatebranch.delhi@indianbank.co.in
Contact Person: DGM/Branch Head
Website: www.indianbank.in

Small Industries Development Bank of India
MSME Development Centre, Plot No. C-11, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400051
Tel: 022- 67531100
Fax: 022- 67531236
Email:
Insti_marketing@sidbi.in
Contact Person: Deputy General Manager, Institutional Finance Vertical
Website: www.sidbi.in

International Finance Corporation (IFC)
2121, Pennsylvania Avenue, N.W.
Washington D.C 20433, United States of America
Website: www.ifc.org

Consortium Members

As specified in relevant Tranche Prospectus.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a Member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.

For more information on such branches collecting Bid cum Application Forms from the members of the Syndicate at Specified Locations, see the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Syndicate SCSB Branches

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do ?doRecognised=yes) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL /11/2015 dated November 10, 2015 and the ASBA Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CRTAs / CDPs

The list of the CRTAs and CDPs, eligible to accept Applications in the Tranche 1 Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE and NSE for CRTAs and CDPs, as updated from time to time.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013"

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no Arrangers to the Issue.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated "CRISIL AAA/Stable" (pronounced as CRISIL triple A with Stable outlook) by CRISIL Limited for an amount of upto ₹ 5,000 crore, 'CARE AAA / Stable' by CARE for an amount of upto ₹ 5,000 crore and 'IND AAA / Stable' by India Ratings for an amount of upto ₹ 5,000 crores. The rating of NCDs by CRISIL, CARE and India Ratings indicate that instruments with this rating

are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

The rationale for the aforementioned rating issued by CRISIL, CARE, and India Ratings has been provided in Annexure A, Annexure B and Annexure C respectively of this Draft Shelf Prospectus.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see the chapter titled "***Objects of the Issue***" on page 63 of this Draft Shelf Prospectus.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	**As specified in the relevant Tranche Prospectus**
ISSUE CLOSES ON	**As specified in the relevant Tranche Prospectus**

** The Issue shall remain open for subscription on Working Days from 10 A.M. to 5 P.M. (Indian Standard Time) during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Authorised Personnel, as the case maybe, subject to necessary approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through advertisements in a leading national daily newspaper with wide circulation on or before such earlier date of Issue Closure or initial date of Issue closure, as the case may be. On the Issue Closing Date Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

*Further please note that Application shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "**IST**") ("**Bidding Period**") during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Shelf Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

CAPITAL STRUCTURE

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as of September 30, 2019:

(₹ in crores)

Authorised share capital	Aggregate value
265,43,09,610 Equity Shares of face value of ₹ 10	2,654.31
10,00,000 Redeemable Cumulative Preference Shares of face value of ₹ 100	10.00
Total	**2,664.31**
Issued, subscribed and paid up Equity Share capital	
159,91,38,199 Equity Shares of ₹ 10 each	1,599.14
Securities Premium Account	**6,903.72**

There will be no change in the equity capital structure and securities premium account on account of the issue and allotment of the NCDs.

None of the Equity Shares of our Company are either pledged or encumbered.

Note: *Out of the total 159,91,38,199 Equity Shares of our Company, 159,91,38,192 Equity Shares are held in dematerialised form and 7 Equity Shares are in physical form.*

Details of change in authorized share capital of our Company as on the date of this Draft Shelf Prospectus for last five years:

Date of shareholders' resolution	Particulars
Scheme of Amalgamation (Effective date April 1, 2016)	In terms of scheme of amalgamation ("the Scheme") sanctioned by the Hon'ble High Court of Calcutta and National Company Law Tribunal, Mumbai Bench ("NCLT") dated November 28, 2016 and January 24, 2017 respectively, the authorised share capital of L&T Finance Limited and L&T FinCorp Limited, the Transferor Companies stood combined with that of our Company. Consequently, the authorised share capital of our Company was increased from ₹ 3,64,30,96,100 (Rupees Three Hundred Sixty Four Crore Thirty Lakh Ninety Six Thousand and One Hundred Only) comprising of 35,43,09,610 equity shares of ₹ 10/- each and 10,00,000 preference shares of ₹ 100/- each to ₹ 26,64,30,96,100 (Rupees Two Thousand Six Hundred Sixty Four Crore Thirty Lakh Ninety Six Thousand and One Hundred Only) comprising of 2,65,43,09,610 equity shares of ₹ 10/- each and 10,00,000 preference shares of ₹ 100/- each.

Equity Share capital history of our Company as on September 30, 2019:

The following is the history of the paid-up Equity Share capital of our Company for the last five years as on the date of this Draft Shelf Prospectus:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration in cash/ other than cash	Nature of allotment	Cumulative		
						No. of Equity Shares	Equity Share capital (₹)	Share premium account (₹)
February 13, 2017	1,235,737,684	10	-	12,357,376,840	Pursuant to merger of L&T Finance Limited and L&T FinCorp Limited with Family Credit	1,440,047,294	14,400,472,940	4,58,33,48,380

					Limited (now known as L&T Finance Limited)			
January 30, 2018	4,54,54,545	10	88	399,99,99,960	Rights Issue to L & T Finance Holdings Ltd	14,85,501,839	14,85,50,18,390	8,12,88,02,890
March 27, 2018	11,36,36,360	10	88	9,99,99,99,680	Rights Issue to L & T Finance Holdings Ltd	1,59,9138,199	15,99,13,81,990	16,99,24,38,970

Details of Promoter's shareholding in our Company's subsidiaries as on September 30, 2019:

Our Company does not have any subsidiary as on the date of this Draft Shelf Prospectus.

Shareholding of Directors in our Company:

The Articles of Association do not require the Directors to hold any qualification Equity Shares. The shareholding of the Directors in our Company as on September 30, 2019 is mentioned below:

S. No.	Name of Director	No. of Equity Shares
1.	Mr. Dinanath Dubhashi	1*

**held jointly with L&T Finance Holdings Limited for the purpose of the compliance with applicable law.*

Shareholding of Directors in our Associate Companies, subsidiaries and joint venture:

Our Company does not have any subsidiary or joint venture. The shareholding of the directors in our Associate Company, L&T Infra Debt Fund Limited as on September 30, 2019 is mentioned below:

S. No.	Name of Director	No. of Equity Shares
1.	Mr. Dinanath Dubhashi	1*

**held jointly with L&T Infrastructure Finance Limited for the purpose of the compliance with applicable law.*

None of our directors hold any shares in the other Associate Company i.e. Grameen Capital India Private Limited.

Shareholding pattern of our Company as of September 30, 2019

The following is the shareholding pattern of our Company, as of September 30, 2019:

Sr. No.	Name of shareholders	Total number of Equity Shares held	Number of Equity Shares held in dematerialised form	Total shareholding as % of total no of Equity Shares
1.	L&T Finance Holdings Limited	1,59,91,38,192	1,59,91,38,192	100
2.	Mr. Dinanath Dubhashi*	1	-	^
3.	Mr. Sunil Prabhune*	1	-	-^
4.	Mr. Sachinn Joshi*	1	-	-^
5.	Mr. Raju Dodti *	1	-	-^
6.	Mr. S Anantharaman*	1	-	-^
7.	Mr. Srikanth J*	1	-	-^
8.	Mr. Abhishek Sharma*	1	-	-^
	Total	**1,59,91,38,199**	**1,59,91,38,192**	**100.00**

**Held Jointly with L&T Finance Holdings Limited for the purpose of the compliance with applicable law.*
^ Less than 0.01% shareholding.

Details of the top 10 Equity shareholders of our Company as of September 30, 2019

Our Company has 8 equity shareholders; given below are details of the equity shareholders of our Company as on September 30, 2019:

Sr. No	Name of the shareholders	No. of Equity Shares	No. of Equity Shares held in dematerialised form	Total shareholding as % of total no of Equity Shares
1.	L & T Finance Holdings Limited	1,59,91,38,192	1,59,91,38,192	100
2.	Mr. Dinanath Dubhashi*	1	-	-^
3.	Mr. Sunil Prabhune*	1	-	-^
4.	Mr. Sachinn Joshi*	1	-	-^
5.	Mr. Raju Dodti*	1	-	-^
6.	Mr. S.Anantharaman*	1	-	-^
7.	Mr. Srikanth J*	1	-	-^
8.	Mr. Abhishek Sharma*	1	-	-^
	TOTAL	**1,59,91,38,199**	**1,59,91,38,192**	**100**

** Held Jointly with L&T Finance Holdings Limited for the purpose of the compliance with applicable law.*
^ Less than 0.01% shareholding.

Top 10 debenture holders (secured and unsecured) of our Company as of September 30, 2019

Given below are details of the top 10 debenture holders^ (secured and unsecured) of our Company as of September 30, 2019:

(₹ in crores)

Sr. No.	Name of Debenture Holders	Amount
1.	Life Insurance Corporation of India P & Gs Fund	1,600.00
2.	Standard Chartered Bank	1,000.00
3.	State Bank of India	750.00
4.	Bank of Baroda	600.00
5.	Kotak Savings Fund	517.00
6.	Postal Life Insurance Fund A/C UTI AMC	505.00
7.	HDFC Bank Limited	500.00
8.	DBS Bank Limited	390.00
9.	United Bank of India	360.00
10.	Reliance Capital Trustee Co. Ltd-A/C Reliance Liquid Fund	311.00
	Total	**6,533.00**

^On the basis of PAN of the Debenture holder, consolidating their holdings under different schemes, where applicable.

Statement of the aggregate number of securities of our Company purchased or sold by our Promoter, the Directors of our Company and their relatives within six months immediately preceding the date of filing of this Draft Shelf Prospectus.

Date of purchase or sale	Nature of security	Name	No of securities	Nature of Transaction: Purchased/ Sold	Number of securities held pre-transaction	Number of securities held post-transaction	Value
NIL							

Debt to equity ratio*

(₹ in crores)

Particulars	As at September 30, 2019	Post-Issue*
Debts		
Debt Securities (I)	18,977.74	23,977.74
Borrowings (Other than debt securities) (II)	24,956.01	24,956.01
Subordinated liabilities (III)	1,182.08	1,182.08
Total debts (A= I+II+III)	45,115.83	50,115.83
Shareholders' fund		
Equity share capital (I)	1,599.14	1,599.14
Other Equity (II)	7,394.59	7,394.59
Total shareholders' funds (B= I+II)	8,993.73	8,993.73
Total debt/ equity(A/B)	5.02	5.57

**Any change in total debt and Net Worth after September 30, 2019 has not been considered.*
The debt to equity ratio post the Issue (assuming subscription of ₹ 5,000 crore) would be 5.57 times, the actual debt equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

Statement of the aggregate number of securities of our Company and its subsidiaries purchased or sold by our Promoter and the directors of our Promoter, our Directors and/or their relatives within six months immediately preceding the date of filing this Draft Shelf Prospectus:

Date of purchase or sale	Nature of security	Name	No of securities	Nature of Transaction: Purchased/ Sold	Number of securities held pre-transaction	Number of securities held post-transaction	Value
NIL							

None of the Equity Shares are pledged or otherwise encumbered by the Promoter.

Details of change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).

NIL

Details of any acquisition or amalgamation in the last one year:

NIL

Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus.

Employee Stock Option Scheme:

Our Company has no employee stock option scheme.

OBJECTS OF THE ISSUE

Our company has filed this Draft Shelf Prospectus for public issue by L&T Finance Limited ("Company" or the "**Issuer**") of secured redeemable non-convertible debentures of face value of ₹ 1,000 each ("**Secured NCDs**") and/or unsecured subordinated redeemable non-convertible debentures of face value of ₹ 1,000 each ("**Unsecured NCDs**") aggregating up to ₹ 5,000 crores ("**Shelf Limit**") ("**Issue**"). The NCDs will be issued in one or more tranches up to the shelf limit, on terms and conditions as set out in the relevant tranche prospectus for any tranche issue (each a "**Tranche Issue**"), which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus (collectively the "**Offer Documents**").

Our Company is in the business of financing, and as part of our business operations, we raise/avail funds for onward lending, for repayment/ prepayment of borrowings and general corporate purposes.

1. Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**"), towards funding the following objects (collectively, referred to herein as the "**Objects**"). For the purpose of onward lending, financing, refinancing the existing indebtedness of our Company (payment of interest and/or repayment/prepayment of principal of borrowings); and

2. General corporate purposes.

The main Objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The Issue is being made pursuant to the provisions of the SEBI Debt Regulations, the Companies Act and rules made thereunder as amended to the extent notified.

The details of the Proceeds of the Issue are set forth in the following table:

(***₹ in crore***)

Sr. No.	Description	Amount
1.	Gross Proceeds of the Issue	As mentioned in the relevant Tranche Prospectus
2.	Less: Issue Related Expenses*	As mentioned in the relevant Tranche Prospectus
3.	Net Proceeds	As mentioned in the relevant Tranche Prospectus

**The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

Sr. No.	Objects of the Fresh Issue	Percentage of amount proposed to be financed from Issue Proceeds
1.	For the purpose of onward lending, financing, refinancing the existing indebtedness of L&T Finance Limited (payment of the interest and/or repayment /prepayment of principal of borrowings)	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
	Total	**100%**

**The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI Debt Regulations.*

The Unsecured NCDs will be in the nature of Subordinated Debt and will be eligible for Tier II capital and accordingly will be utilised in accordance with statutory and regulatory requirements including requirements of RBI.

Funding Plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Issue related expenses

The expenses of this Issue include, among others, fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses for each Tranche Prospectus shall be specified in respective Tranche Prospectus Issue.

Interim Use of Proceeds

Our Management, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

Monitoring and Reporting of Utilization of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Authorised Personnel shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2019-20, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges.

Other Confirmation

In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or for acquisition of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, KMP, or companies promoted by our Promoter.

The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Issue proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Draft Shelf Prospectus in the section titled "***Issue Related Information***" beginning on page 267 of this Draft Shelf Prospectus.

No benefit/interest will accrue to our Promoters/Directors out of the proceeds of the Issue.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

Variation in terms of contract or objects in Draft Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in this Draft Shelf Prospectus or objects for which this Draft Shelf Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

STATEMENT OF TAX BENEFITS

November 25, 2019

The Board of Directors
L&T Finance Limited
7th Floor, Technopolis
A- Wing, Plot No 4
Block - BP, Sector - V
Salt Lake, Kolkata 700091

Dear Sirs,

Sub: Statement of possible tax benefits available to Debenture Holders of L&T Finance Limited (formerly known as "Family Credit Limited") in connection with the proposed public issue of redeemable secured non-convertible debentures and/or redeemable unsecured subordinated non-convertible debentures of face value of Rs. 1,000/- each (the "Debentures" or the "NCDS") for an amount aggregating upto Rs. 50,000 million (Rupees Fifty Thousand million) (hereinafter referred to as the "Issue")

We refer to the proposed Issue by **L&T Finance Limited** (formerly known as "Family Credit Limited") (the **"Company"**) and enclose the Statement of possible tax benefits available to the debenture holders under the Income-tax Act, 1961 (the "**Statement**") showing the current position of taxation applicable to the debenture holders as per the provisions of the Income Tax Act, 1961 (the "Act") and Income tax Rules, 1962 including amendments made by Finance (No 2.) Act 2019 and Taxation Laws (Amendment) Ordinance, 2019 as applicable for the financial year 2019-20, for inclusion in the Draft Shelf Prospectus and Shelf Prospectus (together the "**Prospectus**") which is proposed by the Company to be issued in connection with the Issue. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence the ability of the debenture holders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Statement are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to the debenture holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the debenture holders to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- the debenture holders will continue to obtain these benefits in similar manner in future;
- the conditions prescribed for availing the benefits have been / would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the Statement in the Prospectus in connection with the Issue to be filed by the Company with the Stock Exchanges, the Securities and Exchange Board of India, and the Registrar of Companies, and any other regulatory authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.

Limitations

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its reasonable interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This Statement is addressed to you solely for the use of the Company in relation to the Issue and, except with our prior written consent, is not to be transmitted or disclosed to or used or relied upon by any other person or used or relied upon by you for any other purpose, save that you may disclose this Statement to Edelweiss Financial Services Limited, Trust Investment Advisors Private Limited A.K. Capital Services Limited and JM Financial Limited (together, the "Lead Managers" or "Permitted Recipients") on the basis that (i) the Lead Managers cannot rely on this Statement, (ii) we do not assume any duty or liability to the Lead Managers (iii) the Lead Managers have no recourse on us.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 19046930AAAAFY2928)

Place: MUMBAI
Date: November 25, 2019

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

Under the existing provisions of the Income-tax Act, 1961, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

I. To the Resident Debenture Holder

1. Interest on NCD received by Debenture Holder(s) would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. Tax would need to be withheld at the rate of 10% at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no/lower income tax is deductible at source *inter alia* in respect of the following:

    a. On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.

    b. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), the interest does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.

    c. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.

    d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being accompany or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the amount of any income of the nature referred to in section 197A(1) or 197A(1A), as the case may be, or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income-tax.

    To illustrate, as on 01.04.2019 –

    - the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is ₹ 2,50,000;
    - in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is ₹ 3,00,000; and
    - in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is ₹ 5,00,000 for Financial Year 2019-20

    Further, section 87A provides a rebate of 100 percent of income-tax or an amount of ₹ 12,500 whichever is less to a resident individual whose total income does not exceed ₹ 5,00,000.

(ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. The rate at which tax shall be deducted at source while paying interest to a resident debenture-holder shall not be increased by surcharge and health and education cess ('cess').

3. Capital gains and other general provisions

a) As per the provisions of section 2(29A) of the I.T. Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. In the case of unlisted debentures, it is 36 months immediately preceding the date of its transfer.

b) As per section 112 of the I.T. Act, capital gains arising on the transfer of long-term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

c) However as per the fourth proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

d) In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long- term capital gains shall be computed at the rate mentioned above.

e) Short-term capital gains on the transfer of listed debentures, in case the debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para d above would also apply to such short term capital gains.

f) As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

4. *Classification of gains on transfer*

In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be depending whether the same is held as Stock in trade or investment. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterization (especially considering the provisions explained in Para V below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

II. To the Non Resident Debenture Holder

A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

1. Interest on NCD and capital gains on transfer

a. Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

b. Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax to the extent the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein. The quantum of exemption shall depend whether cost of new asset is equal, higher or less than the net consideration. Such exemption shall be available only where the new asset is held for a minimum period of 3 years from the date of its purchase.

2. *Others relaxations*

a. Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

b. Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

3. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10 percent computed without indexation.

b. Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

4. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E**,** and 30% for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian. This is subject to discussion in para 7.

5. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set- off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

6. The rate at which tax is deducted shall be increased by a surcharge as under:

   a. In the case of non-resident Indian surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹ 50,00,000 , 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹ 1,00,00,000 but not exceeding ₹ 2,00,00,000, 25 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹ 2,00,00,000 but not exceeding ₹ 5,00,00,000 and 37% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds ₹ 5,00,00,000

   The rate at which tax is deducted shall further be increased by cess of 4%. Where surcharge is not applicable, the rate of cess shall be added directly to the rate at which tax shall be deducted. Where surcharge is applicable, the cess shall be added to the rate of tax arrived at after considering the surcharge rate.

7. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.

8. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(3) or section 197 of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

9. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising there from are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterization (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset /stock in trade.

III. To the Foreign Institutional Investors (FIIs/FPIs)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs/FPIs which have invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess) and short term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

3. The Finance Act, 2013 (by way of insertion of a new section 194LD in the I.T. Act) provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs/FPIs and Qualified Foreign Investor in respect of rupee denominated bond of an

Indian company between June1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.

4. In accordance with and subject to the provisions of section 196D(1) of the I.T. Act, the interest income received by the FII/FPI shall be subject to withholding tax @20% (plus surcharge and cess_. Further, as per section 196D(2) of the I.T. Act, no tax shall be deducted at source on capital gains arising on the transfer of debentures by FIIs/FPIs.

5. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.

6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. To the Other Eligible Institutions

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their Income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. General Anti-Avoidance Rule ('GAAR')

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter-alia denial of tax benefit. Applicable w.e.f 1-04-2017, the GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 68 75/2013 dated 23 September 2013.

VI. Exemption under Section 54F of the I.T. Act

As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of a residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

VII. Exemption under Section 54E of the I.T.Act

Section 54E of the I.T. Act provides that any long-term capital gains on transfer of a long term capital asset, including debentures, (hereinafter referred to as 'original asset') shall be exempt from capital gain tax to the extent the net consideration is invested, within six months after the date of transfer of the original asset, in any specified assets such as government saving certificates, rural development bonds, etc. in accordance with and subject to the provisions contained therein.

The quantum of exemption shall depend whether cost of new asset is equal, higher or less than the net consideration. Such exemption shall be available only where the new asset is held for a minimum period of 3 years from the date of its purchase.

VIII. Requirement to furnish PAN under the I.T. Act

1. Sec.139A (5A)
   Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. Sec. 139A(6A)
   Section 139A(6A) of the I.T. Act requires every person entering into certain transactions, as may be prescribed, to quote his PAN or Aadhaar number, in the documents pertaining to such transactions and also authenticate such PAN or Aadhaar number, in the manner prescribed.

3. Sec.206AA
   a. Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:

      i. at the rate specified in the relevant provision of the I.T. Act; or

      ii. at the rate or rates in force; or

      iii. at the rate of twenty per cent.

      However, rule 37BC of the Income Tax Rules provides that the provisions of section 206AA of the Act shall not apply on payments made to non-resident deductee who do not have PAN in India. The non-resident deductee in this regard, shall be required to furnish few prescribed details *inter alia* TRC and Tax Identification Number (TIN).

   b. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

   c. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply apart from penal consequences.

IX. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April 2017:

i. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

ii. for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration; shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exception as stated on section 56(2)(x) of the Act.

Notes

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2020-21 (considering the amendments made by Finance (No. 2) Act, 2019 and Taxation Laws (Amendment) Ordinance, 2019).
4. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
5. This statement is intended only to provide general information to the Debenture Holder(s) and is neither
   a. designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax
   b. consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic law.
9. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.
10. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

We will not be liable to any other person in respect of this statement.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Managers, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and Government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and Government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Draft Shelf Prospectus.

This section contains copies of certain tables and charts from the CRISIL Research – 'NBFC Report 2019', "EcoView 2019" and 'Two Wheeler Report 2019". The use of the letter "E" after a number means it is an estimated number and the use of the letter "P" after a number means it is a projected number.

Overview of Economy

Downpour cheer amid dark clouds

There has been a deluge of gross domestic product (GDP) growth downgrades. While paring global growth outlook for 2019 yet again, multilateral agencies made one of the sharpest cuts ever to India's growth estimate, too. The World Bank and International Monetary Fund, for instance, snipped India's growth forecast for fiscal 2020 by 150 and 100 basis points (bps), to 6.0 % and 6.1 %, respectively. These came close on heels of the markdown by the Reserve Bank of India (RBI) to 6.1% in its October policy, from 6.9% earlier.

After GDP growth printed 5% in the first quarter, the government smelt the coffee and stepped in with a slew of sectoral measures. Most significant of these was a steep cut in corporate tax rate to 25% from 30%. Yet, revival is likely to come about slow, as the government is seen avoiding direct fiscal stimulus, and monetary policy action will impact demand only gradually.

High frequency indicators for the second quarter look dim. Industrial output growth, at -1.1% in August, was the lowest since November 2012. Consumer price inflation inched up to 4.0% in September, owing to a flare-up in vegetable prices, but core inflation softened eight bps to 4.19%, underlining the ongoing slowdown. Wholesale price inflation, at 0.33%, reflected the lack of consumer demand and weak pricing power.

Given this, the second quarter GDP growth looks similar to the first quarter's, at 5%. The full fiscal's forecast could come around 6%. The pick-up in inflation to 4% in September, however, does not change our interest rate outlook, as it is largely food-led and GDP growth is much below the potential. CRISIL expects another 25 bps cut in repo rate by the RBI in December to support the economy. The one bright spot in this rather bleak landscape has been the southwest monsoons, which ended on a surplus note this year. This would contain further downside risk to the economy's growth.

In this month's EcoView theme, CRISIL Research dwell on various facets of the monsoon and it implications for growth. CRISIL Research find's that although overall rains were 10% above the long period average, its distribution over geography and time was sub-optimal. It started on a weak note but ended with a surplus. The sudden resurgence towards end-July and its rapid progress benefited most states. But it also brought in its wake, widespread damage in a few. Net-net, CRISIL Research expect's agricultural GDP to grow at its trend rate of 3.0% in fiscal 2020, largely on the strength of improved rabi prospects, which depends on groundwater and other irrigation sources. As of September-end, water storage at 113 major reservoirs was 115% of the storage levels of 2018 and 121% of the average of the past 10 years. In most states, barring Jharkhand, Uttar Pradesh, and West Bengal, reservoir storage is healthy. However, some losses in kharif production is manifesting in a mild uptick in food prices. In April-September, food inflation averaged 2.6%, compared with 1.8% in the corresponding period of last fiscal. Non-food price inflation, in contrast, is lower in comparison. This implies improved terms of trade (food price index/non-food price index) for farmers -- another positive development, when a lot else hangs in balance.

Outlook

GDP to grow 6.3%, down from 6.8% last fiscal, especially as consumption growth has slowed down sharply. Global environment too remains sluggish. That said, easy monetary policy and recently announced measures should support domestic growth in the second half.

Fiscal 2019 saw CPI inflation averaging 3.4%. In fiscal 2020, inflation could see mild uptick on account of higher food prices (helped by a low base of last year), even as softer core and fuel would limit the upside. Accordingly CPI inflation for fiscal 2020 is forecast at 3.6%.

Exports face risk from slowing global growth and trade as a result of US-China trade tensions. While trade diversion of goods hit by US-China tariffs is an opportunity for India, sustaining growth in exports in those sectors will require improved competitiveness. CR expect CAD to average 2.2% of GDP in fiscal 2020, compared with 2.1% in fiscal 2019.

For fiscal 2020, the slowing pace of policy normalisation in the US will likely check the rupee's depreciation. Therefore, we expect the rupee to weaken modestly and average 71/$ on average by March 2020, compared with 69.5/$ in March 2019. However, given India is a current-account-deficit country, the rupee is vulnerable to volatility from oil prices, tariff wars, and monetary policy surprises from advanced countries.

Attaining the fiscal deficit target at 3.3% of GDP next fiscal will be a challenge unless the government achieves its aggressive divestment target, spectrum revenues materialise and GST revenue goes up as envisaged.

Five rate cuts by the RBI so far, along with its accommodative stance, will help soften bond yields. Low interest rates globally will also lend support. Accordingly, we expect the 10-year G-sec yield to settle at 7.1% by the end of fiscal 2020.

	FY18	FY19	FY20F
GDP (y-o-y %)	7.2	6.8	6.3
CPI inflation (%, average)	3.6	3.4	3.6
Fiscal deficit (% of GDP)	3.5	3.4	3.3#
10 year G-sec yield (%, March)	7.6	7.5	7.1
Current account deficit (% of GDP)	1.8	2.1	2.2
Rs per $ (March)	65.0	69.5	71.0

#Budget target
Source: CSO, RBI, Budget documents, Ministry of Finance, CRISIL Research

Global Economy

- The International Monetary Fund lowered its 2019 world growth forecast from 3.3% to 3%, the slowest pace since 2008-09
- On the back of Brexit-related uncertainty, the British economy is feared to have entered recession with third quarter (Q3) growth expected to contract, after Q2 contraction of 0.2%
- After postponing it twice in the past, Japan went ahead with a sales tax hike, to 10% from 8%, which is likely to hit the already slowing growth

With trade tensions and geopolitical uncertainty taking hold, the global economy seems to be poised precariously on the edge. As evidence of the synchronised slowdown grows, the International Monetary Fund (IMF) slashed its 2019 global gross domestic product (GDP) growth 30 basis points (bps) to 3% in its October World Economic Outlook report. This is the slowest pace at which the world economy has expanded since the financial crisis of 2008-2009. It is also markedly lower than 3.8% growth achieved in 2017.

The slowdown is afflicting both the advanced and emerging market economies. The 2019 growth forecast for both were lowered 20 bps to 1.7% and 3.9%, respectively. "Among advanced economies, the weakening has been broad-based, affecting major economies (the United States and especially the Euro Area) and smaller Asian advanced economies. The slowdown in activity has been even more pronounced across emerging market and developing economies, including Brazil, China, India, Mexico, and Russia, as well as a few economies suffering macroeconomic and financial stress," the IMF noted.

Interestingly, IMF forecasts world growth to rise to 3.4% in 2020 with emerging market economies growing by

4.6% while advanced economies would stay at 1.7%., with a modest pickup in the euro area offsetting a gradual decline in US growth.

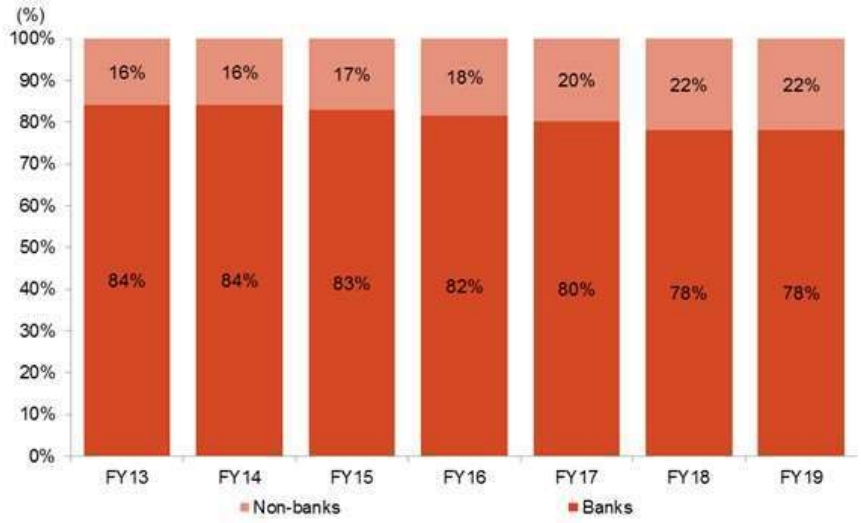
Overall NBFC: Summary

NBFCs' credit growth dropped significantly in fiscal 2019; credit growth to further slowdown in fiscal 2020

- After the September 2018 crisis, credit growth of non-banks declined ~800 bps to ~13% in fiscal 2019 and is expected to witness a ~9-11% growth in fiscal 2020.
- Liquidity squeeze and slowdown in some segments attributed to slower growth for non-banking finance companies
- (NBFCs); second half of fiscal 2020 is expected to witness some improvement. Banks' credit growth to partially offset slowdown in growth of NBFCs.

Non-banks have become an important catalyst in the credit market of India increasing its share for the past several years. However, due to slower growth in fiscal 2019, non-banks just managed to maintain their share of credit against banks. Growth in fiscal 2019 came majorly in the first half, where non-banks' growth was 7.8%. After the crisis in September 2018 non-banks registered growth of 4.7% the second half of fiscal 2019. Slower growth in outstanding book was also attributed by portfolio securitisation by non-banks.

Share of non-banks have increased significantly over the years



Source: RBI, NHB, MFin, CRISIL Research

Selected players are able to raise funds in the debt capital market

Apart from lower issuance, only selected players had access to the debt capital market. Higher risk perception on mid-sized and small players and players in riskier segments were not having any takers for their issuances. Selected large players with a strong parentage, relatively less riskier book in the retail segment and lower ALM mismatch were only able to raise NCD, which is reflected in the unique player-wise issuance.

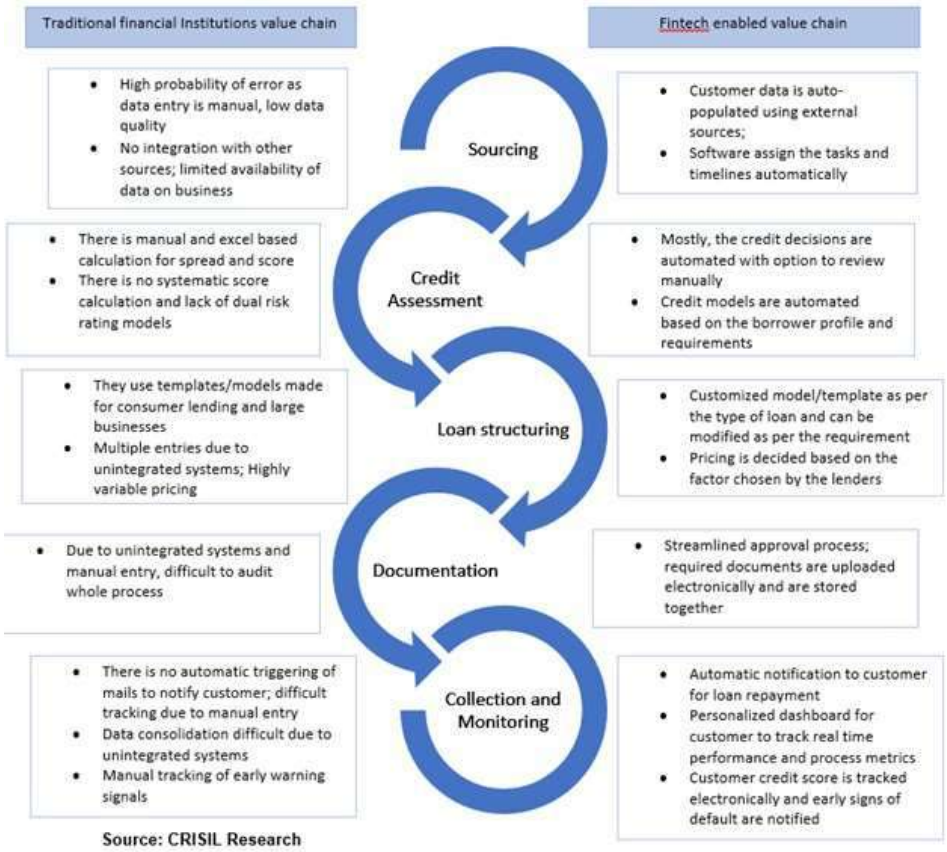
Fintech and digital segments are increasingly playing an important role in retail lending

Innovation in the fintech has rapidly changed the lending space in the past 2-3 years by leveraging the data available from credit bureaus, asset-reocnstuction companies, Goods and Services Tax (GST) network, Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) and Registrar of Companies (ROC). With the advancement of technology, the gap between fintech companies and financial institutions is slowly disappearing. Alternative lending includes marketplace platforms, peer-to-peer (P2P) lending and digital-lending platforms targeting specific needs of customers and MSME businesses that are underserved by financial institutions. Alternative lending also caters to specific market segments such as e-merchants and internet-enabled businesses. The alternative lending fintech model enables highly efficient customer onboarding and servicing within lighter regulatory environment. In contrast, most traditional financial institutions operating model includes branch banking, stringent regulatory environment, collections and recovery of loan book. One of the major trends

in the alternative lending business is API (application programming interface) banking. API banking enables third-party providers to develop solutions that can be integrated easily with banking platforms. This integration helps in maintaining confidentiality and data security along with providing complete support to fintech firms in reinventing consumer services.

In the past few years, alternative lending firms have been servicing customers, who are outside the purview of banks risk appetite. The operating model of fintech firms is yet to be tested, as they are yet to complete their full loan cycle. As the industry is growing, fintech firms should take necessary steps to maintain the asset quality and keep NPAs low compared with traditional players. They must prioritise quality over quantity to ensure success of this model.

Impact of fintech on the value chain for retail lending:



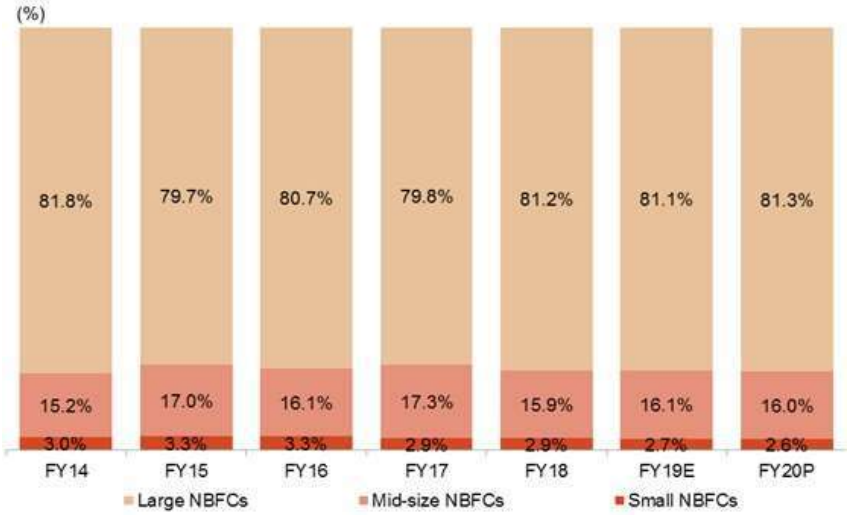
Source: CRISIL Research

Competitive Dynamics: Large, Medium and Small NBFCs

Share of large NBFCs to remain elevated over the coming fiscal
Limited ability to raise funds through the capital market, along with limited niche product offerings is expected to hurt smaller and mid-sized NBFCs pursuit of gaining market share in the coming two fiscals.

- Smaller and mid-size NBFCs are mostly captive NBFCs with specific product offerings and mainly operate in new vehicle financing segments
- With banks slowing down disbursements in the coming two fiscals, large NBFCs with expertise in riskier used financing segments are expected to gain further market share as banks are likely to stay put in these segments based on lack of underwriting expertise and lower risk appetite
- Smaller NBFCs and their lack of ability to raise funds at competitive rates and to diversify into other segments hold them from gaining market share in the coming two fiscals

Share of large NBFCs expected to augment



Note: NBFCs have been classified as small NBFCs if AUM is less than Rs. 25 billion as of FY19; as mid-size NBFCs if AUM is between Rs. 25 and Rs. 100 billion; and Large NBFCs if AUM is above Rs. 100 billion as of FY19
Source: Company Reports, CRISIL Research

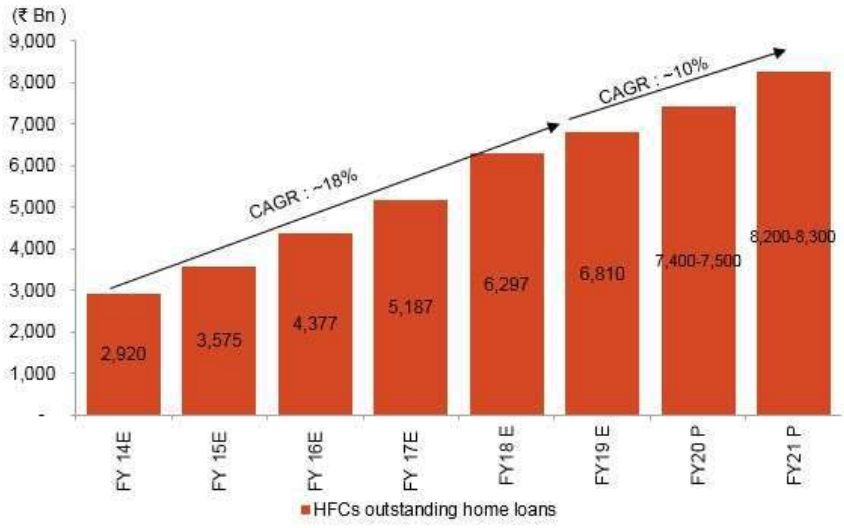
Housing Finance: Outstanding

HFC's book in home loan segment to grow at 10% CAGR over the next two years.

Home loans outstanding of housing finance companies (HFCs) grew at over 20% compound annual growth rate (CAGR) during fiscals 2013 and the first half of fiscal 2019. Demand for individual home loans rose on account of increasing demand from Tier 2 and 3 cities, rising disposable incomes, interest rate subventions, and fiscal incentives on housing loans. However, growth slowed considerably in the second half of fiscal 2019 owing due to liquidity constraints. Players started focusing on managing asset liability mismatches rather than growing their book. Consequently, overall credit growth in home loans for HFCs stood at 8% on-year in fiscal 2019

CRISIL Research expects the outstanding book of HFCs in the home loans segment to continue growing at a relatively slower ~10% CAGR over the next two years. A tight liquidity situation is expected restrict market borrowings for some of the HFCs with relatively higher asset liability mismatches, higher proportion of non retail portfolio in overall book, and without strong parentage.

Growth momentum to slow amid the recent turbulence



Note: above graph represents home loan outstanding of HFCs E: Estimated; P: Projected
Source: Reserve Bank of India (RBI), NHB, Company Reports, CRISIL Research

To strengthen liability management, non-banks are tapping alternate sources of funding such as issuances of retail bonds, securitisation, and external commercial borrowings (ECBs), apart from increasing borrowing from banks. Securitisation has emerged as a major source of funding, which is expected to continue this fiscal. Higher level of securitisation will restrict growth in the outstanding book of HFCs going forward.

CRISIL Research expects the credit growth of the HFCs to slow down owing to the tight liquidity and increased risk perception over the medium term. While credit supply growth will slow down over the next two years, demand-side fundamentals will likely to remain robust. Deeper finance penetration, better affordability, latent demand for affordable dwellings, greater government support, and higher disposable income will continue to drive demand for housing loans.

Measures taken by regulator and government to ease liquidity constraints – positive

Over the past few months, the government as well as regulators have come out with various measures to improve the liquidity situation for non-banks. One of the measures announced by the government in the recent budget is a one-time partial guarantee to banks (for six months) on the purchase of highly rated pools of financially sound non-banking financial companies.
Credit guarantee by the government to public sector banks (PSBs) on the purchase of assets from NBFCs should narrow the prevailing trust deficit and boost investor confidence in non-banking finance companies (NBFCs). The assumption here is the credit guarantee is for the entire tenure of the pooled assets purchased by PSBs over the next six months.

Some of the other measures taken by the regulators to ease the liquidity situation and to structurally strengthen the HFCs are as follows:

- Increasing refinance limit from the National Housing Bank (NHB) -

  The NHB increased the refinancing limit for HFCs by Rs 60 billion in September 2018, making it Rs 300 billion for the year against the earlier proposal of Rs 240 billion.

  In August 2019, the finance minister revised the NHBs refinance limit to HFCs from the Rs 100 billion proposed in the budget to Rs 300 billion for the current year.

- Easing of norms for bank lending to NBFCs

  In October 2018, the exposure limit of banks to non-infrastructure NBFCs has been raised to 15% from the earlier 10%. In August 2019, the Reserve Bank of India (RBI) again increased a banks exposure limit to a single NBFC from 15% to 20% of its Tier-I capital.

  In February 2019, the RBI relaxed norms for a banks assignment of risk weights for exposures to NBFCs depending on ratings instead of the 100% risk weight earlier. The RBI also harmonised categories of NBFCs to ease the classification.

- Relaxation on the minimum holding period for securitisation

  In November 2018, the RBI reduced the minimum holding period (MHP) from one year to six months for assets to be securitised or assigned by NBFCs with original maturity above five years. Relaxation of the MHP enables NBFCs and HFCs to raise funds by securitising their originations without having to wait for a longer period.

- One-time partial credit guarantee scheme

  The one-time partial credit guarantee scheme was announced in the budget 2019 and introduced in August 2019. Government offering guarantee to PSBs on default of purchased pooled asset up to Rs 1 trillion from NBFCs.

- The RBI has cut the minimum holding requirement for NBFCs raising funds via securitisation of loans of original maturity above five years. The NBFCs will now be allowed to securitise loans after showing six months of repayments against the earlier requirement of 12 months.

- Classification of banks lending to an NBFC under PSL for lending to agriculture, micro, small, and medium enterprise (MSME) and housing sectors

  RBI allowed bank lending to registered NBFCs (other than micro-finance institutions - MFIs) for on-lending to agriculture (investment credit) up to Rs 10.0 lakh; micro and small enterprises up to Rs 20 lakh and housing up to Rs 20.0 lakh per borrower to be classified as priority sector lending.

On the demand side, the higher tax exemption announced in the affordable housing segment will keep demand intact. Interest deduction on loans taken until March 31, 2020 for the purchase of a house valued up to Rs 45 lakh has been enhanced to Rs 3.5 lakh from Rs 2 lakh. The additional interest deduction of Rs 1.5 lakh would reduce the effective home loan interest rate by 40-50 basis points for a typical 15-year loan.

Apart from this, there have been other measures taken by the regulators/government to structurally strengthen HFCs which are given below -

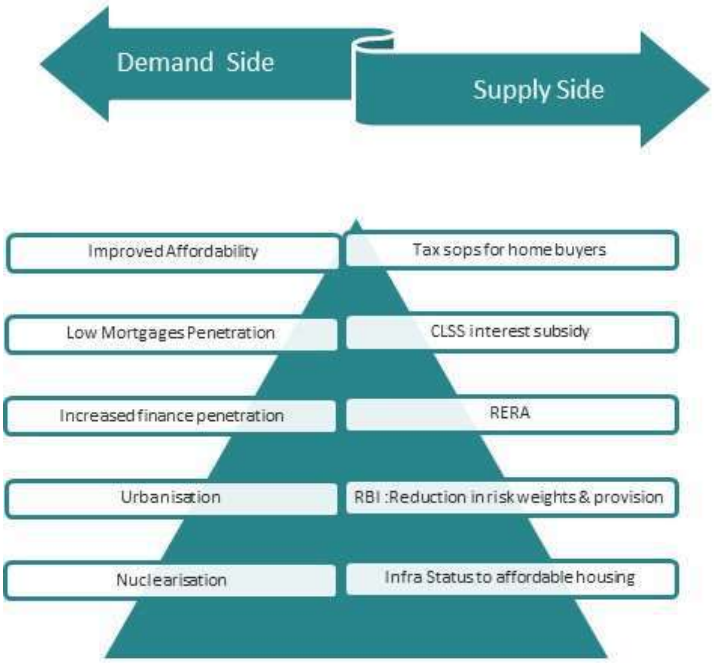
- NHBs revised guidelines announced in June 2019 have made the following key amendments:
  - The minimum Tier 1 capital adequacy to be maintained by HFCs has been increased from 6% to 10%
  - The overall capital adequacy ratio requirement has been increased from 12% to 15% in a graded manner
  - The maximum leverage that HFCs can take up has been reduced to 12 times from 16 times over three years
  - The ceiling on deposits that HFCs can mobilise has been lowered to three times of net-owned funds from five times

- Transferring the regulatory power on HFCs from the NHB to the RBI

Transferring regulatory power will lead to better risk management framework for HFCs and also enable the RBI to have a prudent risk focussed surveillance over the non-banks. These are structural measures which will help strengthen the sector over the medium to long term.

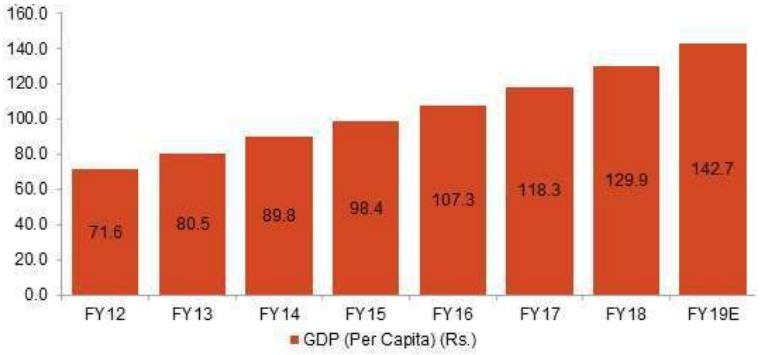
Housing Finance: Key growth drivers

Drivers for growth



Affordability led by disposable income – India's per capita gross domestic product (GDP) grew at a healthy rate in the three years up to fiscal 2019. It rose to Rs 142,000 in fiscal 2019 (base year 2011-12). Among Indias GDP components, private consumption is the biggest contributor at ~58% in fiscal 2019. Per capita GDP, a proxy to measure private consumption, is estimated to have grown over 8% in fiscal 2018. With GDP accelerating in fiscal 2019, per capita GDP is expected to grow faster.

Buoyant trend in per capita GDP is expected to continue

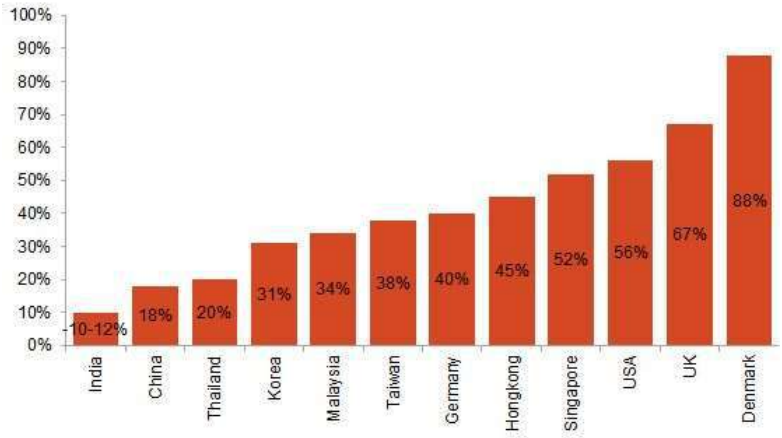


Note: GDP per capita is in Rs '000
Source: CSO (Central Statistical Organisation), RBI, CRISIL Research

In the short to medium term, disposable income will rise as a result of implementation of the Seventh Pay Commissions recommendations and sustained low inflation. This will be an enabler for domestic consumption. Increasing disposable income, typically, has a positive correlation with demand for housing units as it increases affordability.

Low mortgage penetration - India's mortgage-to-GDP ratio was still low at 10-12% in fiscal 2019 compared with other developing countries, but it has improved from 7.4% in fiscal 2010, given rising incomes, improving affordability, growing urbanisation and nuclearisation of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers.

Low mortgage penetration (% of GDP) compared with other developing countries



Note: India data for FY19, Other countries data for CY15
Source: European Mortgage Federation, HOFINET, CRISIL Research

Based on CRISIL Research analysis, mortgage penetration in India is 9-11 years behind other regional emerging markets, such as China and Thailand. However, due to various structural drivers, such as a young population, smaller family size, urbanisation and rising income levels, we believe growth rates in the mortgage segment should remain healthy over the long term.

Rise in finance penetration to drive the industry - An increase in finance penetration is also expected to support the industry's growth. Rising demand for housing from tier-II and tier-III cities and a subsequent surge in

construction activity have increased the focus of financiers on these geographies. Consequently, finance penetration in urban areas is estimated to have increased to ~ 44 in 2019, from an estimated 39% in 2012. Boosted by the affordable housing push and rising competition in higher ticket size loans, we expect finance penetration to increase to 45% in urban areas in fiscal 2020.

Uptick in finance penetration in urban areas



Source: CRISIL Research, Company Report, NHB

Apart from urban segment, rural areas are also likely to witness considerable improvement in finance penetration, led by the government's efforts to provide housing for all. However, operational challenges, such as timely collection of payments, lower ticket sizes and higher delinquencies compared with the urban markets will pose headwinds to rural expansion.

Rapid urbanisation will boost housing demand - Despite a flourishing housing finance industry, India still faces a huge shortage of houses, especially in the urban areas. The share of urban population rose steadily from 31% in 2011 to an estimated ~34% in 2019. CRISIL Research expects urbanisation to accelerate, with the urban population growing at a CAGR of 2.0-2.5% between 2018 and 2022, compared with the overall population growth of 1.2% during the same period. The increasing urbanisation will boost per-capita GDP, as was evident during the previous five years, and also enhance financial literacy and quality of living.Urbanisation has a twin impact on housing demand: it results in a rise in the number of nuclear families, leading to the formation of more urban households, and reduces the area requirement per household.

Trend in urbanization of population



Source: United Nations Department of Economic and Social Affairs, IMF

Urbanisation provides an impetus to housing demand in urban areas as migrants from rural areas require dwelling units. People from rural areas move to cities for better job opportunities, education, avail better lifestyle etc. Nearly

36% of the country's population is expected to live in urban locations by 2020, which will drive the demand for housing in these areas.

Rise in nuclear families leads to the formation of new houses - Nuclearisation refers to formation of multiple single families out of one large joint family; each of these families live in separate houses while the ancestral house may be retained or partitioned to buy new houses. Nuclearisation in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes and increased mobility of labour in search of better employment opportunities. These trends are expected to continue in future.

Traditional tools to promote the housing sector: Tax incentives - The government has traditionally used tax regulations to promote the housing sector. Tax sops for the housing sector have been instrumental in driving growth in the housing and housing finance sectors

Some of the tax benefits announced in Union Budget 2019-20 are:

- Interest deduction on loans taken until March 31, 2020, for the purchase of a house valued up to Rs 45 lakh, has been enhanced to Rs 3.5 lakh from Rs 2 lakh. The additional interest deduction of Rs 1.5 lakh would reduce the effective home loan interest rate by 40-50 basis points (bps) for a typical 15-year loan

Others tax benefits are as follows:

- As per Section 24 (B) of the Income Tax Act, 1961, annual interest payments of up to Rs 200,000 on housing loans can be claimed as a deduction from taxable income.

- As per Section 80 C (read with section 80 CCE) of the Income Tax Act, 1961, principal repayments of up to Rs 150,000 on a home loan are allowed as a deduction from gross total income.

- As per Section 80 EE, an additional deduction in respect of interest of Rs. 50,000 p.a has been provided exclusively for first-time home buyers, given the property value is up to Rs. 5 million, the loan is up to Rs. 3.5 million

Interest subvention scheme will lead to a surge in loan disbursements over the next 3-5 years - The Cabinet Committee on Economic Affairs approved a proposal to increase the interest subsidy to 6.5% for loans of up to Rs. 0.6 million the for economically weaker section (EWS) and lower income group (LIG) beneficiaries under Affordable Housing through Credit-Linked Subsidy Scheme (CLSS) component of the Housing for All by 2020 mission.

In February 2017, benefits of the CLSS were extended to include middle-income group households as well. Inclusion of middle- income group (MIG) households, whose incomes range between Rs 6 lakh and Rs 18 lakh per annum under the credit-linked interest subsidy scheme, will lead to a surge in loan disbursements over next fiscal years, leading to faster outstanding growth. Higher government support for the affordable-housing segment (in terms of interest rate subsidies) as well as a low interest rate scenario will boost overall housing loan demand over next two fiscal years.

GST cut a leg-up for realty demand - A drastic 700 bps reduction in the Goods and Services Tax (GST) from 8% to 1% for under-construction affordable housing projects (effective rate after deducting one-third towards land cost) and from 12% to 5% for other under-construction housing projects (effective rate after deducting one-third for land cost), is likely to increase end user demand. Also, the GST Council adopted a new definition of affordable housing, which is now described as a residential house / flat with a carpet area of up to 90 square metres in non-metropolitan cities/towns, and 60 square metres in a metro, and having value up to Rs 45 lakh. Metros identified are Bengaluru, Chennai, Delhi NCR (limited to New Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon and Faridabad), Hyderabad, Kolkata and Mumbai (whole of Mumbai Metropolitan Region). It should be noted that 40-45% of ongoing supply in these six cities fall below the Rs 45 lakh ticket size, so the effective 1% GST rate should stoke demand.

Over the past two years, preference for completed projects has been clearly visible because of the additional GST burden and execution risks associated with under-construction properties. With the Real Estate (Regulatory & Development) Act, 2016, (RERA) framework evolving and GST reduced, end-user confidence towards under-construction properties will improve. This should also gradually improve volume growth in the housing segment.

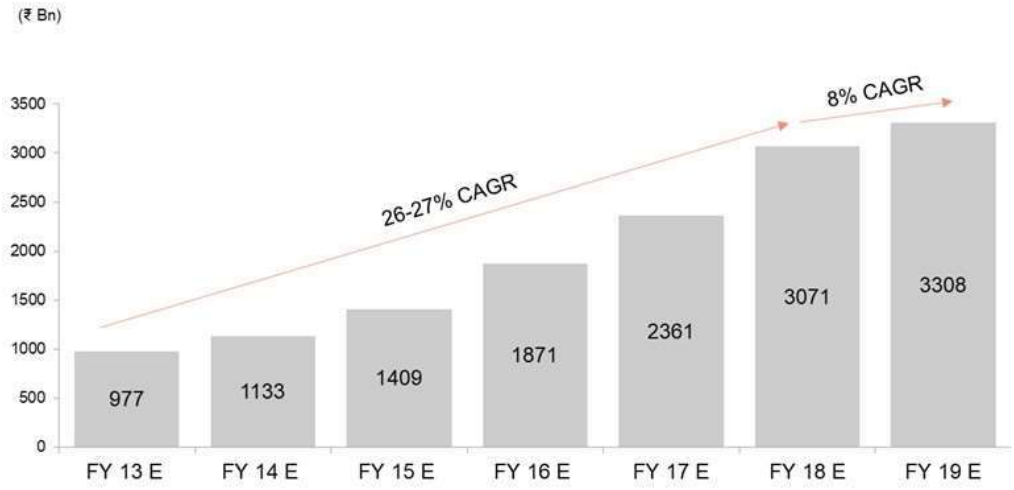
Effective implementation of RERA will led greater transperancy and drive growth in the long term - Real Estate (Regulatory & Development) Act, 2016, could have some impact over next 1-2 fiscal years until the industry adjusts to the new regulations, as RERA has forced developers to focus on completing their existing projects. This, coupled with sluggish demand, has resulted in fewer new launches of residential properties. However, CRISIL Research expects RERA will lead to better structure, transparency and discipline in the sector in future.

Wholesale Finance: Outstanding

Wholesale finance represents lending services to medium-sized and large corporates, institutional customers and real estate developers by banks and other financial institutions. It encompasses long- and short-term funding. Non-banks posted 8% growth in fiscal 2019 as against 26% between fiscals 2013 and 2018.

In the past, non-banks witnessed strong growth (five-year CAGR of 26% till fiscal 2018) in their wholesale financing books on account of easy availability of funds and increased demand since banks curtailed their disbursements in the segment. However, in fiscal 2019, on account of liquidity crisis, non-banks grew just ~8% to ~Rs 3,300 billion in fiscal 2019.

Non-Banks Wholesale Book Growth



Note: Includes NBFC's and HFC's
Source: CRISIL Research

While players with strong parentage and other players posted robust growth in in the first half of fiscal 2019, in the second half growth slowed down (players with not so strong parentage witnessed greater impact) leading to overall subdued growth of 8% in fiscal 2019.

Wholesale Finance: Key growth drivers - Non-banks gained market share through innovative product offerings and strong client relationships

Customised solutions - Non-banks offer customised loan structures with features such as interest moratorium and bullet repayment schedules, which are not offered by banks. In addition, non-banks often extend credit to developers for land financing and early-stage project financing.

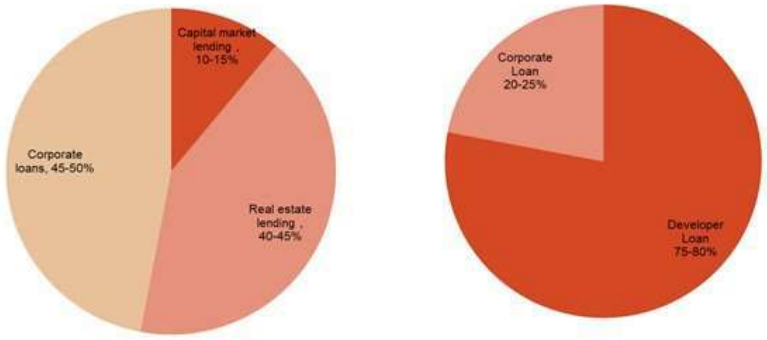
Lower turnaround time - Customers often require funds in a timely manner for funding business growth and/or managing the liquidity crunch. Non-banks are able to meet such requirement thanks to faster turnaround time. On average, non-banks disburse a large ticket loan to a new customer within 45-60 days.

Slower decision-making process in public sector banks - Decision-making cycle in some public sector banks (PSBs) is too long owing to risk aversion and fragile capital position. This has also contributed to the growth of non-banks.

Strong client relationships - Some non-banks have strong client relationships due to their presence in allied businesses, or because they are supported by well-established parent companies. This aids them in securing the business and in risk assessment.

Wholesale Finance: Lending to Real Estate Sector -

NBFC's wholesale portfolio



Note: Breakup is based on top 5-6 players each in NBFCs and HFCs space which combined form 75-80% of the Non-Banks wholesale industry
Source: CRISIL Research estimates, Industry

Consolidation in the real estate sector to see increased momentum; financiers to participate in large transactions by co- investing. Large developers on the other hand have different avenues to raise funds through external commercial borrowings, private investments, assets sale and therefore are lesser impacted by restricted access to fuds.

It is likely that consolidation in real estate industry would intensify. Lenders will then have to inevitably participate in large transactions through co-investing with other partners.Players with strong parentage continued to grow their real estate book post the liquidity crisis

The entire segment posted robust growth in first half of fiscal 2019. However, post liquidity crisis in October 2018, players with not so strong parentage witnessed substantial decline in their books. On the other hand, players with strong parentage continued to grow their real estate book.

Loan against property (LAP): LAP: Market size, growth outlook and key growth drivers

LAP market size

Total outstanding LAP (banks and non-banks) grew at a compound annual growth rate (CAGR) of 25% over the past five years until fiscal 2018.

Earlier, growth was led by an increase in product awareness, coupled with higher financier willingness to lend. Key factors contributing to high LAP growth in the past were:

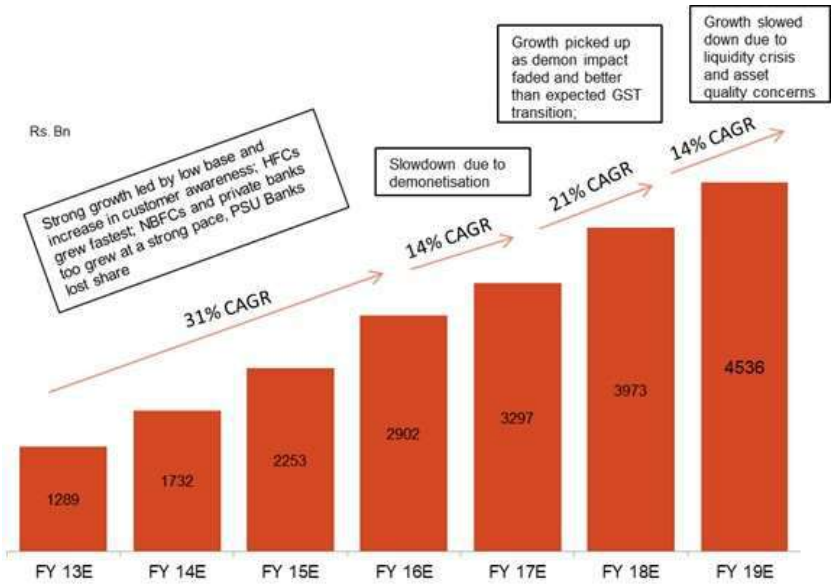
1. Quick turnaround time, lower interest rate, lesser documentation: LAP loans get disbursed in about half the time taken for a secured 'micro, small and medium enterprise' (MSME) loan. It is also offered at a lower interest rate compared with secured MSME loans, unsecured personal and business loans. LAP requires lesser documentation compared with other secured SME products, leading to lesser hassles to customers.

2. Greater transparency in the system: Demonetisation, GST, and the government's strong push for digitisation have led to higher transparency in the system. This will keep pushing up loan-amount eligibility of borrowers. Formalisation will also help many new borrowers to come under the ambit of formal lending channels.

3. Rising penetration of formal channels: Increase in penetration and availability of formal lending channels in other than top 10 cities will take away the market share from money lenders.

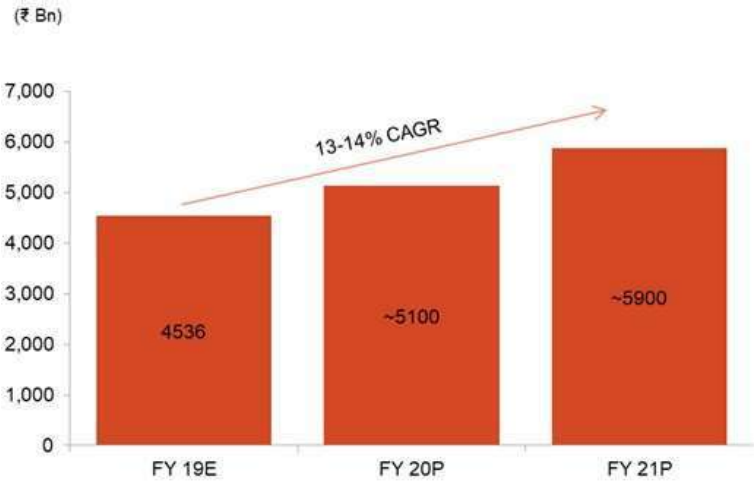
4. Higher comfort for lenders: Lenders are comfortable disbursing LAP loans, as they offer favourable risk-return characteristics compared with MSME and unsecured loans. They also offer higher recovery in case of default (supported by the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002) and better asset quality is only partly offset by lower yields.

LAP market grew 14% in fiscal 2019 to reach Rs 4.5 trillion



Note: Included banks and non-banks
Source: CRISIL Research

LAP market to grow 13-14% CAGR up to fiscal 2021



Note: Includes banks and non-banks
Source: CRISIL Research;

With continued restricted access to funds and asset-quality concerns, CRISIL Research believes the LAP market outstanding to grow at a modest 12-13% in fiscal 2020 and a pick-up in growth at 14-15% in fiscal 2021, leading to a CAGR of 13-14% until fiscal 2021.

Though growth will pick up in fiscal 2021, it is unlikely to reach pre-crisis levels, as lenders are likely to be risk-averse in this segment. We expect the total LAP market (banks and non-banks) to reach ~Rs 5.9 trillion by fiscal 2021.

Non-banks, which grew 19-20% (two-year CAGR) until fiscal 2018, grew just ~12% in fiscal 2019 and are expected to grow at a subdued rate of 9-10% CAGR between fiscals 2019 and 2021.

LAP: Key industry trends

Key trends in LAP market

Outlook on key industry parameters (non-banks)

Sr No.	Parameter	Current (FY19)	Outlook (FY20-21)
1	Interest rate	10.5-12%	To remain stable
2	LTV	60-65%	To remain stable
3	Median ticket size	Rs 8.5 Mn	To decline
4	Surrogate assessment	45-50%	To decrease
5	Balance transfers (as % of disbursement)	30-35%	To decrease
6	DSA sourcing	55-60%	To decrease

Source: CRISIL Research

Higher LTV allures borrowers to go with residential property - While financing can be extended to any type of property, the perceived risk associated with each property is different, based on the borrower's emotional attachment to the property. Residential property is considered the safest. Hence, the interest rates charged on them are the lowest and loan-to-value (LTV) provided is higher. Interest rates charged on plots or industrial properties are higher than the rates charged on residential properties. Additionally, banks are usually reluctant to lend against plots or industrial properties; even if they do so, LTV will be low, rendering the role of HFCs and NBFCs pivotal.

Surrogate lending to decline - Due to the higher share of the informal self-employed segment (where formal income documents are either unavailable or do not reflect the true repayment capability of the borrower) in the LAP market, financiers resort to various surrogate methods for cash-flow appraisal. A cautionary approach by lenders will lower surrogate assessment in the near term. Increase in availability of data with GST already in place and increasing formalisation in the system will lead to a further decrease in surrogate assessment in the long term.

Lenders reducing DSA sourcing - Direct Selling Agents (DSAs) play a critical role in the LAP market, as they possess local knowledge and are able to offer a diverse range of products from various lenders. NBFCs and HFCs derive 55-60% of their business through DSAs and private banks 40-45%. DSAs remain critical in this segment, especially in the sourcing of new customers. However, the desire to reduce sourcing costs and balance transfer risks suggests a growing trend among players towards sourcing customers directly instead of relying on DSAs.

Self-employed non-professionals account for a large part of LAP borrower base - Self-employed people account for 80-85% of LAP disbursements; of these, 70-75% are self-employed non-professionals (SENPs) and the remaining 10-15% are self-employed professionals (SEPs). The salaried class accounts for the remaining ~15%, primarily availing of LAPs to meet personal expenses related to marriage, education, healthcare and repayment of previous loans.

SEPs comprise doctors, chartered accountants and architects, who mainly need funds for expansion of their clinics and offices. SENPs, on the other hand, comprise small manufacturers and traders, who avail of a LAP as a term loan to meet capacity expansion, debt repayment, business diversification or working capital needs.

While NBFCs/HFCs target riskier self-employed customers, banks focus more on salaried individuals and self-employed individuals with good credit profiles. For borrowers, who have taken several personal and business loans earlier at higher interest rates, LAP offers an attractive option, helping them foreclose old loans and take a single loan (LAP) at comparatively lower interest rates.

Lower competition and higher opportunity prompt players to eye smaller cities - LAP has been popular in the top-10 metros due to the high concentration of businesses there. However, players have been expanding to other smaller cities which are relatively under banked and where competition is lower. The trend is expected to continue.

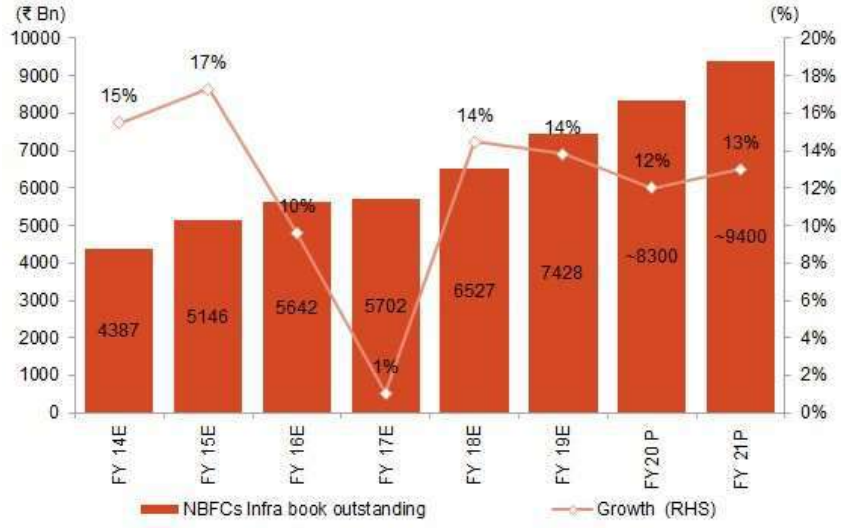
Actual tenure of LAP is about half the contractual tenure - Contractual tenure for LAP is typically 10 years, which allows borrowers to spread their payouts over a longer term. However, the behavioural tenure is 5-6 years, when higher prepayments and frequent balance transfers (which occur when a competing lender offers a higher LTV or lower interest rate) are taken into account.

Infrastructure Financing: Outstanding

NBFCs' infrastructure finance book continues to grow at a healthy pace of ~12-13% over the next two years

NBFCs' infrastructure book grew 14% in fiscal 2019. The pace of growth was majorly supported by increased disbursements by NBFCs towards transmission and distribution in the power segment. In addition to this, the renewable energy segment also witnessed a significant increase in disbursements.

Loan book to increase, as NBFCs augment their support to infrastructure projects



Source: RBI, Company reports, CRISIL Research

The loan outstanding of infra-finance companies is projected to expand at a 12%-13% CAGR from Rs 7.4 trillion in fiscal 2019 to Rs 9.4 trillion in fiscal 2021, driven by strong demand from the transmission and distribution segment and the renewable energy segment. Also, demand in the roads segment is expected to improve, driven by national highways and state road planned investments.

CRISIL Research expects investments of ~Rs 9-10 trillion in the power sector over fiscals 2020 to 2024. While generation investments are expected to decline with the slowdown in capacity additions, investments in the transmission and distribution (T&D) segment, which have lagged so far, are expected to pick up, led by the government thrust on improving infrastructure and financial support from Central government schemes.

Roads and Highways (around 4% share of overall infra outstanding of NBFCs) are also expected to report healthy growth over the medium term, driven by national highways and state roads.

Awarding in national-highway projects is set to pick up in fiscal 2020, after a slump in the previous year, because of a strong pipeline of projects under Bharatmala. CRISIL Research projects the National Highways Authority of India (NHAI) to award 4,300-4,700 km in fiscal 2020, up from ~2,200 km in fiscal 2019, because of a strong pipeline of projects under Bharatmala. Furthermore, the development of state roads has progressed well in recent years, and we believe this momentum will continue. Major states such as Maharashtra and Madhya Pradesh have increased the budgetary allocation for state roads significantly this fiscal.

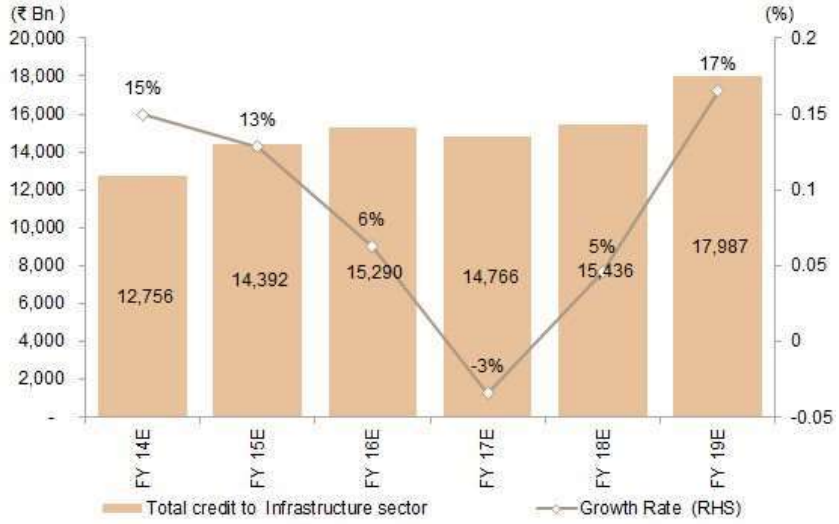
Further, the Centre has announced Pradhan Mantri Gram Sadak Yojana (PMGSY-III) in the Union Budget 2019-20 for construction of 125,000 km of rural roads at a cost of Rs 80,950 crore. This is lower compared with the length of rural roads in km constructed over the past five years . We expect to see a slight dip in rural-road investments over the next five years.

Overall infrastructure credit grew 17% in fiscal 2019:

Infrastructure credit growth slowed down between fiscals 2014 and 2017, due to clearance delays, challenges associated with the execution of infrastructure projects, conversion of discom loans into Ujwal Discom Assurance Yojna (UDAY) bonds, lower capital, economic slowdown, along with cautious lending towards the sector, as banks were faced with NPA difficulties and tried to control their exposure to improve their overall loan-book quality. Ease of access to commercial paper, external commercial borrowing and other sources of funds were also responsible for growth slowdown during this period. Banks loan- book growth witnessed a remarkable slowdown, as it grew at a meagre 6% over the four fiscals, while NBFCs performed relatively well during the period, clocking a growth rate of 11%. It must be noted that while banks loan book towards the infrastructure sector has witnessed negative growth between fiscals 2016 and 2017, NBFCs have grown at a relatively faster pace and taken market share from banks. Their share in the overall market pie has seen remarkable increase from 35% in fiscal 2013 to over 39% in fiscal 2017. Banks exposure towards the infrastructure sector has further declined 2% in fiscal 2018, as they attempt to clean up their books. In case of infrastructure loans, the tenure usually remains long, and the interest payments start only after the projects start generating revenue; however, in case project completion witnesses delays, it could affect the entire cash flow for the financier. Additionally, in case the project is not able to generate enough revenue, there exist risks with respect to interest payments, and in certain situations, risks regarding default on the entire loan given out. This is one of the reasons why banks have now started to reduce their exposure towards the sector; in fact, one of the largest public sector banks in the country has decided against interest payment financing on these projects. Year-on-year, the overall loan book witnessed a 4% improvement, driven by NBFCs' continued growth in infrastructure financing; their loan book improved 13% year-on-year

CRISIL Research expect's the overall loan book towards the infrastructure sector to improve, driven by the fast-paced growth of NBFCs, as banks look to improve their infrastructure asset quality.

Outstanding loans to infrastructure projects improved



Source: RBI, Company reports, CRISIL Research

Infrastructure Financing: Key growth drivers

Key growth drivers for different infrastructure segments:

Power

- "Power for all" is a Joint Initiative of Government of India (GoI) and State Governments with the objective to provide 24x7 power available to all households, industry, commercial businesses, public needs, any other electricity consuming entity and adequate power to agriculture farm holdings by FY 19 with special emphasis on renewable energy sources
- Investments in the power sector totalled Rs. 9.5 trillion between FY14 and FY19 driven by capacity expansion of 88GW (expected to increase further by 37GW over next 5 fiscals) in conventional power generation; investments of Rs. 9-9.5 tn expected between FY19 and FY23
- Investments in the transmission sector stood at Rs. 3.8 tn are expected to witness strong growth over the next 5 years
- With implementation of UDAY scheme, power demand will increase with improvement in financial health of discoms. This will benefit generation companies (in particular, private players) that were under significant pressure on account of tepid power demand from discoms, owing to their weak financial position.

Roads

- Allocation in FY2019 budget for highways Rs 750 bn , allocation for the Pradhan Mantri Gramin Sadak Yojana (PMGSY) maintained at INR 19,000 crore
- The budget 2019-20 allocates Rs 80,250 crore for rural- roads constructions of 1,25,000 Km under PMGSY over the next five years.
- To boost private participation, the government had introduced HAM (hybrid annuity model) in FY16, wherein 40% of the total project cost would be funded by the government and remaining by the private developer; its share in NHAI's overall road project disbursements increased to 50% in FY17 and FY18
- Bharatmala envisages building near 25000 kms of highway roads in the next 5 years; total outlay estimated to be Rs. 6.9 trillion upto FY22

Railways

- Fiscal 2018 capex plan is Rs 1.31 tn
- Capital outlay in Railways sector rose to Rs.1,46,500 crores; new budgetary allocation stands at Rs. 53060 crores
- Outlay for electrification rose by 25% as against FY18 revised estimates; target increased from 4000 km currently to 6000 kms in FY19
- Outlay for network expansion has increased by 29% against FY18 revised estimates; network expansion for FY19 stands at 1000 kms, a 25% rise over FY18 budget estimates

Ports

- Budget allocation in FY19 for Ports, Inland Waterways and Sagarmala stands at Rs 51 bn
- The planned cost for Sagarmala project is Rs 7 trillion; over 150 projects to be executed over the next 20 years
- In 2016, government of India has identified 142 projects to invest Rs 914 billion over the next 20 years in ports industry for capacity augmentation.

Airports

- We expect investments to the tune of Rs. 520bn-550 bn in airport infrastructure between fiscal 2020 and 2023

Smart Cities

- 100 smart cities to be developed in the next 5 yrs
- Total outlay of top 33 smart cities that are expected to start execution from 2016-17 is estimated at Rs 760 billion (only capital investment). Of this, about 44%, i.e., Rs 335 billion, is expected to directly translate into construction spends. Development of roads and transportation would dominate construction spends, which would directly contribute to AUM (assets under management) growth of infrastructure financing.

Irrigation

- In Budget 2019-20, schemes under Pradhan Mantri Krishi Sinchai Yojana- for irrigation received an allocation of Rs. 41 Bn

Infrastructure Financing: Market Share

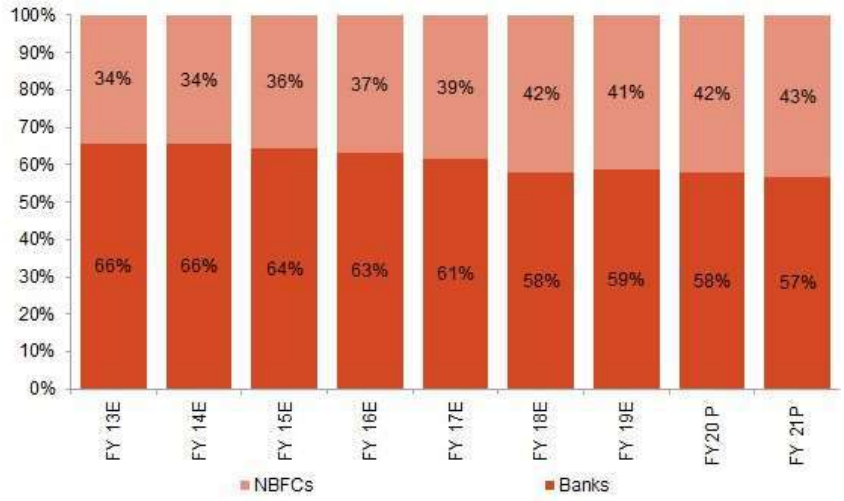
NBFCs to gain market share; banks to remain cautious towards infrastructure finance

The market share of NBFCs in infrastructure finance grew by 600-700 bps over the last 5 years. However, banks which were losing market share to HFCs over the last few years gained market share of around 100 pbs in fiscal 2019. In fiscal 2019, the government had infused over Rs 1 trillion in public sector banks (PSBs), allowing five banks to exit the prompt corrective action (PCA) framework. Also, in budget 2020, the government had planned to infuse around Rs 70,000 crore for recapitalisation and providing growth capital to weak PSBs.

Despite PSBs getting recapitalised, CRISIL Research expects them to go slow on lending to power and infrastructure projects, given the fact that they are already struggling with high amount of bad loans in the sector and much of the new capital would be required for cleaning up the balance sheet (provisioning for existing bad

loans and accounts sent to National company law tribunal (NCLT)). Private corporate lenders, on the other hand, are focused on strengthening their retail franchise. Therefore, well-capitalised and governmnet-backed infrastructure-focused NBFCs will gain market share from banks. Also, banks have an internal ceiling with respect to the sectoral exposure they can have to a particular segment, whereas NBFCs are specialised institutions lending to infrastructure projects with no such limitations.

Market share of NBFC's likely to increase over the next two years



E: Estimated, P: Projected
Source: CRISIL Research

Auto Finance: Outstanding

Share of NBFCs in auto financing book to improve in the coming fiscals

While banks have grown faster than non-banking financial companies (NBFCs) in the fiscals post demonetisation, NBFCs have remained competitive in the auto financing landscape because of:

- Specialisation in disbursing this category of loans, based on stronger understanding of customer profiles, and ability to provide customised product offerings.
- Greater ability to tap the market (based on improving ratings) in order to raise funds at convenient rates, which has enabled them to offer competitive interest rates.
- Increasing market penetration from captive financiers (both Indian and foreign), based on greater ability to tap the customer at the existing dealership
    - Share of captive NBFCs in overall auto financing has improved from ~14% in fiscal 2013, to ~17% in fiscal 2019.
- Greater ability to cater to the riskier customer segments, especially used vehicle financing, based on stronger customer connect, follow up, account monitoring, and maintenance, along with focus on collections
    - Doorstep collections offered by the NBFCs have made their product offering much more convenient to the borrower
    - Option of repayment in cash has aided in improving convenience (however, multiple NBFCs are now increasingly asking borrowers to make non-cash repayments).
    - NBFCs offer flexibility in repayment schedule (weekly, monthly etc.) and the amount to be repaid
    - These initiatives have enabled NBFCs to keep their asset quality range bound and helped to scale up operations
    - Recruiting local employees also enables NBFCs to gain better understanding of the ground operations, helping them improve efficiency, and collections

- Greater ability of NBFCs to tap financing demand in riskier segments, especially in semi-urban and rural markets, which have remained underserved by banks, has allowed book growth
    - NBFCs dominate financing in riskier segments based on stronger valuation expertise, and in smaller ticket segments such as two- and three-wheelers, based on operational expertise
    - By using surrogates for credit appraisal, NBFCs have been able to cater to self-employed customers and salaried customers in informal sectors, which banks find riskier
    - NBFCs enjoy high flexibility in terms of their operating structure. They have innovative channel strategies such as opening a mini/rural branch, having tie-ups with unorganised brokers in areas where transporters (commercial vehicles) are concentrated, etc.

Significant proportion of cash-based disbursements and repayments by NBFCs led to a sharp decline in their overall market share vis--vis banks. However, many large and mid-sized players have been increasingly moving towards non-cash mechanisms, which is expected to aid them in gaining share.

In fiscal 2019, NBFCs in auto financing grew at ~14.7% on-year. The pace of market share loss to banks slowed down to ~10 bps that fiscal, from ~30 bps in fiscal 2018. As of fiscal 2019, NBFCs accounted for ~47.0% of the market as against ~47.1% in fiscal 2018.

Going forward, however, market dynamics are expected to change considerably with new vehicle financing segments facing sharp slowdown amid sharp demand decline in automobile sales, in the back drop of transition to BS-VI norms, rising ownership costs, new axle norms, proposed scrappage policy, and the price rise post implementation of new safety norms, and crash test norms for passenger vehicles. As a result of these factors restricting demand, new vehicle sales are expected to face sharp de-growth to the tune of 14-16% in case of new passenger vehicles, to the tune of 14-16% in case of new commercial vehicles, 8-10% for two wheelers, 7-9% for three wheelers, while uptick being marginal for tractors.

On the other hand, used passenger and commercial vehicle sales at expected to grow at ~5-7% each in the coming fiscal based on higher replacement demand for the existing BS-IV vehicle amid sharp price jump for the new BS-VI vehicles. As a result, new vehicle financing segments are expected to pull overall loan book growth for both banks and non-banks in the coming fiscal. However, slowdown is expected to hit banks more deeply as their loan book remains highly focused towards new vehicle financing (~92.4% of loan book focused on new vehicle loans). We expect demand slump to pull down overall banks' loan book growth to ~4-6% in the coming fiscal while non-banks, with relatively lower proportion of new vehicle loans (~62.6% of loan book focused on new vehicle loans) are expected to drive market growth at ~7-9% loan book growth. However, in fiscal 2021, demand for new vehicles is expected to recover to ~6-8% in new passenger vehicles, ~7-9% in new commercial vehicles, ~5-7% in two wheelers, while remaining flattish for both tractors and three wheelers. As a result, loan book growth for new vehicle financing is expected to pick up pace, however, demand for used vehicles is expected to remain stronger based on higher affordability associated with the pre-owned BS-IV vehicles. As a result, loan book growth for both banks and non-banks is expected to inch up, however, the same is expected to remain lower compared to the strong growth witnessed in fiscals 2016 to 2018.

NBFCs still remain the dominant force in used vehicle financing

In case of pre-owned vehicle financing, NBFCs maintain their dominance in fiscal 2019 based on greater ability to take on riskier exposures, greater semi-urban and rural market presence, along with superior underwriting and account maintenance abilities. However, share in the overall pie has been coming down marginally especially in the fiscals post demonetisation, as cash-based transactions declined. However, with NBFCs moving towards non-cash transactions, share in used vehicle financing pie is expected to remain stable in the coming fiscals.

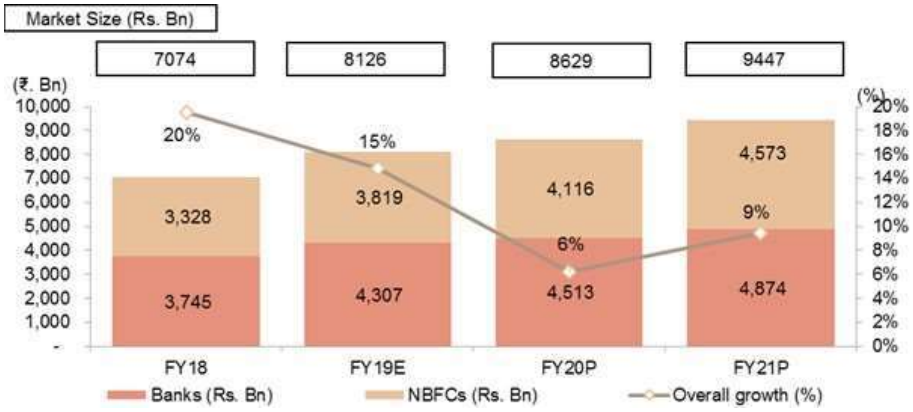
In terms of used financing segments, share of NBFCs in used CV financing has remained stable at ~88% between fiscals 2014 and 2019, based on strong presence of larger players, and captives in the financing fold. However, the same for used PV financing has come down sharply from ~80% in fiscal 2014 to ~71% in fiscal 2019, based on greater non-captive NBFC preference towards higher yielding used CV segment. Going forward, we expect non-banks to gain share in the segment based on superior ability to value underlying assets, along with greater expertise to operate in this vehicle financing segment, as banks remain risk-averse in financing used vehicles.

NBFC growth to slow down by ~500-600 bps over the next two fiscals; market share to improve by 100-150 bps - Based on the recent demand slump in the automobile industry, and against the backdrop of transition to Bharat Stage (BS)-VI norms, new vehicle sales are expected to fall steeply to 14-16% in case of new PVs, 18-20% in case of new CVs, 8-10% in case of two wheelers, 7-9% in case of three wheelers, while see marginal uptick in

case of tractors, in fiscal 2020. Fiscal 2021 is expected to witness 7-9% sales growth rejuvenation for new PVs and CVs segments, while two wheelers and tractor sales are expected to remain positive at 5-7% and 2-4% respectively. Three wheelers are expected to witness sales de-growth in the range of 0-2%.

On the other hand, sales in case of used car market are expected to increase 5-7%, and by 8-10% in case of used commercial vehicles in both fiscals 2020 and 2021, supported by greater demand for the existing cheaper BS-IV vehicles. As a result, auto finance market growth is expected to be dragged down by new vehicle financing segments. Banks operate majorly in new vehicle financing segment with a meagre ~7.6% portfolio earmarked for the used vehicle financing segment. NBFCs on the other hand, have a relatively higher presence in used vehicle financing segment (~36.4% of the loan book) based on greater risk taking ability. As a result, share of NBFCs is expected to increase for the first time in three fiscals post demonetisation, based on their superior expertise in this segment.

NBFC's expected to consolidate share in the next two fiscals



Note: E: estimated, P: Projected
Source: Company Reports, CRISIL Research

Auto financing growth over the past fiscals was largely driven by:

- Muted interest rates
    - Yield of auto financing NBFCs reduced 60-70 bps on account of interest rate cut by financiers
- Growth in new vehicle financing, whereas used segment share in overall disbursement fell ~4-5%
- Increased focus of banks in retail segment
    - Banks started waiving processing fees and prepayment charges to attract customers, a marketing practice hitherto used in housing finance

Factors expected to support financing over the next two fiscals:

Segment	Disbursement CAGR (FY19-21)	Growth drivers for disbursements over fiscal 2021
Passenger vehicles and new passenger vehicles	New PV – 1-3% Used PV – 8-10%	1. Increasing passenger vehicle penetration to ~27 cars per 1000 of population in the coming four fiscals from ~21 cars per 1000 of population currently expected to drive financing growth 2. Households are expected to have grown by ~3% CAGR between fiscals 2012, and 2019 a. Pace going forward is expected at ~2% CAGR between fiscals 2019, and 2024. b. CRISIL Research expects number of households that can afford a small car to clock ~14% CAGR between fiscals 2012, and 2019 c. Number is expected to moderate to ~7-9% CAGR in the next five fiscals 3. Increased demand for less-pricey BS-IV vehicles in the back drop of transition to BS-VI vehicles by Apr 1, 2020 to drive demand for used vehicles 4. Increasing penetration of organized sales, in the used financing market, along with replacement demand to keep financing growth strong 5. While LTVs are expected to remain stable in the segment, financing penetration is expected to augment by ~0.5-1% in cars segment, and by ~1-2% in UV segment 6. Average realizations are set to increase by ~6-8% in case of new segments, driving industry growth
Commercial vehicles and new commercial vehicles	New CV – (5)-(3)% Used CV – 10-12%	1. Average prices for LCVs are expected to increase at ~8% CAGR over the coming fiscals and by ~7% CAGR for MHCVs 2. While LTVs are expected to remain stable for LCVs, financing penetration is expected to uptick by ~1-1.2% based on increasing inroads by the organized players 3. Both LTV and FP for MHCVs are expected to remain stable 4. India's LCV-MHCV population ratio (1.4 times, expected to rise by 1.5 by fiscal 2022) still lags China (1.8 times), providing further scope for growth 5. Focus on infrastructure to support CV demand in the coming fiscals 6. Demand for Used LCVs is expected to see high single-digit growth based on lower volume sales for new vehicles in fiscals 2013 and 2017 7. Demand for Used MHCVs to remain strong based on robust sales growth post fiscal 2014, along with stronger demand for less-pricey BS-IV vehicles
Tractors	6%	1. Disbursement growth to be supported by: a. Expectation of fourth consecutive normal monsoons which would drive higher crop production b. Farm loan waivers, expected to support tractor sales by ~1-3% c. Government funding towards rural development activities such as road construction, and rural housing d. Direct farm income support schemes announced in Telangana 2. Disbursement growth in tractors to remain restricted based on: a. Collective decision of manufacturers to not participate in subsidy schemes, in mostly southern states b. Lower reservoir levels in majority of the states c. Efforts to stem illegal mining, a major source of non-farm income 3. Realisation are expected to increase by ~5% in fiscal 2020, and by ~9% in fiscal 2021, for two-wheelers 4. Continued penetration of NBFCs in semi-urban and rural penetration to augment growth
Two wheelers	9%	5. Up-fronting of third party insurance costs, is expected to keep cost of ownership elevated

Source: CRISIL Research

NBFCs strengthening their grassroots presence with focus on improving operational efficiency

Strong grassroots presence enable NBFCs to have better understanding of their customer segments and geographies, this helps them in developing products better suited to their customers, sourcing of business and collection.

For growth, NBFCs are:

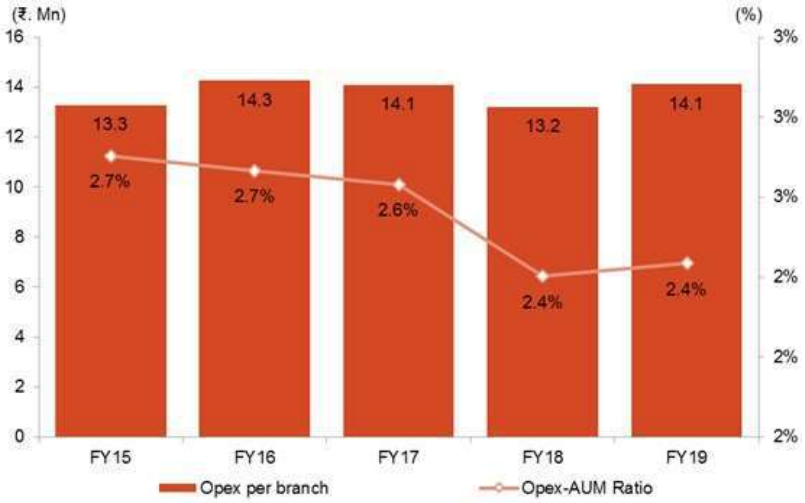
1. Focusing on strengthening their presence and expanding their reach further by

    - Increasing penetration into rural and urban centres
    - Building partnerships with private financiers (private financiers take the credit risks whereas the NBFCs provide the loans) in the unorganised market to leverage their local knowhow to enhance the market share

2. Diversifying into non-auto segments

    - To bring down the opex-to-assets under management (AUM) ratio by supporting AUM growth
    - To reduce concentration risk of their earning profile
    - Diversification of products also help financiers to increase cross sell opportunities to captive customer base

Operational efficiency saw marginal uptick in the segment



Note: Figures include data for STFC, Sundaram Finance, Cholamandalam, Magma Fincorp, Mahindra Finance, and Muthoot Capital;
Source: Company report, CRISIL Research

Two Wheeler Finance

CRISIL Research projects the two wheeler domestic sales volumes to decline by 12-14% owing to the following factors:-

Factors constraining growth

- Two years of high cost increase which has increased total cost of ownership by 20%
- Liquidation of BS-IV inventory at the end of fiscal 2020 before the implementation of BS-VI norm would reduce wholesale demand growth
- Purchase deferrals during elections
- Lingering liquidity crunch
- Negative sentiments in rural market as monsoon was delayed and subsequently caught up in a short span of time leading to floods in certain parts of the country. Hence, spatial distribution of monsoon has been a concern

Factors aiding growth

- 10% above normal monsoon has led to recharge of reservoir levels and as a result the prospects for upcoming rabi crop seem favourable. The impact of this, however will be largely felt in Q1 of fiscal 2021 when rabi payments will be realised
- CRISIL Research also expect's some level of pre buying in the second half of fiscal 2020 as there will be a price rise of 10-11% when we transition from BSIV to BSVI norms in fiscal 2021.

CIRSIL Research expect's the two wheeler industry to grow by 5-7% in fiscal 2021 aided by a lower base and expectation of improvement in macroeconomic indicators. The implementation of the BS VI emission norms which is expected to make two wheeler prices shoot up by ~10-11% leading to higher cost of ownership on year, which remains a key monitor able going forward.

Muted rural demand likely to improve going forward; emission norms to pose a speed breaker in fiscal 2021

CRISIL Research expects domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 3-5% from fiscal 2019 to fiscal 2024. The two wheeler industry recorded a 6-8% CAGR from fiscal 2014 to fiscal 2019 driven by a 13% CAGR scooters growth. Post a 26-28% increase in total cost of ownership from fiscal 2018 to fiscal 2021, the industry will take some time to absorb the cost increase. Despite a higher growth in subsequent years, a decline of ~13% expected in fiscal 2020, will drag down the 5 year CAGR. CRISIL Research forecast assumes 3 normal monsoons and 2 deficient monsoons, which will have a bearing on rural sentiments. Rural demand is expected to aid two wheeler growth in the long term and this will be backed by rising farm incomes and improving rural infrastructure, especially as the government continues to invest in developing rural roadways. A previous study by CRISIL Research has shown that each kilometre of road constructed adds significant two-wheeler ownership.

Exports to continue growing in fiscal 2020

In fiscal 2020, CRISIL Research estimates two-wheeler exports from India to grow by 6-8% as sales are expected to rise further from a high base of 16% in fiscal 2019 due to the efforts of original equipment manufacturers (OEMs) to diversify into more promising geographies. However, crude oil prices and currency fluctuations in export markets will remain a key monitorable.

Exports to Africa and Asia accounted for ~70% of the total exports in fiscal 2019 and have grown gradually over the past 4 years (from fiscal 2015). OEM's exports to these regions is expanding and that to Latin America is declining because of countries like Mexico, Argentina and Peru, shifting to localisation. Improving local economy, portfolio/geographical expansion by Indian players and increase in demand are expected to increase exports to Asia and Africa going ahead. Crude oil prices remain a monitorable.

Electric vehicles to gain share in the near to medium term

Currently, the share of electric two wheelers is estimated at 1.26 lakhs in fiscal 2019 (0.6% of two wheeler sales).CRISIL Research expects the share of electric two wheelers to reach ~14-16% of the total domestic two wheeler sales in fiscal 2024 aided by favourable cost of ownership, lower battery prices and initial government subsidy. Further, it is expected that scooters will adopt to electrification earlier than motorcycles. This is because cost of ownership in case of an electric two- wheeler (eTW) will be less than that for Internal Combustion Engine (ICE) scooter. However, eTW will be more expensive as compared to motorcycles. Apart from that, the ride experience is also expected to not change much in case of scooters as compared to motorcycles, which are geared, rugged, bold and sporty in drive experience.

Demand: Long Term

Rural markets to steer long-term growth, but emission norms to pose a speed breaker in fiscal 2021

CRISIL Research expects domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 1-3% from fiscal 2019 to fiscal 2024, dragged down by the decline in growth in fiscal 2020. The two wheeler industry recorded a 7% CAGR from fiscal 2014 to fiscal 2019 driven by a 13% CAGR for scooters. In the medium term, CRISIL Research expect's the two wheeler industry to be negatively impacted by the high cost of ownership owing to insurance cost increase coupled with the BS VI emission norms resulting in higher vehicles prices in

fiscal 2021. Hence in the long term, CRISIL Research expect's the industry to grow by low single digit CAGR between fiscal 2019 to fiscal 2024. It is expected that growth will pick for two wheeler industry post fiscal 2021 and it will grow at a 7% CAGR between fiscal 2021 to fiscal 2024.

CRISIL Research expect's manufacturers' to focus on expansion in distribution network in semi-urban and rural areas, new model launches in the 125cc segment for scooters and premium segment for motorcycles is expected to drive up two wheeler volumes in the medium to long term.

- Improving rural productivity, diversification towards horticultural, government income support schemes and structural measures taken by the government such as eNAM, PMFBY to name a few, will aid rural income. This will drive rural sales, as a result motorcycle sales are expected to grow
- Scooters are expected to witness higher penetration in the rural market (scooters have a urban market share of ~60%) which will drive growth. The consumer preference shifting towards higher cc scooters (125cc) is also likely to aid demand
- Mopeds, which account for 4-5% of domestic two-wheeler sales, will take longer to absorb the cost increase and hence are expected to grow at a slow pace. Shift in consumer preference towards other vehicle segments will also arrest moped sales growth

Increasing rural penetration and multiple ownership to aid growth despite tepid demand sentiments

On the rural front, rising penetration due to deeper distribution network and improving incomes, is expected to support two wheeler demand. Rural road connectivity plays an important role in driving two-wheeler sales. It acts as an income multiplier in the rural economy- aiding incomes while roads are constructed and enabling mobility and connectivity once the construction is over.

According to a study by CRISIL Research, every kilometre of road constructed results in an addition of 20-25 two-wheeler ownership. Under thePradhan Mantri Gram Sadak Yojana (PMGSY) scheme, a total of ~6 lakh km of road works were envisaged, of which 60% was completed until 2011. It is to be noted that the target for rural road construction under the Pradhan Mantri Gram Sadak Yojana (PMGSY) scheme has been reduced significantly from 218000 km in the past five years to 125000 km for the next five years. With the target being reduced, it becomes a key monitorable as it is likely to affect the non- farm income growth in the medium to long term. In the urban areas, demand is expected to be aided from multiple ownership and demand from Tier 2 cities.

Trends related to alternate fuels

In a bid to move away from nonrenewable fuels, the government is focusing on introducing electric vehicles in India. Under Faster Adoption and Manufacturing of Hybrid and Electric vehicles in India (FAME) I and the recently launched FAME II norms, the government is offering incentives for electric vehicles. The have announced an investment of about Rs 5,500 crore over five years which will provide subsidies for all types of electric vehicles.

Many two wheeler manufacturers have adopted to the changing landscape and are:-

1. Developing their electric vehicle manufacturing capabilities
2. Making strategic investments in electric vehicle start-ups
3. Building partnerships with electric vehicle start-ups

Supply push

Improving financial scenario

Cash transactions continue to dominate motorcycle sales, as compared with other automobile segments, given the industry's smaller ticket sizes, relatively lower-income profile of customers, high default rates, and difficulty in repossessing vehicles.

Stringent credit norms and availability of credit information through the Credit Information Bureau (India) Ltd (CIBIL) have helped players arrest delinquencies and widen their customer base. The industry has witnessed strong competition with new players in the form of non-banking financial companies (NBFCs) targeting those markets exited by banks, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros. CRISIL Research expect's penetration levels to reach ~35% in fiscal 2020. Financiers are offering a wide

range of schemes and promotions like low down payment, attractive EMI options, no charge on processing fees, etc., in order to attract more customers for small ticket size purchases. Moreover, the government's continued efforts to reduce cash transactions will also provide an additional kicker as alternative online payment portals slowly gain popularity.

Increased financing options to back sales growth



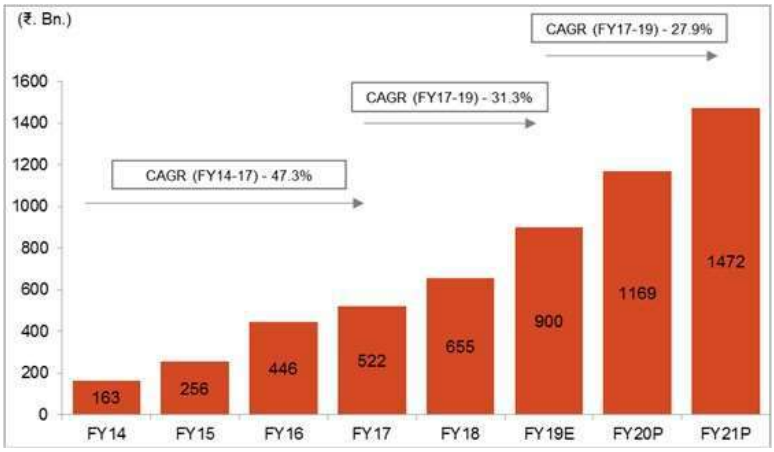
Source: CRISIL Research

Microfinance: Outstanding

Microfinance industry unfazed by the liquidity crunch for the NBFC sector post IL&FS crisis.

Gross loan portfolio (GLP) of NBFC-MFIs and small finance banks (SFBs) grew at a robust pace of ~37.4% YoY in fiscal 2019, faster than ~25.6% YoY growth witnessed in the previous fiscal (2018). Growth was mainly driven by NBFC-MFIs at ~55.8% YoY in fiscal 2019, through their rapid pace rural penetration, taking share from the unorganized sector (which charges unscrupulous rates) amidst strong domestic loan demand from small borrowers. Small finance banks, on the other hand, have steadily transitioned to other loan product offerings such as auto loans, home loans (including affordable housing loans), MSME loans across other offerings. As a result of this shift away from the traditional microfinance loan segment, SFBs grew at a mere ~15.5% YoY in fiscal 2019, however, growth remained higher than fiscal 2018 (~3.4% YoY), as many players settled into the SFB model, and their loan book growth strengthened.

Growth pace remains strong despite headwinds faced by the sector



Note: GLP includes NBFC-MFIs and all 8 MFI turned SFBs; Bharat Financial Inclusion Ltd, which has merged with IndusInd Bank, is excluded from the analysis; Data excludes values for NBFCs such as L&T Finance and Fullerton
Source: MFIN, CRISIL Research

While SFBs are expected to trim the proportion of microfinance loans in their overall portfolio over the coming fiscals, the transition is expected to be gradual. As a result, their GLP in microfinance is expected to grow at a stable compounded annual growth rate (CAGR) of 14-15% over the next two fiscals.

Overall GLP growth is expected to be driven by NBFC-MFIs, which are expected to maintain their strong growth trajectory amid flush funding availability from the banking sector and through securitisation. Growth for these players is expected to be supported by strong incremental lending to those customers turned away by SFBs, which are busy strategically aligning their lending portfolios to a multiple loan segment mix.

The growth forecast is calculated excluding the impact of any external factors that may hinder the growth of microfinance NBFCs. The future GLP growth of microfinance NBFCs is also contingent on the availability of adequate capital.

Factors that will define success in the future are:

- Ability to attract funds and maintain healthy capital position
- Strong promoters, who have witnessed various business cycles and successfully tackled events
- Loan recovery and control aging of non-performing assets
- Geographic diversification
- Adoption of technology to improve efficiency and lower costs
- Ability to manage local stakeholders

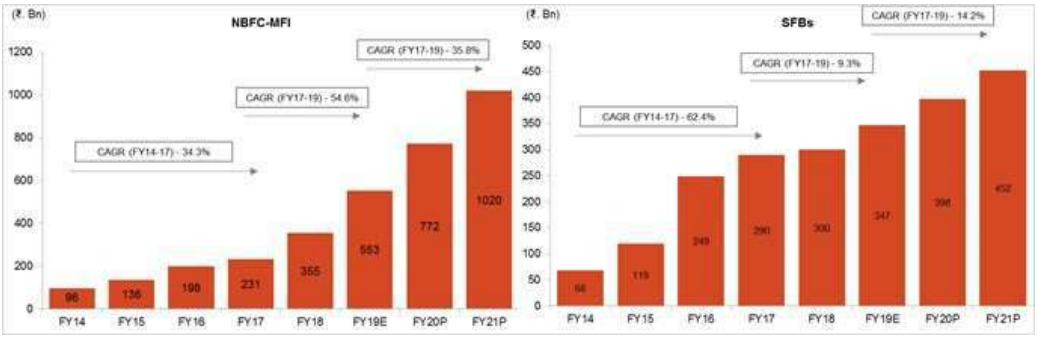
NBFC-MFIs to ride on greater market opportunity; SFBs to maintain slower trajectory

GLP growth remained strong between fiscals 2014 and 2017 for both NBFC-MFIs and SFBs, owing to greater market opportunities, as they expanded their presence in semi-urban and rural markets. However, as of fiscal 2017, eight erstwhile NBFC-MFIs transitioned into full-fledged SFBs, with a more holistic approach towards lending, rather than a specialised focus. As a result, their GLP growth slowed down sharply to ~9.3% CAGR between fiscals 2017 and 2019, from ~62.4% CAGR in the previous three fiscals.

Such a sharp slowdown opened up market opportunity for NBFC-MFIs (among other player groups), who cashed in on it. Coupled with strong banking funding avenues, and ease in portfolio securitisation, GLP growth of this category jumped from ~34.3% CAGR (fiscals 2014 to 2017) to ~54.6% CAGR (fiscals 2017 to 2019).

This trend is expected to continue going forward, as SFBs maintain a modest growth trajectory over the coming two fiscals and continue bringing a greater proportion of population under the financing umbrella, offering a variety of loan products. We expect SFBs to grow marginally higher at 14.2% CAGR between fiscals 2019 and 2021. On the other hand, NBFC-MFIs are expected to grow at a robust 35.8% CAGR, driven by regular funding availability from banking and other financial instititutions.

NBFC-MFIs to eat into SFBs' share increasingly



Note: Projected portfolio for SFBs is only for their microfinance business; Bharat FInancial Inclusion is excluded in NBFC-MFIs; E: Estimated; P: Projected
Source: MFIN, CRISIL Research

MFIs to continue to gain share in the overall microfinance pie vis--vis the banking sector - While NBFCs and NBFC-MFIs have exhibited strong growth over the past fiscals, banks still hold the lions share in overall lending based on their operations through both Self-Help Group (SHG) and Joint Lending Group (JLG) models. Non-banks focus more on JLG model as it is easier to form such groups, and track their performance.

Share of MFIs (NBFC-MFI, NBFCs and non-profit MFIs) has continuously increased in the overall microfinance industry pie (including Bank-SHG numbers), despite large players shifting to newer models, and inherent sensitive

nature of the business. With specialized focus in microfinance operations, and greater regulatory clarity in operations, their share in overall pie is set to account for ~34% of the pie, as SFBs shift over to other loan products.

Share of MFIs in the overall book expected to improve further in next two fiscals



Note: Banks includes loans given out under both SHG and JLG models; Bharat Finance is included in Banks; MFIs comprise of NBFC-MFIs, NBFCs, and non-profit MFIs P: Projected
Source: Sadhan Microfinance Report, MFIN, CRISIL Research

Growth pace for NBFC-MFIs remained strong over fiscal 2019 - NBFC-MFIs continued to grow at a strong pace in terms of their penetration into the Indian unorganized market in fiscal 2019 as witnessed by a ~29% growth in the number of branches (higher than ~23% increase as seen in fiscal 2018). We expect this growth trajectory to remain strong over the coming fiscals, as NBFC-MFIs delve into newer geographies across states to channel overall loan book growth.

OUR BUSINESS

Overview

We are one of the leading non-banking financial services companies in India in terms of total loans outstanding, as of September 30, 2019. Our Promoter is registered with the RBI as a Non-Banking Finance Company – Core Investment Company ("**NBFC-CIC**") conducting business through its wholly-owned subsidiaries.

Our Company is a part of the larger L&T group which is one of the leading business conglomerates in India, with presence across infrastructure, power, heavy engineering, electrical and automation, hydrocarbons, IT and technology services, financial services, project development, metallurgical and material handling, realty, shipbuilding, construction equipment, machinery and industrial products sectors. L&T entered into the financial services business in 1994. In the year 2016, our Promoter streamlined and reorganized its financing business into three primary business segments, i.e., rural, infrastructure and housing with return on equity as an important performance metric.

Our rural business comprises of farm equipment finance, two-wheeler finance and micro loans. As of September 30, 2019, our total adjusted loans and advances under our rural business were ₹ 26,596.52 crores, with ₹ 7,747.22 crores, ₹ 6,008.77crores and ₹ 12,840.53 crores of adjusted loans and advances under our farm equipment finance, two-wheeler finance and micro loans businesses, respectively.

Our wholesale business initially comprised of infrastructure finance, supply chain finance, structured corporate finance and Debt Capital Markets. In financial year 2018-19, our Company, by way of a Business Transfer Agreement dated September 4, 2018 read together with the Deed of Assignment dated December 31, 2018, transferred its supply chain financing business to Centrum Financial Services Limited ("**Centrum**"). In the first quarter of financial year 2020, the Company has decided to classify structured corporate finance, and Debt Capital Markets business as part of its defocused business and continue to run down the book accordingly. As of September 30, 2019, our total adjusted loans and advances under wholesale business only comprise of infrastructure finance assets of ₹ 7,227.35 crores.

Our housing business comprises of loans against property and real estate finance. As of September 30, 2019, our adjusted total loans and advances under our housing business were ₹ 11,258.21 crores with ₹ 289.16 crores and ₹ 10,969.05 crores of adjusted loans and advances under our loans against property and real estate finance, respectively.

Our operations are spread throughout India and we have 216 branches in 211 cities across 21 states and 2 union territories, as of September 30, 2019. In addition, for our micro loans business we have 1337 meeting centres covering 310 districts across 16 states in India, as of September 30, 2019.

We have 22,090 employees as of September 30, 2019. Each of our businesses are led by senior executives who are, generally, also responsible for certain organisational functions at the group level. Together, they have demonstrated the ability to manage and grow our operations.

The following table sets forth certain key details of our Company, for the periods indicated:

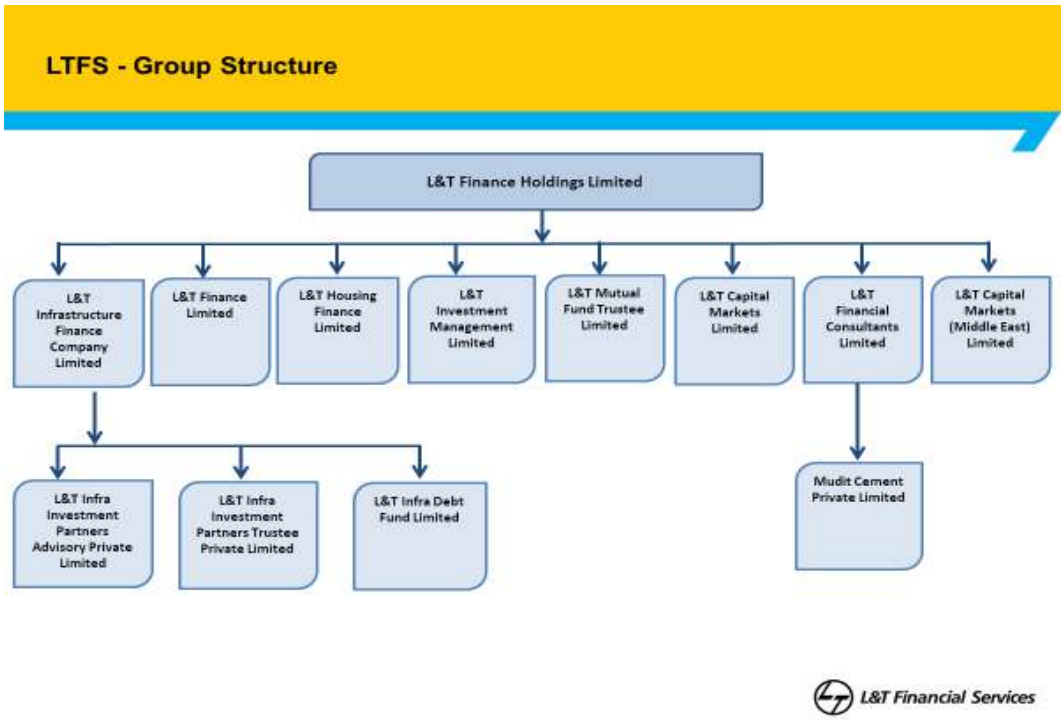
(₹ in crores*)*

	As of / For the Period Ended September 30, 2019 (IND-AS)	**As of / For the Period Ended March 31, 2019 (IND-AS)**
Total Adjusted Loans & Advances Outstanding	51,382.46	51,094.29
Total Disbursements	13,573.01	39,288.19
Average Assets Under Management	48,430.28	43,490.52
Total Income	4,453.07	7,382.59
Profit for the Period	141.36	845.96
Gross Stage 3 Assets (GS3) (%)	5.48%	3.77%
Net Stage 3 Assets (NS3) (%)	2.59%	1.27%

(₹ in crores)

	As of / For the Period Ended March 31,	
	2018	**2017**
	(IGAAP)	**(IGAAP)**
Total Adjusted Loans & Advances Outstanding	41,019.14	31,419.06
Total Disbursements	49,858.82	31,770.85
Average Assets Under Management	34,195.03	17,198.24
Total Income	5,245.69	4,144.98
Profit for the Period/Year Attributable to the Shareholders of our Company	289.92	16.04
Gross NPA (%)	6.07%	6.51%
Net NPA to Net Advance (%)	2.81%	3.99%

Organisation Chart of our Promoter and its subsidiaries as on September 30, 2019.



**holding of L&T Infra Debt Fund Limited: L&T Infrastructure Finance Company Limited holding 48.36%, L&T Finance Limited holding 28.28% and our Promoter holding 23.36%.*

Our Strengths

Significant presence across diversified businesses

We are one of the leading non-banking financial services companies in India with total adjusted loans outstanding aggregating to ₹ 51,382.46 crores as of September 30, 2019. Our primary businesses are rural, infrastructure and housing and our customers include farmers, individuals, small and medium-sized enterprises, real estate developers and large corporates.

Rural business: In our farm equipment finance business, we have 14 years of operating experience in rural markets. Under our rural business, we recorded loan disbursements of ₹ 8,870.80 crores and ₹ 19,735.22 crores for the half year ended September 30, 2019 and the financial year 2019, respectively. We benefit from the reach of our branch network, continued association with large OEMs and strong relationship with 2900 farm equipment dealerships which allows us to provide on-site financing. We started our two-wheeler financing business in 2012 and we have 86 branches across 85 cities in 20 states and 1 union territory in India as of September 30, 2019. We seek to differentiate ourselves in our two-wheeler finance business through the effective use of algorithm driven mobile-based solutions, relying on digital customer checks, digital data capture and other automated processes.

Our Company's close relationships with 3000 two-wheeler dealerships as of September 30, 2019, help us effectively source, and better serve, our customers. We operate our micro loans business in the rural market covering 310 districts across 16 states in India through a network of 1337 meeting centres as of September 30, 2019. Our micro loans business works on a data analytics based sourcing and monitoring model which takes into account local demographics, socio-economic factors along with both village and borrower specific credit appraisals.

Wholesale Business: Our wholesale business primarily comprises of infrastructure finance. Our infrastructure finance focuses on financing viable renewable energy generation, transportation and power transmission projects. We provide customized debt financing solutions with an emphasis on structuring of loans based on projected cash flows of the project/ borrower, in compliance with our internal guidelines/ standards. Under our wholesale finance business, we recorded loan disbursements of ₹ 2,727.06 crores and ₹ 14,811.55 crores for the half year ended September 30, 2019 and the financial year 2019, respectively.

Housing Business: Under our housing business, we recorded loan disbursements of ₹ 1,975.15 crores and ₹4,741.42 crores for the half year ended September 30, 2019 and the financial year 2019, respectively. Our real estate finance business is present in six select urban locations, i.e., Mumbai, Pune, NCR, Bangalore, Chennai and Hyderabad. We offer wide-ranging financing solutions to address funding requirements of real estate developers and concentrate on prominent real estate developers having better delivery and performance records on the basis of their financial strength, business strength, past experience and market reputation.

Our Loan against Property business is having Pan India presence, catering primarily to the self employed customer segment against equitable or registered mortgage of residential or commercial properties.

Strong appraisal, structuring and syndication capabilities

We have build our loan appraisal, approval and structuring procedures to suit the needs of our clients in each of our financing businesses. For our rural businesses, we have adopted a simple and prompt loan appraisal system with standardized documentation. We rely on data analysis and digital processes to offer paperless -work and deliver quick-turnaround times particularly for our rural business. We have built analytics-based algorithms and evaluation metrics based on the inputs from our portfolio trends over the years in our rural business. These metrics include macro-economic indicators, demographics, credit repayment history, credit bureau data and asset selection that assist in evaluation of the credit-worthiness of a borrower. We analyse the gathered data to provide us district wise inputs on these metrics, which are used for loan disbursement and assessing collection patterns, credit stress on borrowers and likelihood of default. Our credit decisions for these businesses are therefore largely standardized, template driven and generally objective. Once the loan has been approved and disbursed, these metrics help us trigger early warning signals in line with our risk management policies. Consequently, we have a decentralised credit appraisal process with decision making and approval authority delegated to employees at the branch level.

For our wholesale and housing businesses we seek to structure the terms of our loans and financing, as per the projected cash flows of the project/ borrower, in compliance with our internal guidelines/ standards. Under our wholesale business (primarily infrastructure finance business) we provide several types of loans including term loans, working capital loans, loans secured against pledge of securities, bridge loans, acquisition financing to a variety of clients. Similarly, for our housing business, we offer a wide-range of financing solutions such as construction finance, pre-approved funding, inventory funding and lease rental discounting to address funding requirements of clients across categories. For both wholesale and housing businesses, we generally focus on project completion and matching payment terms to project cash flows. We structure our financing in a manner that caters to the timelines of the real estate or infrastructure projects by assessing the track-record of clients and stages of project completion.

Further, we generally seek to act as the lead consortium arranger while bringing on additional lenders as part of a syndicated loan to optimize capital allocation and for risk mitigation. We seek to disburse loans leveraging on our sourcing and appraisal strengths and then transfer part exposure in such loans to other lenders in order to optimize capital. We believe that our expertise in appraisals, structuring and syndication is one of our key strengths.

Robust risk management framework

Risk management forms an integral part of our business and we recognize the importance of risk management towards our long-term success. Over the years, we continue to develop our capabilities in the following four key areas:

Risk exposure policy: We have implemented a centralized risk exposure policy, covering capital adequacy, liquidity and earnings volatility and maintain a comprehensive system of internal controls. Our risk exposure policy acts as a governing framework, laying out parameters for personnel from our senior management to the staff at our branches. The policy assists in assessing trade-offs between risks undertaken and value and growth generated and provides clear guiding principles and consequent de-centralisation for our businesses.

Risk evaluation parameters and early warning signals: Risk evaluation parameters provide an overview across different risk measurement criteria based on our centralised risk exposure policy. We increasingly leverage risk measurement and analytics to generate early warning capabilities and to use those to make decentralized and largely objective decisions, and to drive our collection and repossession strategy, against which we seek to minimize deviations. We seek to emphasize regular project and payment monitoring, which tie into our key risk parameters and early warning signals which helps in timely identification of portfolios with increasing risk, enabling timely remedial measures, as applicable.

Treasury risk management: This gives the ability to effectively manage market risk (liquidity and interest rate risks) emanating from our key financing businesses. We have set up a robust governance framework to monitor and manage the market risk operations.

Risk-adjusted pricing: This tool is aimed at tracking transaction level and portfolio level actual pricing and loan terms as compared to risk-adjusted pricing, providing us clarity on risk-adjusted returns broken down by types and categories of loans.

As of March 31, 2019, and September 30, 2019, our Gross Stage 3 assets accounted for 3.77% and 5.48%, respectively, of our total loans outstanding.

Experienced and professional management team

We have a professional and experienced management team, led by the Managing Director and CEO of our Promoter who is supported by a capable and motivated pool of employees. Each of our businesses are led by senior executives who are, generally, also responsible for certain organisational functions of our Company. Our senior managers have diverse experience in various financial services businesses across functions related to our business. Our senior managers have an in-depth understanding of the specific industry, products and geographic regions they cover, which enables them to appropriately lead and provide guidance to our employees. Our Board has extensive experience in the financial services and banking industries in India. Further, we have instituted several training and mentorship programs for our junior and mid-management employees. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing.

Brand recall and synergies with L&T

L&T group is one of the leading business conglomerates in India, with presence across infrastructure, power, heavy engineering, electrical and automation, hydrocarbons, IT and technology services, financial services, project development, metallurgical and material handling, realty, shipbuilding, construction equipment, machinery and industrial products sectors. We believe that our relationship with L&T provides brand recall and we continue to derive significant marketing and operational benefits from this relationship. For example, we have grown our housing business by leveraging on L&T's relationships with real estate developers, its ability to assess developers and projects and its know-how of the processes and timelines involved. Similarly, in our wholesale business, we leverage on L&T's in-depth sector knowledge to assess projects and operational risk. Further, we believe, there are opportunities presented by other businesses of L&T for the growth of our operations.

Our Strategies

Grow our key businesses

We intend to grow our market share, improve margins and profitability, and become distinctive in each of our key businesses, as follows:

- *For our rural business* we intend to expand our branch network in the rural and semi-urban markets of India, as well as additional districts in the states in which we are present. We believe this allows us to

expand to markets which are underserved while reducing our presence in saturated markets. In opening each branch or site, we analyze the local market and proximity to target customers and dealerships. In addition, we also seek to grow our presence at dealerships and points of sale for farm equipment and two-wheelers and seek to strengthen our relationships with equipment manufacturers by providing trade advances and improve service levels;

- *For our housing business*, we intend to leverage on synergies with L&T to increase lending to larger real estate developers with better credit ratings and emphasize monitoring projects closely, including through monitoring the early warning signals and progress of collections. Further, we seek to syndicate the loans we provide and bring in consortium lenders to mitigate the risk from individual projects;

- *In our wholesale business*, we intend to continue to grow our loans disbursed in the sectors in which we have significant presence such as renewable power generation, transportation, and power transmission, while also seeking to expand our focus to other sectors. In order to syndicate loans and increase our fee income, we intend to leverage on our ability to evaluate project finance risks and construction timelines and act as lead consortium arranger for the same.

Emphasise fee income and cost efficiency to deliver improved performance metrics

We intend to develop our lending business model in a manner such that we reduce our reliance on net interest margins alone and shift to a combination of net interest margin and fee-based income and profitability. We believe this strategy serves as an effective mitigation mechanism from potential interest rate volatility. For example, in our rural business we have launched a model that, in addition to generating interest income as part of a loan, accrues fees received from equipment manufacturers and arranger fees from ancillary products such as insurance and processing fees sold along with the loan. In the infrastructure finance business, we generate and intend to grow fees through advisory and processing fees by structuring loan facilities, for the entire duration of the construction of projects and generating syndication fees by selling down loans to various banks, infrastructure debt funds and financial institutions.

Additionally, we intend to increasingly syndicate loans and grow our fee income, such as fees related to processing, underwriting and syndication, particularly for our housing business and by providing structured solutions to infrastructure projects. Further, we endeavour to achieve increasing cost efficiencies through initiatives such as rationalizing inefficiencies in processes by reducing manual data entry errors and removing unnecessary procedures between loan application submission to disbursement, streamlining our branch network through consolidation of branches and increasing use of information technology and data analytics.

Further enhance technology systems and data analytics as a competitive advantage

To reduce costs and manual intervention in favour of automated processes, improve productivity and performance, manage risk, approve loans at a quicker rate and have a competitive advantage, we intend to continue to leverage on technology. The key technology initiatives that we intend to implement in this regard, are as follows:

- implement cloud- based loan origination and loan management systems to enable quicker operations and allow us to scale up cloud capacity when we require more computing and scale down when we have lower requirements;
- revamp our mobile-based platform and extend it across our businesses, with an emphasis on automated processes as a substitute to manual input of data to reduce operational costs and errors;
- Consolidate our current loan management systems across various lines of business with an integrated loan management system, to enable seamless data sharing across businesses;
- leverage external data sources for pre-populating KYC details and generate computerized application forms and rely on customers' electronic signatures in order to achieve lower costs, decreased risk of fraud and quicker turn-around times;
- increasingly utilize electronic payment gateways for transactions; and
- improve customer experience through implementation of user accessible applications which are connected to transmit real time information and enable direct connections with banks to make disbursements.

We believe that, as we develop and integrate such programs into our business, we can further capitalise on the reach of our offices and increase our market share. The adoption of a mobile-based solution and related automated processes is aimed at streamlining our customer acquisition processes and creating a data management platform

to run our customer acquisition campaigns.

Further, while we have deployed data analytics in our business operations, particularly for our rural business, we intend to expand its use to all our businesses. We intend to increasingly shift from discretion-based loan approval to rule-based underwriting, relying on established evaluation metrics and parameters and similarly drive our collection strategy based on data analytics. For example, for our two-wheeler finance and micro loans businesses we analyse data gathered for loan disbursement and assessing collection patterns, credit stress on borrowers due to delay or inability to pay and likelihood of default. We intend to increase its use for our farm equipment financing business. We also intend to increasingly add additional external and public data inputs, such as telecom payments, credit bureau assessments, utility payments, credit history with other lenders and real time bank account information as data points into our evaluation metrics. We believe these initiatives will also enable us to assess potential cross-selling opportunities over time, for example top-up and refinancing loans, sale of two-wheeler loans to farm equipment financing or micro loan clients, among others. Further adoption of data analytics will also help us increasingly assess customers using algorithms, particularly those customers who do not have a credit history and have historically been under-served.

DESCRIPTION OF OUR BUSINESS

We are one of the leading non-banking financial Company in India with total adjusted loans and advances outstanding aggregating to ₹ 51,382.46 crore as of September 30, 2019. Our Company is registered with the RBI as a Non-Banking Finance Company – Non-Deposit Taking – Systemically Important – Investment and Credit Company ("**NBFC-ND-SI - ICC**").

Our primary businesses are rural, infrastructure and housing.

Key Operational and Financial Parameters:

A summary of our key operational and financial parameters for the last three completed Financial Years, and for the half year ended September 30, 2019 are as follows:

A. Standalone: IGAAP

A summary of our key operational and financial parameters for the Financial Years ended March 31, 2018 and March 31, 2017, (standalone) are as follows:

(₹ ***in crores***)

Parameters	**As at / for the years ended**	
	March 31, 2018	**March 31, 2017**
	(IGAAP)	**(IGAAP)**
Net worth (Note 1)	8,563.90	6,879.39
Total Borrowings of which (I+II+III)	34,761.81	27,829.71
- Long Term Borrowings (I)	21,216.81	15,314.40
- Short Term Borrowings (II)	7,250.00	9,970.52
- Current Maturities of Long Term Secured Borrowings (III)	6,295.00	2,544.79
Property, plant and equipment	74.53	160.25
Intangible Assets (Note 2)	1,983.88	2,621.44
Non-Current Assets (Note 3)	27,325.81	19,260.44
Cash and Cash Equivalents	348.72	294.88
Current Investments	1,503.59	2,360.72
Other Current Assets (Note 4)	13,420.44	11,279.10
Non-Current Liabilities (Note 5)	149.22	239.51
Current Liabilities (Note 6)	1,159.19	1,028.22
Loan Book (Note 7)	39,145.61	29,244.45
Off Balance Sheet Loan	255.58	285.82
Total Income	5,245.69	4,144.98
Finance Cost	2,496.85	1,959.52
Provisions & Contingencies (Note 8)	904.46	788.34
Profit for the period	289.92	16.04
Gross NPA (%) (Note 9)	6.07%	6.51%

Parameters	As at / for the years ended	
	March 31, 2018	March 31, 2017
	(IGAAP)	(IGAAP)
Net NPA to Net Advances (%) (Note 10)	2.81%	3.99%
CRAR - Tier I Capital Ratio (%)	15.64%	13.36%
CRAR - Tier II Capital Ratio (%)	2.28%	3.06%

B. **Consolidated: IGAAP**

A summary of our key operational and financial parameters for the Financial Years ended March 31, 2018 and March 31, 2017 (consolidated), are as follows:

(₹ ***in crores***)

Parameters	As at / for the year ended March 31, 2018	As at / for the year ended March 31, 2017
	(IGAAP)	(IGAAP)
Net worth (Note 1)	8,625.99	6,902.70
Total Borrowings of which (I+II+III)	34,761.81	27,829.71
- Long Term Borrowing (I)	21,216.81	15,314.40
- Short Term Borrowing (II)	7,250.00	9,970.52
- Current Maturities of Long Term Secured Borrowing (III)	6,295.00	2,544.79
Property, plant and equipment	74.53	160.25
Intangible Assets (Note 2)	1,983.88	2,621.44
Non-Current Assets (Note 3)	27,387.90	19,283.75
Cash and Cash Equivalents	348.72	294.88
Current Investments	1,503.59	2,360.72
Other Current Assets (Note 4)	13,420.44	11,279.10
Non-Current Liabilities (Note 5)	149.22	239.51
Current Liabilities (Note 6)	1,159.19	1,028.22
Loan Book (Note 7)	39,145.61	29,244.45
Off Balance Sheet Loan	255.58	285.82
Total Income	5,245.69	4,144.98
Finance Cost	2,496.85	1,959.52
Provisions & Contingencies (Note 8)	904.46	788.34
Profit for the period	332.25	42.66
Gross NPA (%) (Note 9)	6.07%	6.51%
Net NPA to Net Advances (%) (Note 10)	2.81%	3.99%
Tier I Capital Adequacy Ratio (%)	15.64%	13.36%
Tier II Capital Adequacy Ratio (%)	2.28%	3.06%

Notes: The below notes are applicable to the key operational and financial parameters (both on consolidated and standalone basis), are as follows:

1. "Net Worth" refers to the aggregate of share capital, reserves and surplus and net off unamortized premium on loans and prepaid expenses.

2. "Intangible Assets" refers to the aggregate of intangible assets and intangible assets under development.

3. "Non-Current Assets" refers to the aggregate of non-current investments, deferred tax assets, long term loans and advances, long term loans and advances towards financing activities and other non-current assets.

4. "Other Current assets" include trade receivables, short term loans and advances, short term loans & advances towards financing activities, current maturities of long-term loans & advances towards financing activities and other current assets.

5. "Non-Current liabilities" refers to the aggregate of other long-term liabilities and long-term provisions.

6. "Current liabilities" refers to the aggregate of trade payables, other current liabilities and short-term

provisions but excludes current maturities of secured long term debt.
7. "Loan book" is the aggregate of our Company's long-term loans and advances (secured and unsecured), short term loans and advances (secured and unsecured) (Gross of allowances for non-performing assets).
8. "Provisions & Contingencies" refers to the aggregate of bad- debts and advances written off, loss on sale of non-performing assets, provision for standard assets, provision for restructured assets, provision for non-performing assets.
9. "Gross NPAs (%)" refers to Gross NPAs divided by Loan book.
10. "Net NPAs" reflect our gross NPAs less provisions for NPAs and "net NPA (%)" refers to the ratio of net NPAs to Loan book.

C. Standalone: IND-AS

A summary of our key operational and financial parameters as at and for the half year ended September 30, 2019 and year ended March 31, 2019 are as follows:

(₹ ***in crores***)

Parameters	**Half Year ended September 30, 2019**	**Year ended March 31, 2019**
	(IND-AS)	(IND-AS)
Net worth (Note 1)	8,978.92	8,890.84
Total Borrowings of which (I+II+III)	45,115.83	46,335.88
- Debt Securities (I)	18,977.74	23,071.60
- Borrowings (Other than debt securities) (II)	24,956.01	22,139.86
- Subordinated liabilities (III)	1,182.08	1,124.42
Property, plant and equipment	41.26	49.34
Intangible Assets (Note 2)	1,038.54	1,364.60
Non-Financial Assets (Note 3)	1,898.68	2,332.48
Investments	2,008.18	4,684.30
Non-Financial Liabilities (Note 5)	68.12	94.61
Cash and Cash Equivalents	2,043.15	1,530.51
Financial Asset other than Investment and Cash & Cash Equivalents (Note 4)	48,641.18	47,289.43
Financial Liabilities (Note 6)	45,529.34	46,841.68
Assets Under Management (Note 7)	49,025.12	47,835.43
Off Balance Sheet Assets	3.36	9.81
Interest Income	4,105.17	7,011.72
Finance Costs	1,951.64	3,327.92
Net Gain /(Loss) on Fair Value Changes	100.29	(8.62)
Net loss on derecognition of financial instruments under amortised cost category	80.10	324.97
Impairment on financial instruments	931.28	637.06
Profit for the period	141.36	845.96
Gross Stage 3 Assets (%) (Note 8)	5.48%	3.77%
Net Stage 3 Assets (%) (Note 9)	2.59%	1.27%
CRAR - Tier I Capital Ratio (%)	16.21%	15.22%
CRAR - Tier II Capital Ratio (%)	1.81%	1.76%

D. Consolidated: IND-AS

A summary of our key operational and financial parameters for the year ended March 31, 2019 are as follows:

(₹ ***in crores***)

Parameters	**Year ended March 31, 2019**
	(IND-AS)
Net worth (Note 1)	8,995.50
Total Borrowings of which (I+II+III)	46,335.88
- Debt Securities (I)	23,071.60
- Borrowings (Other than debt securities) (II)	22,139.86
- Subordinated liabilities (III)	1,124.42
Property, plant and equipment	49.34
Intangible Assets (Note 2)	1,364.60
Non-Financial Assets (Note 3)	2,332.48
Financial Assets: Investments	4,788.96
Non-Financial Liabilities (Note 5)	94.61
Cash and Cash Equivalents	1,530.51
Financial Asset other than Investment and Cash & Cash Equivalents (Note 4)	47,289.43
Financial Liabilities (Note 6)	46,841.68
Assets Under Management (Note 7)	47,835.43
Off Balance Sheet Assets	9.81
Interest Income	7,011.72
Finance Costs	3,327.92
Net Gain /(Loss) on Fair Value Changes	(8.62)
Net loss on derecognition of financial instruments under amortised cost category	324.97
Impairment on financial instruments	637.06
Profit for the period/ year	883.20
Gross Stage 3 Assets (%) (Note 8)	3.77%
Net Stage 3 Assets (%) (Note 9)	1.27%
CRAR - Tier I Capital Ratio (%)	15.22%
CRAR - Tier II Capital Ratio (%)	1.76%

Debt Equity Ratio of our Company:

Particulars	**As on September 30, 2019**
Before the issue of debt securities	5.02
After the issue of debt securities*	5.57

**The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹5,000 crore from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.*

Notes: The below notes are applicable to the key operational and financial parameters for the year ended March 31, 2019 and half year ended September 30, 2019 as specified below, and are as follows:

1. "Net Worth" refers the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, Deferred Expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.

2. "Intangible Assets" includes intangible assets, goodwill and intangible assets under development.

3. "Non-Financial Assets" includes net block of property, plant and equipment, intangible assets and goodwill, intangible assets under development, current tax assets, deferred tax assets and net assets.

4. "Financial Assets other than "Investment and Cash & Cash Equivalent" includes derivative financial instruments, receivables, loans and other financial assets.

5. "Non-Financial liabilities" includes current tax liabilities (net), provisions and other non-financial liabilities.

6. "Financial liabilities" includes trade payables, debt securities, borrowings (other than debt securities), subordinate debt and other financial liabilities.

7. "Assets Under Management" refers to principal loans outstanding.

8. "Gross Stage 3 Assets" refers to Gross Stage 3 Assets divided by loans (gross of allowances for Stage 1, Stage 2 and Stage 3).

9. "Net Stage 3 Assets" reflect Net Stage 3 Assets divided by loans (gross of allowances for Stage 1 and Stage 2).

10. "Cash Profit" refers to cash generated from operations.

Key Business Parameters

The table below sets forth our gross segment revenues, on a standalone basis, from continuing operations for the periods indicated:

(₹ in crores); (% of Total of segmental revenue)

	Financial Year ended March 31,			
	2019	**%**	**2018**	**%**
	(IND-AS)		**(IGAAP)**	
Rural Business	4,066.35	56.61%	2,475.10	49.53%
Wholesale Business	1,924.32	26.79%	1,613.20	32.28%
Housing Business	1,086.92	15.13%	684.10	13.69%
Defocused Business	105.22	1.47%	225.05	4.50%
Total	**7,182.81**	**100.00%**	**4,997.45**	**100.00%**

The table below sets forth details in relation to our loan portfolio by business segment as of the dates indicated:

(₹ in crores); (% of Total Adjusted loans and advances outstanding)

	As of September 30,				**As of March 31,**			
	2019	**%**	**2018**	**%**	**2019**	**%**	**2018**	**%**
Rural Business	26,596.52	51.76%	21,589.59	47.00%	25,577.16	50.06%	16,456.91	40.12%
Wholesale Business*	7,227.35	14.07%	16,443.81	35.80%	13,847.64	27.10%	17,418.37	42.46%
Housing Business	11,258.21	21.91%	6,862.33	14.94%	10,927.06	21.39%	5,604.09	13.66%
Defocused Business	6,300.38	12.26%	1,034.77	2.26%	742.43	1.45%	1,539.77	3.76%
Total	**51,382.46**	100.00%	**45,930.50**	**100.00%**	**51,094.29**	**100.00%**	**41,019.14**	**100.00%**

** In the first quarter of financial year 2020, the Company has decided to classify structured finance group, and Debt Capital Markets business as part of its defocused business and with the balance being classified as Infrastructure Finance.*

Our Rural Business

Our rural business segment comprises farm equipment finance, two-wheeler finance and micro loans businesses. The adjusted loans and advances under our rural business comprised 51.76%, 47.00%, 50.06% and 40.12% of our adjusted total loans and advances as of September 30, 2019 and 2018 and March 31, 2019 and 2018, respectively.

We commenced our farm equipment finance business in 2004, micro loans business in 2008 and two-wheeler

finance business in 2012. We benefit from our long-standing relationships with equipment manufacturers and dealers. We believe that technology is a key driver for the growth of these businesses. Accordingly, we have implemented digital processes and data analytics in sourcing, centralized underwriting and collection functions. The table below sets forth adjusted loans and advances broken down by businesses in our rural business segment, as of dates indicated:

(₹ in crores)

Rural Business	For the six months ended September 30,		For the year ended March 31,	
	2019	2018	2019	2018
Farm Equipment Loans	7,747.22	6,716.77	7,362.36	5,591.70
Two-Wheeler Loans	6,008.77	4,451.69	5,739.00	3,316.41
Micro Loans	12,840.53	10,421.13	12,475.80	7,548.80
Total	26,596.52	21,589.59	25,577.16	16,456.91

The table below sets forth loans disbursed broken down by businesses in our rural business segment, for the periods indicated:

(₹ in crores)

Rural Business	For the six months ended September 30,		For the year ended March 31,	
	2019	2018	2019	2018
Farm Equipment Loans	1,560.38	1,727.61	3,863.78	3,249.48
Two-Wheeler Loans	2,203.39	2,059.18	4,968.05	2,978.09
Micro Loans	5,107.03	5,402.95	10,903.39	7,214.19
Total	8,870.80	9,189.74	19,735.22	13,441.76

Farm Equipment Finance

We provide financing to our customers in rural India through 190 branches in 18 states and 1 union territory as of September 30, 2019, with a focus on Telangana, Madhya Pradesh, Uttar Pradesh, Karnataka and Maharashtra, primarily to individual farmers, for the acquisition of a wide range of farm equipment for their own use, such as tractors, trailers and harvesters. As of September 30, 2019, we financed farm equipment through 2900 equipment dealerships. We typically provide two types of loans, new tractor loans and refinance or top-up loans to existing customers. Loan monthly instalments are structured in accordance with cropping and harvest cycles to enable smooth repayment flow. We provide secured term loans for the financing of both new and used farm equipment and typically, the tenure of a farm equipment loan is between one and six years, and a charge on the equipment is created in our favour as security for repayment of the loan by asset hypothecation. Our LTV in relation to our loans disbursed for the half year ended September 30, 2019 was 69%.

Under our farm equipment business, the terms and conditions of our loans are typically standardized. Our farm equipment loan interest rate is generally in the range of 14% to 22%, however actual interest rates for a customer may vary based on market conditions and the level of credit worthiness of such customer. The average ticket size for such loans was ₹ 3.7 lakh and the average tenure was 44 months for the half year ended September 30, 2019. Eligible borrowers are between the age of 18 to 65 years and are required to meet our income requirement criteria which is articulated in relation to the size of landholdings and per acre yield and must complete know-your-customer compliance. In the tractor financing business, we operate by using handheld scanners to scan loan documents into a tablet using a mobile application. The scanned documents are then uploaded into the central underwriting system using tablets that allows a quick turnaround of loan assessment. We conduct credit bureau checks, receive field investigation reports and disburse loans based on assessed landholding and revenue capabilities of borrowers.

Two-Wheeler Finance

We provide loans for the purchase of two-wheelers such as scooters and motorcycles to individuals such as salaried professionals and self-employed non-professionals wherein we provide financing for up to 95% of the on-road price with tenures ranging from three months to four years. Our interest rate for our two-wheeler finance business is generally in the range of 14% to 23% based on the profile and credit worthiness of the borrower. The average ticket size for such loans was ₹ 0.58 lakh and the average tenure was 24 months, as of September 30, 2019. Eligible borrowers are required to be between 18 to 65 years old and we consider the residence and

employment or business stability of borrowers as well as income generating capacity in order to accept applications and providing the two-wheeler loan. Loans to customers are secured by asset hypothecation. Our LTV in relation to our loans disbursed for the half year ended September 30, 2019 was 72%.

We have presence through 86 branches across 85 cities in 20 states and 1 union territory in India as of September 30, 2019, with a focus on Kolkata, Ahmedabad, Surat, Mumbai, Pune, Bangalore, NCR, Malda and Guwahati. As on September 30, 2019 we have financed two wheelers through approximately 3,000 dealerships. In two-wheeler finance business, we seek to differentiate ourselves through effective use of algorithm-based mobility solutions relying on electronic customer checks, electronic data capture and other automated processes. This has resulted in reducing the turnaround time in sanctioning of loan and communicating our decision to the customer in a single visit.

Micro Loans

We operate our micro loans business in the rural market covering 310 districts across 16 states in India through a network of 1,337 meeting centres, as of September 30, 2019. Our micro loans business is aimed at providing capital to women for small business start-ups and entrepreneurial initiatives. These loans are intended primarily to finance activities such as dairy production and processing, goat rearing and the operations of grocery shops, hawkers and vegetable vendors. Loans granted are in the range of ₹ 30,000 to ₹ 45,000 having repayment tenure of typically two years. The average ticket size for such loans was ₹ 35,129 and the average tenure was 24 months, for the half year ended September 30, 2019. The principal and interest payments are due on a monthly basis. The ultimate credit decision is based on both village and borrower-specific credit appraisals.

Our micro loans business works on the model of joint liability groups. We use analytics for our sourcing and appraisal of our loans. We lend directly to the customers rather than through an intermediary such as a self-help group or an NGO. We also extend credit to individuals to enable them to grow their existing business or identify new income-generating opportunities. We identify potential geographical areas to commence business using evaluation metrics based on population demographics, portfolio quality, law and order situation and environmental factors. Once an area is shortlisted, our field staff conducts an on-ground survey to identify villages to commence business. Potential micro loan borrowers are then individually accessed and appraised and if approved, are grouped together to form a joint liability group. We also conduct pre-disbursement training to ensure that the borrower is aware of their obligations as a borrower. Loans are disbursed at one of our meeting centres after formation of joint liability groups and completion of all requisite documentation. Our customers are given a loan passbook which captures all transactions related to the loan. Our loans have a monthly repayment frequency. On the day that the repayment is due for a particular joint liability group, our staff in charge of the joint liability group visits the village, calls for a joint liability group meeting, records attendance of the borrowers, collects the repayment amount and updates the loan passbook accordingly.

Our Lending Policies and Process

Our loan offerings cater to a broad cross-section of Indian businesses and consumers. The lending policies that we have in place are aimed at ensuring that our loan portfolio remains of a high quality. We also maintain prudent provisioning and write-off policies in respect of our NPAs in line with regulatory requirements.

Lending Policies

Our lending products and policies are aligned to the specific needs of diverse categories of our customer base. To ensure this, each of our business segments maintains its own internal credit policies and approval processes, which are in line with our established risk evaluation criteria.

Rural Business: Credit Policy and Approval Process

Our rural business has Product specific policies in place in order to manage the credit risks associated with the loans granted by these businesses. Various aspects of credit risk management are addressed by different processes and teams and are designed to manage risks at different stages of the financing process, i.e. both pre- and post-disbursement.

Credit Assessment Process

With inputs from portfolio trends over the years in our rural business, we have built analytics based proprietary

decision management algorithms and evaluation metrics. The credit decisions are therefore standardised, template driven and generally objective. These statistical models generally consist of variables attributable to demographics, credit repayment history and asset selection that assist in the evaluation of the credit-worthiness of the borrower. In the case of asset finance loans or loans against property the asset's value and income-generating capability forms an integral component of the credit assessment process. For all cases, diligence is undertaken in respect of know-your-customer policies, credit references and banking history. We carry out verification of the customers and documents submitted by them to prevent manipulation of information, identity and frauds.

Eligibility Criteria

One of the key eligibility criteria for approving a customer's loan is the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, number of dependents and the stability and continuity of the customer's income, and, if applicable, the co-applicant's income, assets and liabilities. Subject to the regulatory limits, the amount of the loan is determined on the basis of our evaluation of the repayment capacity of the customer and the value of the relevant property. Value of the property is assessed by empanelled valuers. We also carry out legal diligence of the property through our empanelled lawyers. Loans are generally required to be repaid in equated monthly instalments over an agreed period.

Upon completion of the initial evaluation and approval process, we execute the loan documentation, ensuring that we perfect security over the collateral. We perform know-your-customer checks with the customer information in our files. We aim to appraise customers and complete disbursement within short turn-around-times while adhering to our internal standards and regulatory requirements.

Loan Administration and Monitoring

We give our customers an option to pay using methods such as cash, cheque, automated clearing house and other electronic modes of payment - at a frequency that is fixed after determining the customer's expected cash flow. For cash collections, our field executives visit customers to collect instalments as they become due. We engage with the customers through call- centres, SMS or face to face meetings, in accordance with the payment behaviour of a customer.

We track loan repayment schedules on a monthly basis and monitor instalments due and loan defaults. We ensure that all customer accounts are reviewed periodically, with customers who have larger exposures or missed payments reviewed more frequently. We carry out portfolio-level monitoring on a regular basis to help us take appropriate decisions for steering the portfolio in the desired direction.

Collection and Recovery

We have asset management teams across our businesses whose responsibility is to streamline the asset management activities for individual business segments. We believe that this helps the respective business groups to focus on business generation and collections while expert teams deal with NPA management, re-possessions and resales of assets in a timely and efficient manner. We also believe that this enables the timely involvement of recovery experts in the debtor management process.

Our asset management teams generally have a collection function which manages all accounts moving into the delinquency stage. These accounts are managed through either the collection of dues or the repossession and resale of assets through appropriate legal measures. In addition, these teams are responsible for identifying signs of delinquency at an early stage, implementing appropriate recovery measures in order to prevent the degradation of accounts, repossession of assets in cases of wilful default, storing and valuation of assets, obtaining best possible prices on resale, minimizing repossession sale losses, instituting appropriate legal action (in conjunction with the legal team) and obtaining property details of the customer for attachment of the assets.

The repossession of assets typically only takes place when recovery is not possible. Re-possession is undertaken by an appointed panel of repossession agents, and in accordance with the guidelines prescribed by us. Once the asset is repossessed, the customer is given an opportunity to clear any outstanding amounts and take back possession of the asset, failing which we proceed with the sale of the asset. Asset liquidation is normally done within 45 to 60 days of repossession to reduce depreciation on the farm equipment or two-wheelers. Any shortfall on sale of assets is recovered from the customer through arbitration loss recovery.

Our Wholesale Business

As on the date of this Draft Shelf Prospectus, our wholesale business, primarily infrastructure, focuses on financing viable renewable energy generation, transportation and power transmission projects. We provide customized debt financing solutions with an emphasis on structuring of loans based on projected cash flows of the project/ borrower, in compliance with our internal guidelines/ standards. We provide long tenure project finance and structured debt typically in the range of ₹ 50 crores to ₹ 2,000 crores and generally seek to act as the lead consortium arranger while bringing on additional lenders as part of the syndicated loan. For our secured loans, the security includes a combination of mortgages over immoveable properties, hypothecation of moveable assets, charges on project contracts, charges of bank accounts, pledges of securities such as equity and debentures and corporate and personal guarantees and for working capital loans we generally seek a first charge on *inter alia* the current assets of the borrower. The average tenure of loans in this business is 140 months for infrastructure finance. The interest rates vary across businesses depending on the type of loan, tenure, extent of structuring, credit rating etc. Variable interest rates are generally linked to the PLR (Prime Lending Rate) of L&T Infrastructure Finance Company Limited, one of our Group Companies.

Adjusted loans and advances under our wholesale business comprised 14.07%, 35.80%, 27.10% and 42.46% of our total adjusted loans and advances as of September 30, 2019 and 2018 and as of March 31, 2019 and 2018, respectively. The key sectors in which we had adjusted loans and advances were renewable energy, transportation and power transmission, which accounted for 40.90%, 28.52% and 8.00%, respectively of our loans outstanding under our wholesale financing business as of September 30, 2019.

The table below sets forth adjusted loans and advances outstanding broken down by businesses in our wholesale business segment, as of dates indicated:

(*₹ in crores*)

Wholesale Business	For the six months ended September 30,		For the year ended March 31,	
	2019	2018	2019	2018
Infrastructure Finance	7,227.35	6,184.12	5,804.03	5,720.17
Structured Corporate Finance*	-	7,116.80	5,612.95	7,317.87
Debt Capital Markets*	-	2,403.21	2,430.66	2,646.65
Supply Chain Finance#	-	739.68	-	1,733.68
Total	**7,227.35**	**16,443.81**	**13,847.64**	**17,418.37**

**In the first quarter of financial year 2020, the Company has decided to classify structured finance group, and Debt Capital Markets business as part of its defocused business and with the balance being classified as Infrastructure Finance# As per Business Transfer Agreement dated September 4, 2018, the supply chain financing business was effectively transferred to Centrum through a Deed of Assignment dated December 31, 2018*.

The table below sets forth loans disbursed broken down by businesses in our wholesale business segment, for the periods indicated:

(*₹ in crores*)

Wholesale Business	For the six months ended September 30,		For the year ended March 31,	
	2019	2018	2019	2018
Infrastructure Finance	2,727.06	2,864.56	5,684.99	6,108.80
Structured Corporate Finance*	-	810.85	1,459.89	4,204.13
Debt Capital Markets*	-	3,392.11	3,558.18	11,823.12
Supply Chain Finance#	-	3,088.63	4,108.49	10,158.99
Total	**2,727.06**	**10,156.15**	**14,811.55**	**32,295.04**

**In the first quarter of financial year 2020, the Company has decided to classify structured finance group, and Debt Capital Markets business as part of its defocused business and with the balance being classified as Infrastructure Finance*

 # As per Business Transfer Agreement dated September 4, 2018, the supply chain financing business was effectively transferred to Centrum through a Deed of Assignment dated December 31, 2018

Infrastructure Finance

Our infrastructure business provides customised debt financing products to infrastructure projects and their

sponsor companies, with a focus on construction and development of renewable power generation projects, power transmission and transportation projects.

Our loan products typically have a floating interest rate either linked to the prime lending rate of L&T Infrastructure Finance Company Limited or a periodic interest rate or spread resets, depending on the structure of the project being financed and our customers' financing requirements for the project. In addition, we frequently also structure our loans with put and call options and interest rate resets, in order to maximise opportunities presented by prevailing economic conditions. The tenure and repayment schedules of the loans vary depending on our assessment of the cash flows of the borrower. The collateral is determined based on our assessment of the borrower, and includes forms of security such as charges over project contracts, project assets or assets of the borrower (as the case may be), bank / escrow accounts, debt service reserve accounts, pledge of shares or debentures and/or cash flows of the borrower, rights typically granted under various project concession agreements could include substitution rights, termination payments and tolling rights. Other security could include guarantees from the project promoters or sponsors, third party guarantees or pledges of shares, or a combination of one or more of these forms of security.

Our Company's focus is principally on renewable power generation, transportation and power transmission sectors, which accounted for 40.90%, 28.52% and 8.00%, respectively, of the adjusted loans and advances under our wholesale business as of September 30, 2019. The table below sets forth adjusted loans outstanding broken down by sectors in our infrastructure finance business and Debt Capital Markets, as of dates indicated:

(*₹ in crores*)

Infrastructure Finance Loans and Debt Capital Markets	**For the six months ended September 30,**		**For the year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Renewable power generation	2,955.69	3,791.90	2,716.31	3,752.35
Transportation	2,061.58	1,014.22	2,071.19	892.94
Power transmission	578.22	500.12	129.81	148.70
Others	1,631.86	3,281.09	3,317.38	3,572.83
Total	**7,227.35**	**8,587.33**	**8,234.69**	**8,366.82**

Renewable Power Generation Sector: We finance and advise on projects for renewable electricity generation, primarily for solar power generation and wind power generation based on established technologies. As part of our infrastructure finance business, our adjusted loans and advances under the renewable power sector were ₹ 2,955.69 crores, which accounted for 40.90 % of the adjusted loans and advances, as of September 30, 2019. For the half year ended September 30, 2019 and September 30, 2018, and the financial years ended March 31, 2019 and March 31, 2018 our disbursements were ₹ 1,897.37 crores, ₹ 2,260.00 crores, ₹ 3,889.43 crores and ₹ 3,403.00 crores respectively, under the renewable power sector.

Transportation Sector: We finance and advise on projects involving the construction, operation and maintenance of existing stretches of national and state highways and expressways by public private partnerships (PPP) or by private developers. While our primary focus within the transportation sector has been on roads, we have also other transportation projects such as airports, ports, railways, among others. As part of our infrastructure finance business, our adjusted loans and advances as on September 30, 2019 under the operational roads sector were ₹ 2,061.58 crores, which accounted for 28.52%. For the half year ended September 30, 2019 and September 30, 2018, and the financial years 2019 and 2018, our disbursements were ₹ 223.25 crores, ₹ 73.49 crores, ₹ 1,091.98 crores and ₹ 1,760.58 crores respectively, under the transportation sector.

Power Transmission Sector: We finance and advise on projects involving the construction, operation and maintenance of transmission networks. As part of our infrastructure finance business, our adjusted loans and advances as of September 30, 2019 under the power transmission sector were ₹ 578.22 crores, which accounted for 8.00 %. For the half year ended September 30, 2019 and September 30, 2018, and the financial years ended March 31, 2019 and March 31, 2018, our disbursements were ₹ 459.71 crores, ₹ 245.29 crores, ₹ 350.83 crores and ₹ 649.57 crores, respectively, under the power transmission sector.

Other Sectors: We also finance and advise on projects in other sectors such as healthcare, education, hotels, social infrastructure and telecom, among others. As part of our infrastructure finance business, our adjusted loans and advances as of September 30, 2019 under other sectors were ₹ 1,631.86 crore, which accounted for 22.58%. For the half year ended September 30, 2019 and September 30, 2018, and the financial years 2019 and 2018, our disbursements were ₹ 146.73 crores, ₹ 3,677.89 crores, ₹ 3,910.93 crores and ₹ 12,118.77 crores respectively, in

other sectors.

Our Housing Business

Our housing business comprises of loans against property and real estate finance. The adjusted loans and advances under our housing business comprised 21.91%, 21.39% and 13.66%, of our total adjusted loans and advances as of September 30, 2019, March 31, 2019 and March 31, 2018, respectively.

We primarily provide loans against properties to salaried professionals and self-employed individuals. We also provide real estate financing to developers including financing for construction of residential and commercial projects, pre-approval funding, lease rental discounting, structured debt and inventory funding. Our housing finance business is focussed on larger cities in 6 (six) key markets of Mumbai, Pune, NCR, Hyderabad, Bangalore and Chennai, respectively.

The table below sets forth total adjusted loans and advances broken down by businesses in our housing business segment, as of the dates indicated:

(*₹ in crores*)

Housing Business	For the six months ended September 30,		For the year ended March 31,	
	2019	2018	2019	2018
Loans against property	289.16	108.25	326.6	142.36
Real estate finance	10,969.05	6,754.08	10,600.46	5,461.73
Total	11,258.21	6,862.33	10,927.06	5,604.09

The table below sets forth loans disbursed broken down by businesses in our housing business segment, for the periods indicated:

(*₹ in crores*)

Housing Business	For the six months ended September 30,		For the year ended March 31,	
	2019	2018	2019	2018
Loans against property	-	-	-	113.12
Real estate finance	1,975.15	2,096.64	4,741.42	4,008.84
Total	**1,975.15**	**2,096.64**	**4,741.42**	**4,121.96**

Loans against Property

Loans against property are provided primarily for business financing requirements, such as the expansion or working capital requirements for a business. Loans against property are usually secured through an equitable mortgage by way of deposit of title deeds or by registered mortgage on the customers' existing commercial, residential or industrial property or land assets. Certain self-employed customers are professionals such as lawyers, doctors or chartered accountants with higher incomes, referred to as "self-employed professionals". Certain other self-employed customers rely on their commercial businesses for their income, referred to as "self-employed non-professionals".

Real Estate Finance

In our real estate finance business, we offer financing solutions to address overall funding requirements of real estate developers in 6 (six) key markets of Mumbai, Pune, NCR, Hyderabad, Bangalore and Chennai, respectively. We concentrate on prominent real estate developers having better delivery and performance records and provide loans such as construction finance, structured debt, pre-approval funding, inventory funding and lease rental discounting. Our experienced team of professionals coupled with a robust credit underwriting mechanism helps us in creating a diversified portfolio. Our main focus in disbursing loans is to evaluate financial metrics and payment tenures in line with liquidity and cash flows for a particular project, such that risks associated with construction are reduced. We provide financing for tenures ranging between five to eight years with loan sizes ranging between ₹100 crores to ₹600 crores, and average loan sizes of ₹ 183 crores, at interest rates primarily ranging between 11% to 15%.

We determine eligibility of real estate developers on the basis of their financial strength, business strength, past experience and market reputation, involving evaluation of key financial ratios, feedback from customers and brokers, ongoing projects, size of the project, cash flow projections, asset and receivables cover, among others.

We also decide on product eligibility and stage of construction eligibility based on categorization of developer based on our internal evaluation criteria. We endeavour to provide customization in terms of loan tenure, repayment structuring, escrow sweep-ins, security cover, receivables cover on the basis of developer categorization, loan type and the stage of completion of a particular project.

We offer construction finance loans directly to real estate developers for residential housing or commercial projects undertaken by them. A dedicated team conducts a detailed evaluation of projects and real estate developers, including financial appraisal, project risk analysis and cash flow analysis. This enables us to offer customized loans to real estate developers based on their expected acquisition and construction cost. We monitor projects for delivery standards and maintain an internal grading for the relevant real estate projects and developers, leveraging on the experience and knowledge of L&T.

The loan size, repayment schedule, cash flow cover, security cover, tenure and the interest rate and fees for our construction finance loans to real estate developers are generally determined on the basis of our evaluation of the real estate project and the developer as well as market conditions. The interest rate and processing fees at which we offer construction finance loans to real estate developers is higher than what we offer to our home loan customers.

The security for all the construction finance loans are created either through equitable or registered mortgages (as defined in the Transfer of Property Act, 1882, as amended) of immovable property tendered as collateral for the loan. In addition to the mortgage of immovable property, in most of the cases, security is also provided by the developers by way of personal guarantee of the promoters and/or a corporate guarantee of the related holding or group companies in addition to the hypothecation of project or rent receivables and assignment of the relevant insurance policy based on credit requirements.

Loans under this business are structured to provide customized loans to real estate developers. Loans under this business are provided to real estate developers whom we determine as the most reputable based on our evaluation criteria and with whom we have a well-established relationship. For example, a structured debt loan may be a loan where end use is a combination of payments for land, pre-approval funding and construction finance. The security for each facility is structured in such a manner so as to cover the associated risks and specific covenants are generally entered into in consultation with our legal department and legal counsel.

Pre-approval funding loans are loans which are offered to real estate developers at the initial stage of the project when all the necessary regulatory consents and approvals have not yet been obtained. The objective or end use of the loans is generally towards sourcing of the land or expenditure towards obtaining regulatory consents and approvals. These loans are given only if approval and launch is expected within 6-12 months – as a risk mitigation strategy, these loans are offered only to top developers and in geographies with low risk. Risks evaluation parameters followed by us are generally more stringent for our pre-approval funding business than for our construction finance loans. In certain cases, where initial disbursement is towards sourcing the land and where for a few initial months land title is not available for mortgage, real estate developers are generally required to provide alternate properties for mortgage to cover the asset cover requirements.

We may also offer lease rental discounting facilities against rental receivables (which are typically routed through an escrow account) derived from lease contracts with tenants of an operational commercial property, which is the primary source of repayment of the loan and other related dues. The size of the loan is based on the discounted value of the rentals and the underlying property value. An equitable mortgage is created over the commercial property to secure the loan and other related dues. In certain circumstances, security may also be created in the form of pledge over the shares of the customer or mortgagor. A key consideration in the credit appraisal process is the tenure of lease, quality of tenant, location and grading of property and enforceability of the security.

Housing Business and Wholesale Business: Credit Policy and Approval Process

Our Housing Business and Wholesale Business manage their investment and credit approval process in accordance with their investment and credit policy. Dedicated credit committees discharge the responsibility for approving a majority of the advances made by our Housing and Wholesale Businesses at meetings which are generally convened periodically.

Eligibility and Policy Objectives

The policy objectives include, providing a framework for evaluating financing opportunities aligned to our risk-

return strategy and in the context of the applicable regulatory environment and building a robust asset portfolio with selective reconfiguration of our portfolio to enhance our returns on capital employed and managing the credit risk profile of our portfolio with an emphasis on portfolio quality, close monitoring, timely collection and well delineated exit options.

Project and Credit Assessment Process

A dedicated team within the project finance segment, appraises the proposed project for which funding is sought and conducts due diligence investigations on the project and project sponsor. The following aspects of the project are assessed: the project sponsor group; the industry and sector in which the project is being undertaken; the nature of the project and structure of the concession; technical feasibility evaluation of the project, including site visits; commercial and economic viability evaluation; credit checks and due diligence with the existing lenders or bankers of the sponsor(s), or both, and or TransUnion CIBIL Limited; interaction with the key management personnel of the project group; risk identification, risk allocation, risk mitigation and risk pricing of the transaction; and arrangements for the monitoring of the project and project assets by competent external technical agency, where considered necessary, are put in place. Technical feasibility is appraised by reputed valuation firms. We also have our internal valuation team which independently assesses the valuation and other aspects related with the project. Legal diligence is undertaken by reputed law firms, wherein title of the property is verified and based on the clear title report given by the firm, we release the funding for the project. We also seek inputs from L&T where applicable.

We have developed an internal credit rating model that provides a consistent and uniform scale for measurement of credit risk of a loan asset in terms of ‘probability of default’ across products and sectors. All credits proposals are assigned internal credit ratings, which coupled with an estimation of ‘loss given default’, enables the organisation to make an estimate of credit cost for the loan assets and thus, helps to differentiate among loan assets as objectively as possible.

Repayment Schedule

The repayment of our loans and facilities is normally structured on a case-by-case basis, depending on the nature of the project, its projected cash flows and our own funding mix is planned accordingly. A pre-payment premium may be charged in case of early repayment of the facility through refinance.
Security

The project assets typically form the security for the credit facilities we provide. The security package for each facility is structured in such a manner so as to endeavour to cover the risks associated with the facility. In cases of funding which are serviced entirely from project revenues, escrow or water-fall arrangements are acceptable to support the security provided. In the case of loans made for specific infrastructure assets, the security is normally an exclusive and first charge on the cash flows and underlying assets and pledge of shares of special purpose vehicles typically set up to execute such projects. We follow appropriate processes to create enforceable security in the form of a mortgage, hypothecation, assignment or pledge.

Documentation

We make disbursements on the completion of all requisite legal documentation. The documentation process seeks to ensure that: our customers' obligations are clearly defined and established by the documents; the charges created on our customers' assets as security for the debt or other facilities provided are suitably registered (to the extent applicable) and maintained, such that it is enforceable at all times during the term of the loan provided; and our rights to enforce the security for the recovery of the debt or facilities provided (including committed return thereon, if any), through a court of law or other applicable forum, is as extensive and unambiguous as possible under relevant statutes of limitations in applicable jurisdictions. We evolve and adopt standard documentation (to the extent applicable) and commitment processes for various products and services we offer. For each finance facility, specific covenants are designed in consultation with our legal counsel.

Portfolio and Asset Monitoring

Once the funds are disbursed, periodic reviews on the borrowers are conducted. Notwithstanding our appraisal and risk management procedures, some accounts may develop weakness due to changes in internal or external factors, such as delay in approvals, sale of the project and legal issues. Mechanisms for monitoring and identifying early warning signals are put in place to review the portfolio and identify such weak accounts before they turn

into NPAs, thereby allowing remedial actions to be taken so as to limit losses.

Recovery Process

Loans for real estate projects are structured facilities. Thus, depending on the completion timelines of the project, repayment schedule varies for each project. Typically, repayment schedule comprises of moratorium during which the borrower pays only the interest amount and post moratorium period, repays principal based on agreed schedule. We set up an escrow mechanism for each project and project receivables are collected in the designated escrow account and that amount is then used for repayment of principal and interest payments.

Primary responsibility of recovery is allocated to our relationship teams. Our operations team sends invoices for collection of dues every month. In the event there are delays in payment of interest or principal, relationship manager for the account follows up with the borrower for payments. Cash flows in real estate project may be dependent on collection from new and existing sales resulting in short term mismatches. We also create a Debt Service Reserve Account (DSRA) equivalent to interest payments for up to three months. In case an account incurs greater delays towards repayment we involve our legal team. Various legal actions are explored including through SARFAESI, Bankruptcy Code and arbitration proceedings.

Our Defocused Financing Businesses

In the year 2016, our Promoter streamlined and reorganised its financing business into three primary financing business segments, i.e., rural, housing and infrastructure. Post this reorganization, we have divested or are in the process of running-down certain non-core business assets, i.e. our defocused businesses. The former subsidiaries of our Promoter namely, L&T FinCorp Limited and L&T Finance Limited were amalgamated with our Company, then named as Family Credit Limited by way of a scheme of amalgamation, the appointed date being April 1, 2016. The name of our Company was subsequently changed to L&T Finance Limited.

We also reorganised our group corporate structure, optimised human resources across our operations, including completing the merger of our Company with L&T FinCorp Limited and L&T Finance Limited in February 2017 with the appointed date as April 1, 2016. Correspondingly, we have divested or are in the process of running-down certain non-core business assets which we believe do not contribute to our long-term growth, classified as our other financing businesses. Our other financing businesses include commercial vehicle financing, construction equipment financing, receivable discounting, car financing, among others. Our other financing businesses comprised 12.26%, 1.45% and 3.75% of our adjusted total loans and advances as of September 30, 2019, March 31, 2019 and March 31, 2018, respectively.

In financial year 2018-19, our Company, by way of a slump sale, had agreed to transfer its supply chain financing business to Centrum Financial Services Limited ("**Centrum**") by way of a Business Transfer Agreement dated September 4, 2018. The supply chain financing business was effectively transferred to Centrum through a Deed of Assignment dated December 31, 2018. However, to support the transfer of a large portfolio, our Company in terms of the Transition Services Agreement agreed to provide certain transition support services to Centrum till March 31, 2019.

Further, in the first quarter of financial year 2020, the Company has decided to classify structured finance group, and Debt Capital Markets business as part of its defocused business and with the balance being classified as Infrastructure Finance.

The table below sets forth total adjusted loans and advances broken down by defocussed businesses, for the periods indicated:

(*₹ in crores*)

Defocused Business	**For the six months ended September 30,**		**For the year ended March 31,**	
	September 2019	**September 2018**	**March 19**	**March 18**
Structured Corporate Finance*	4,685.79	-	-	-
Debt Capital Markets*	1,199.21	-	-	-
Others	415.38	1,034.77	742.43	1,539.77
Total	**6,300.38**	**1,034.77**	**742.43**	**1,539.77**

*In the first quarter of financial year 2020, the Company has decided to classify structured finance group, and Debt Capital Markets business as part of its defocused business and with the balance being classified as Infrastructure Finance

Customer Base of Primary Businesses

The table below illustrates our key customers for our primary businesses as on date:

Business	Key customers
Rural Business	
Farm equipment finance	Farmers
Two-wheeler finance	Salaried and self-employed individuals across all age groups
Micro loans	Women micro entrepreneurs (through a joint liability group model)
Housing Business	
Real estate finance	Real estate developers
Loans against property	Self-employed individuals and salaried professionals, and in relation to loans against property, small and medium enterprises
Wholesale business	
Infrastructure finance	Infrastructure project developers

Office Network

Our operations are spread throughout India and we have 216 branches in 211 cities across 21 states and 2 union territories, as of September 30, 2019. In addition, for our micro loans business we have 1337 meeting centres covering 310 districts across 16 states in India, as of September 30, 2019.

Asset Quality

We maintain our asset quality by adhering to credit evaluation standards, limiting exposure and interacting with customers directly and regularly. We ensure that prudent LTV ratios are adhered to while lending. We ensure prompt collection and proper storage of post-disbursement documents. We periodically inspect our customers and the assets financed on a random basis, either by ourselves or by internal auditors. The Company believes it follows the necessary risk management policies to ensure that the asset quality of its credit book remains comfortable. As a prudent practice, our Company has decided to adopt RBI stipulated provisioning norms and where necessary, more stringent and conservative norms. Our provisioning policy also factors in the characteristics of different client segments, loans, and underlying security given the complexities and probabilities involved in recovery of loans disbursed over time. Accordingly, we have adopted different provisioning policies for our financing businesses as follows:

Details of Stage 3 asset and provisions thereon of our Company, as of the specified dates are set out in the table below:

(₹in crores)

Particulars	As of September 30, 2019	As of March 31, 2019
Gross Stage 3 Assets	2,744.80	1,845.98
Provisions	1,485.18	1,238.73
Net Stage 3 Assets	1,259.62	607.25
Gross Outstanding Loans and advances	50,123.78	48,943.36
Net Outstanding Loans and advances	48,638.60	47,704.63
Gross Stage 3 Assets to Gross Loans and advances	5.48%	3.77%
Net Stage 3 Assets to Net Loans and advances	2.59%	1.27%
Stage 3 Assets Coverage Ratio	54.11%	67.10%

Details of Non-Performing Assets and provisions thereon of our Company, as of the specified dates are set out in the table below:

(₹ in crores)

Particulars	As of March 31,	
	2018	2017
Gross NPAs	2,376.64	1,905.22
Provisions	1,311.88	767.57
Net NPAs	1,064.76	1,137.65
Gross Outstanding Loans and advances	39,145.61	29,244.45
Net Outstanding Loans and advances	37,833.73	28,476.89
Gross NPA to Gross Loans and advances	6.07%	6.51%
Net NPA to Net Loans and advances	2.81%	3.99%
NPA Coverage Ratio	55.20%	40.29%

Capital Adequacy Ratio

As an NBFC-ND-SI, our Company is required to maintain a capital ratio-requirement of at least 15% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off-balance sheet items) on an ongoing basis. Our capital ratio was 18.02% and 16.98% as on September 30, 2019 and March 31, 2019 respectively.

Liability Management

We have a robust liability management program that leads to stable borrowings at reasonable costs. We have lending relationships with Indian public-sector banks, private banks, foreign banks, foreign portfolio investors, mutual funds, provident funds, pension funds, insurance companies and others financial institutions.
We ensure timely availability of adequate funds to meet our financing requirements and timely debt servicing. Apart from complying with the RBI's requirements, we also analyse prevailing market conditions and seek to maintain an optimum level of liquidity.

Each of our businesses has different requirements in terms of liability profile and is governed by differing set of regulations which allow or restrict access to certain forms of borrowing. Our fund requirements are predominantly sourced through term loans, issuance of debentures and commercial paper based on factors such as cost of funds, diversification of funding sources and interest rate and liquidity risk management. We also access the retail and overseas markets as part of our diversification strategy. We believe that our effective liability management helps in maintaining our ability to repay borrowings as they mature and obtaining new borrowings at competitive rates to fund assets. We actively manage our cash and funds flow using various cash management services provided by banks. As part of our treasury activities, we also invest/place our surplus fund in fixed deposits with banks, liquid debt-based mutual funds, and inter-corporate deposits with our Promoter and its subsidiaries. All of our investments are made in accordance with the investment policy approved by our Board.

In our infrastructure, rural and housing businesses, we generate profit from the difference between the interest rates on our interest-earning assets, which are the loans we extend, and interest-bearing liabilities, which are our borrowings. The average cost of borrowings for our Company for half year ended September 30, 2019 and September 30, 2018 and the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 was 8.68%, 8.31%, 8.43%, 8.05% and 8.77%, respectively.

Our Credit Ratings

Our current credit ratings for our Company are set forth below:

Credit Ratings for L&T Finance

	CARE	ICRA	India Ratings	CRISIL
Bank Loan Facilities	CARE AAA; Stable (Triple A; Outlook: Stable)	ICRA AAA; Negative (Triple A; Outlook: Negative)	-	CRISIL AAA; Stable (Triple A; Outlook: Stable)
Non-Convertible Debentures	CARE AAA; Stable (Triple A; Outlook: Stable)	ICRA AAA; Negative (Triple A; Outlook: Negative)	IND AAA; Stable (Triple A; Outlook: Stable)	CRISIL AAA; Stable (Triple A; Outlook: Stable)

	CARE	ICRA	India Ratings	CRISIL
Market Linked Debentures	CARE PP-MLD AAA; Stable (Principal Protected Market-linked Debentures Triple A; Outlook: Stable)	PP-MLD ICRA AAA; Negative (Principal Protected Market-linked Debentures Triple A; Outlook: Negative)	-	
Subordinated Debt	CARE AAA; Stable (Triple A; Outlook: Stable)	ICRA AAA; Negative (Triple A; Outlook: Negative)	IND AAA; Stable (Triple A; Outlook: Stable)	
Perpetual Debt	CARE AA+; Stable (Double A Plus; Outlook: Stable)	ICRA AA+; Negative (Double A Plus; Outlook: Negative)	-	
Commercial Paper	CARE A1+ (A One Plus)	ICRA A1+ (A One Plus)	-	CRISIL A1+ (A One Plus)

Risk Management

Risk management forms an integral part of our business. As a lending institution, we are exposed to various risks that are related to our lending business and operating environment. Our objective in our risk management processes is to measure and monitor the various risks that we are subject to and to follow policies and procedures to address these risks. We do so through our risk management framework, which includes a team, headed by the chief risk officer who is responsible *inter alia* for identification, assessment and monitoring of all the principal risks of our Company. The major types of risk we face in our businesses are credit risk, concentration risk, interest rate risk, operational risk, liquidity risk, cash management risk, asset risk and foreign exchange risk.

We have a robust and comprehensive credit assessment and risk management framework to identify, monitor and manage risks inherent in our operations. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures as well as uniform pricing and rating models, across our business segments. We have implemented a centralized risk management framework, covering capital adequacy, liquidity and earnings volatility and maintain a comprehensive system of internal controls. These include establishing well-defined key risk parameters which are customized for each of our businesses, instituting systems and procedures to monitor transactions at various stages and undertaking adequate provisioning and contingency planning.

For our rural business, credit management is crucial since a significant number of our customers are from the underserved financial categories and are primarily first-time purchasers of financial products. We have a risk management policy and several processes in place to assist our personnel to take significant measures to mitigate risks. Our credit teams conduct an independent verification of customers and joint-liability groups and evaluate their business and financing needs, and analyze their ability to repay loans. We emphasize continuous project and payment monitoring, which tie into our key risk parameters and early warning signals.

Credit Risk

Credit risk is the risk of loss that may occur from the default by our customers under our loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Our credit approval policy includes a proposal evaluation and investigation procedure for credit appraisal. We manage our credit risk by evaluating the creditworthiness of our customers, carrying out cash flow analysis, setting credit exposure limits, obtaining collateral and setting prudent LTV ratios. Actual credit exposures, credit limits and asset quality are regularly monitored at various levels.

Concentration Risk

We have laid down portfolio concentration limits which are reviewed on a quarterly basis to ensure that the overall portfolio is within the approved limits to minimize concentration risk to any particular business segment, industry, group, geography or borrower. Further, we have identified risk hotspots which are closely monitored to identify any earlier signs of weakness. Based on the severity of the identified risk hotspots, appropriate business strategies are developed to mitigate these risks through, for instance, sell-downs, securitizing or reducing the loan component.

At portfolio level, the credit risks are managed through risk dashboards where critical information is captured on a monthly basis. The organization also monitors risk through appropriate early warning signals to identify, isolate and manage risk proactively.

Interest Rate Risk

We are subject to interest rate risk, principally because we lend to customers at floating interest rates and for periods that may differ from our funding sources, which bear a mix of fixed and floating rates. Floating interest rates on borrowings are primarily limited to our bank borrowings.

Interest rates are highly sensitive to many factors beyond our control, including the monetary and fiscal policies, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage the interest rate risk on our balance sheet by managing our assets and liabilities. As of September 30, 2019, 56% of our total borrowings was at fixed rates and 44% at variable rates.

We maintain an asset liability management policy, which has been approved and adopted by our Asset Liability Committee. Assets and liabilities are categorized into various time buckets based on their maturities, interest rate sensitivity and re-pricing options and we try to ensure minimum mismatch in each of the time buckets in line with guidelines prescribed by the RBI.

We implement various limits, for instance, portfolio stop loss limit, for monitoring of our portfolio and taking corrective steps based on the prevailing market conditions.

Operational Risk

Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. As one of the features of our lending operations, we offer a speedy loan approval process and therefore have adopted automated and data-analytics based loan approval systems. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, having a dedicated team for monitoring potential frauds, maintaining key back-up procedures and undertaking contingency planning.

In addition, we have appointed local audit firms to conduct internal audits at our branches to assess adequacy of and compliance with our internal controls, procedures and processes. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.
Further, our IT security policies and procedures address issues relating to cyber security to mitigate the information security risk.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate price and tenure. We minimize this risk through a combination of strategies by maintaining a liquidity buffer along with undrawn facilities from the commercial banks. We maintain liquidity buffer in the form of pre-approved high-quality liquid assets comprising of government securities, state development loans and high-rated bonds and debentures of public sector entities. In addition to the statutory requirements, our Company has maintained cash and cash equivalents of ₹ 2,043.15 crores as on September 30, 2019. Within these, we have separate threshold limits for various categories to avoid potential concentration risks. In addition, we also have a market risk limit to mitigate any interest rate risk in the liquid buffer. Further, the liquidity profile at a consolidated level is subjected to different types of liquidity stress scenarios and the outcome of each of the scenarios is presented in our risk evaluation metrics. We also monitor liquidity risk through our Asset Liability Committee.

A summary of our asset and liability maturity (ALM) profile as of September 30, 2019, which is based on certain estimates, assumptions and our prior experience of the performance of its assets, is set out below:

(₹ in crore)

	Up to One Month	Between One Month and One Year	Between One and Three Years	Between Three and Five years	Over Five Years	Total
Liabilities / Outflow						
Equity Capital	-	-	-	-	1,599.14	1,599.14
Non-Perpetual Preference shares	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	8,136.54	8,136.54
Total Borrowings	717.00	11,087.48	23,989.92	6,594.31	1,942.83	44,331.54
Current Liabilities and Provisions	516.78	3,097.01	3,531.89	1,146.71	621.57	8,913.96
Unutilized Lines	90.00	100.00	-	-	-	190.00
Total	**1,323.78**	**14,284.49**	**27,521.81**	**7,741.02**	**12,300.08**	**63,171.18**
Assets / Inflow						
Fixed Assets	-	-	-	-	1,079.81	1,079.81
Investment	30.10	683.33	-	478.90	787.18	1,979.51
Cash and Bank Balance	1,566.67	770.54	45.00	-	-	2,382.21
Inflow from Loans and Advances	1,403.71	17,811.04	15,339.20	7,912.49	5,606.06	48,072.50
Other Assets	624.51	5,642.66	5,686.91	3,222.89	3,478.25	18,655.22
Unutilized Lines	-	-	-	-	-	-
Total	**3,624.99**	**24,907.57**	**21,071.11**	**11,614.28**	**10,951.30**	**72,169.25**
Surplus / (Deficit)	**2,301.21**	**10,623.08**	**(6,450.70)**	**3,873.26**	**(1,348.78)**	**8,998.07**
Cumulative Surplus (Deficit)	**2,301.21**	**12,924.29**	**6,473.59**	**10,346.85**	**8,998.07**	

The Company also has Rs. 700.00 Cr Line of Credit from L&T Ltd.

Cash Management Risk

Our offices collect and deposit a large amount of cash through a high volume of transactions, particularly for our rural business. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems. Additionally, we have obtained insurance policies covering our cash management and handling, including money insurance.

Asset Impairment Risk

Asset impairment risks may arise due to the decrease in the value of the security over time. The selling price of a re-possessed asset may be less than the total amount of loan and interest outstanding in such borrowing and we

may be unable to realize the full amount lent to our customers due to such a decrease in the value of the collateral/security. We may also face certain execution difficulties during the process of seizing collateral. We engage experienced repossession agents to repossess assets of defaulting customers. We ensure that these repossession agents follow legal procedures and take appropriate care in dealing with customers for seizing assets.

Foreign Exchange Risk

While our revenues are denominated in Indian rupees, we have incurred and expect to incur indebtedness denominated in currencies other than rupees for our funding and capital requirements. As of September 30, 2019, we had an ECB loan of US$ 375 million, for which we have undertaken hedging of our foreign currency liability to Indian rupee liability. We hedge our foreign currency liability to INR liability using currency and interest rate derivative instruments such as forwards, interest rate swaps, principal only swap, full currency swap, coupon only swap options or as a combination of the stated instruments. We did not have any un-hedged foreign currency exposure as on September 30, 2019.

Risk Management Framework

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through the Audit Committee, the Asset Liability Committee and the Risk Management Committee.

Audit Committee.

Our Audit Committee acts as a link between the statutory and internal auditors and our Board. Our Audit Committee oversees our financial reporting process, reviews our financial statements and relevant disclosures, auditors' independence and performance, effectiveness of our audit process and adequacy of internal control systems and recommends the appointment and remuneration of the auditors to the Board. Our Audit Committee is entitled to obtain external professional advice where required.

Asset Liability Committee.

Our Asset Liability Committee reviews the structural mismatches in our liquidity statement, as per the guidelines of the RBI and other regulatory or statutory bodies. Depending upon inherent nature of required assets and prevailing interest rate view, the committee provides guidance on borrowing instruments and overall debt composition. Our Asset Liability Committee also reviews risk management policies related to liquidity, interest rates and investment policies periodically. Other functions include 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 and ensuring adherence to the regulatory guidelines; monitoring our business strategy in line with our budget and risk management practices; reviewing the effects of changes in market conditions and recommending the action needed to adhere to the organization's internal limits related to liquidity and interest rate risk management.

Risk Management Committee.

Our Risk Management Committee manages the integrated risk which includes credit risk, liquidity risk, interest rate risk and operational risk. Our Board is informed about the risk assessment and risk reduction procedures undertaken. Our Board periodically reviews the risk management policies and practices followed by our Company.

Information Technology and Data Analysis

Information technology and data analysis play an important role in performing our businesses operations, as detailed below:

On-boarding and servicing: We have implemented mobile-based solutions for our customer-facing employees for our rural business to capture information accurately. Our mobile-based platform enables us to capture information electronically, reduce human error and enable increased productivity of our employees. For example, through our IT systems, loan applications are logged, scanned and validated electronically for our two wheelers and farm equipment financing businesses. We have also implemented receipting for payments and collections through an SMS based receipting system for our rural business in order to reduce paper-work and ensure speedy

confirmations to our customers and also provide additional data on timing of payments made and received by us. We also have a loan management system to provide an integrated platform for loan origination and sourcing. Our loan management system is integrated with our in-house customized enterprise reporting tool, which enables us to service our customers seamlessly across locations.

Credit Assessment: We use multiple variables, across our financing businesses, such as industry performance, analysis of our loan portfolio, market share of a particular asset, our channel partner's turnover, among others, to develop and update our evaluation and assessment metrics. These evaluation and assessment metrics are utilized for credit assessments of customers. Evaluation and assessment metrics help us to deliver standardized credit assessments and faster turnaround time to customers. These evaluation and assessment metrics are updated at regular intervals in order to accurately assess risk parameters and status of loans disbursed and are utilized for our 'business rule engine' which is integrated with our loan management system.

Data Analytics: We have instituted an enterprise data warehouse which serves our entire operations. Our management reporting data and information is generated from our data warehouse without manual intervention and on a real time basis. Each of the business teams like sales, operation, product, collections get relevant reports with pre-defined KPIs on a need basis or on regular basis depending on the business requirements. Basis these reports from our data warehouse team, our management is able to take timely decisions that affect the strategy and operations of our Company and businesses. We have also implemented a business information system which is integrated with our data warehouse to enable analysis of data across parameters and key metrics. This assists our management in applying data analysis to business processes such as customer segmentation, determining geographic expansion strategy, allocating targets to teams, designing incentive programs, selecting channel partners, among others.

Our data analytics team carries out various analysis across the lifecycle of the customer (acquisition, customer management, collections and repossession/recovery) for our businesses. Application scorecard built by our analytics team helps us to assess the credit worthiness of the customer and enables us to onboard customers with only acceptable level of risk on our books while the behaviour scorecard built by the analytics team helps us manage our delinquency threshold as well as credit operations cost for the business. Given the rising cost of acquiring customers, we have also built and implemented attrition/churn scorecard to manage the overall churn in our customer bases. Our risk management framework is further supported by extensive use of data analysis which is not only limited to statistical and econometric analysis but also includes advance analytics like machine learning (both supervised and unsupervised) as well. Based on our key risk parameters, we have deployed algorithms to trigger early warning signals, for each of our business segments. These early warning signals rely on in-depth data analysis and utilize extensive data collected over the course of our operations across the lifecycle of the customer.

IT Security: We have also instituted security protocols such as firewalls, intrusion prevention system to detect and stop threats and have separations for internet facing applications and critical internal applications. We periodically assess our IT infrastructure and applications to find potential security threats and remedy threats discovered as well as monitor critical applications and systems for any suspicious activity. We have internal policies for acceptable use of corporate systems, confidential data, email, mobile devices and passwords. We also have deployed tools such as 'data loss prevention' and 'identity and access management' to handle different threats and unauthorised access to our systems and networks. We have a disaster recovery system for our applications critical to the functioning of our business, located at Chennai.

Insurance

We maintain a wide range of insurance policies including standard fire and special perils and group personal accident covers in respect of our offices across India. We also have a money insurance policy in respect of cash in safe and cash in transit. In addition, our Directors are insured under directors' and officers' liability insurance policy.

Employees

As of September 30, 2019, we employed 22,090 employees. Each of our businesses are led by senior executives who are generally, also responsible for certain organisational functions at the group level. Our senior managers have diverse experience in various financial services and functions related to our business. We have instituted training and mentorship programs for our junior and mid-management employees and we intend to continue investing in recruiting, training and maintaining a rewarding work environment. In addition to ongoing on-the-job training, we provide employees with courses in specific areas as required. We have recruited and retained

talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our recruitment and retention initiatives.

To create a sense of ownership among and as a long-term incentive to our employees, our Group Companies has adopted ESOP Schemes to issue options convertible into Equity Shares to select employees linked to their performance. We also carry out periodic evaluations of our senior personnel on an annual basis with the relevant department heads and senior management. We identify key performance indicators and set benchmarks against which we measure the performance of our employees and payment of remuneration and annual increments are determined after the completion of the evaluation process. We identify and reward those employees who have demonstrated exceptional performance during any financial year

Awards and Accolades

Financial Year 2019: L&T Financial Services – Finance & Treasury Team has won the "Best In Class Digital Transformation" in Treasury Management at the Treasury, Risk & Compliance Excellence Awards 2019.

Financial Year 2018: Our Promoter has won the "The CII National HR Circle Competition 2018 winner for "Management of Change & Excellence in HRM", "The CII National HR Circle Competition 2018 runner up for "Most Effective Recruitment and Retention Strategy", the "Golden Peacock Award for "Excellence in Corporate Governance", Asian Centre Awards for "Best Audit Committee" and FINNOVITI 2018 Awards. Further, our Promoter has been featured in "Forbes Super 50 Companies". L&T Infrastructure Debt Fund (IDF) has won the Asset Triple A Asia Infrastructure Awards 2018 for "Private Equity M&A Deal of the Year" while L&T Financial Services' Wholesale Finance won the Asset Triple A Asia Infrastructure Awards 2018 for "Infrastructure Fund Deal of the Year".

Financial Year 2017

Our Promoter has won the 'Golden Peacock Award for Risk Management 2017' and was also awarded the '2017 Oracle Excellence Award for Oracle Cloud Platform Innovation in Connect and Extend Applications with Mobile and Bots'. L&T Infrastructure Finance won the RE - Finance Awards: Best Renewable Energy Financier of the Year 2017 for both the Solar and Wind Sector.

Financial Year 2016

L&T Infrastructure Finance won the "Best Finance Company in Renewable Energy" by Central Board of Irrigation & Power Awards (Govt. of India Organization).

Financial Year 2015

In the Financial Year 2015, one of our Group Company, L&T Infrastructure Finance Company Limited, was recognized as the second largest lender to renewable energy projects in India by the Association of Renewable Energy Agencies of States. Our Promoter won the Middleware Excellence award for effective usage of Mobile Cloud Service, at the award function held at Oracle Open World, San Francisco.

Competition

Competition in our industry is expected to continue to increase. Our primary competitors are public sector banks, private banks (including foreign banks), co-operative banks, regional rural banks and NBFCs and private unorganized lenders. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans, particularly because these banks have greater resources and access to cheaper funding than us.

Intellectual Property

By and under the Trademark Licence Agreement, our Promoter and the pre-merger entities, being L&T Finance Limited and L&T FinCorp Limited have been granted a global non-exclusive, non-transferrable license to use the "L&T" trademark and logo for a consideration payable by each of the licensees of up to 0.15% of the assets, or 1.5% of the PAT for the first year, 3.0% of the PAT for the second year or 5.0% of PAT for the third year onwards, of each of the licensees, whichever is lower, plus goods and service tax. In terms of the Scheme of Amalgamation,

our Company (then known as Family Credit Limited) became entitled to the use of the "L&T" trademark. The payment of such consideration is to be made on an annual basis, unless otherwise agreed amongst the parties. The Trademark License Agreement can be terminated by the parties thereto upon written notice in accordance with its terms. Furthermore, the Trademark License Agreement can also be terminated by any party upon change in management control of any of the licensees or upon breach of the terms of the Trademark License Agreement by any of the licensees. In the event that the Trademark License Agreement is terminated, we may have to discontinue the use of the "L&T" trademark and logo.

Corporate Social Responsibility

Our core thematic areas of Integrated Water Resource Management (IWRM) and Digital Financial Inclusion (DFI) are designed to ensure sustainable livelihood opportunities with the intent to bring deserving but vulnerable population into the mainstream economy. The IWRM activities impacting the farmers from the drought-prone area from Maharashtra; created awareness on digital financial inclusion in Maharashtra, Madhya Pradesh, Odisha and Tamilnadu.

Other thrust areas include disaster relief and rehabilitation for the flood-affected communities in Kerala, Breast Cancer Screening Camps in Maharashtra and creating awareness on road safety among school-going children in Mumbai city.

For the financial year 2019, our expenditure towards CSR initiatives was ₹ 13.38 crores at the LTFS group level.

For the financial year 2020 (till Sep' 2019), our expenditure towards CSR initiatives were ₹ 16.24 crores at the group level.

Properties

Our registered and corporate office are located at L&T Finance Limited, 7th Floor, Technopolis, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata -700091 and Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai, which we utilize on a leasehold basis from one Forum Project Holdings Private Limited and L&T Financial Consultants Limited (our group company) respectively. In addition, most of our branches are located on leased premises.

HISTORY, MAIN OBJECTS AND KEY AGREEMENTS

Brief background of our Company

Our Company was incorporated on November 24, 1993, as Apeejay Finance Group Private Limited as a private limited company under the provisions of the Companies Act, 1956 and was granted a certificate of incorporation by the RoC. Upon conversion of our Company from private limited to public limited the name of our Company was changed to Apeejay Finance Group Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on February 14, 1994. The name of our Company was further changed to Family Credit Limited and a fresh certificate of incorporation was granted by the ROC on July 12, 2007. The name of our Company was further changed to L&T Finance Limited and a fresh certificate of incorporation was granted by the ROC on March 17, 2017 pursuant to the scheme of amalgamation effective from February 13, 2017. The registered office of our Company is 7th Floor, Technopolis, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata -700091 West Bengal.

Our Company holds a certificate of registration dated May 4, 2017 bearing number B-05.06200 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934.

Change in registered office of our Company

There has been no change in the registered office of our Company in the last 3 (three) years.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. To carry on and undertake the business of financing, leasing, hire purchase and lease operations of all kinds. Purchasing, selling, hiring or letting on hire or financing deferred payments or to purchase or otherwise deal in all forms of immovable properties including lands, buildings, offices, show-rooms, shops, factories, godowns or real estates, all kinds of plant and machinery and equipment including tools, dies, moulds, appliances. Implements, instruments or apparatus, installations and fittings for domestic, industrial, commercial, trading, office or agricultural use, all kinds of vehicles whether moved, propelled or driven by motor, steam, oil, petrol, electricity or any mechanical means or power or other device and accessories of all vehicles, all types of furniture, fixtures and fittings including air-conditioners, refrigerators, televisions, video tape recorders and all other things or whatsoever nature or description capable of being uses therewith or in the manufacture, maintenance and working thereof.

2. To engage in the business of arrangement of security offering/issue of corporate bodies including making arrangements for selling or buying or subscribing to or dealing in securities, preparation of offer documents/prospectus/letters of offer, tying up with other intermediaries in securities, rendering corporate advisory service, determining financial structure of issuer, to manage portfolio of securities, to handle allotment and refund of securities to underwrite issues and to undertake all other matters connected with issue/offering of securities.

3. To act as investors, share brokers, guarantors, and to subscribe for conditionally or unconditionally, to underwrite issue on commission or otherwise, take, hold, deal in and convent stocks, shares, and securities of all kinds subject to prior approval of SEBI.

4. To undertake the business of financing leasing hire purchase, lease operations of all kinds and all other businesses stated in sub-clause I above, electronically through internet based trading mechanisms subject to prior approval of appropriate authorities and Indian Cyber Laws as and when enacted.

5. To carry on business of an Investment Company or an Investment Trust Company, to undertake and transact trust and agency Investment, mutual fund business, financial business, financiers and for that purpose to land or invest money and negotiate loans in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and securities and also to issue on commission, to subscribe for, underwrite, take, acquire and hold, sell and exchange, and deal in shares, stocks bonds or debentures or securities of any Government or Public authority or Company, gold and silver and bullion and to form, promote, subsides and assist companies, syndicates and partnership, subject to compliance with SEBI regulations or any other relevant laws.

6. To act as consultants and to advise and assist on all aspects of corporate commercial and industrial management or activity including production, manufacturing, personnel, advertising and public relations, public welfare, marketing, taxation, technology Insurance, purchasing, sales, quality control, computer application, software, productivity, planning, research and development, organization, Import and export business, industrial, relations and management and to make evaluations, feasibility studies, project reports, forecasts and surveys and to give expert advice and suggest ways and means for Improving efficiency in mines, trades, plantations, business organizations, registered or cooperative societies, partnership or proprietary concerns and Industries of all kinds in India and elsewhere in the world and improvement of business management, office organization and export management to supply to and provide, maintain and operate services, facilities, conveniences, bureau and the like for the benefit of any Company to recruit and / or advice on the recruitment of staff for any Company.

7. To render consultancy services in investment matters to individuals, firms, or corporate bodies and to undertake and carry out portfolio management subject to prior approval of SEBI for portfolio management on behalf of clients in respect of their investment in shares, debentures, bonds or any other securities.

8. To act as investors, guarantors, underwriters subject to prior approval of SEBI for underwriters and financiers with the object of financing industrial enterprises to carry on and undertake all bill discounting to lend or deal with the money either with or without interest or security, including in current or deposit account with an bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loan upon such terms and conditions as our Company may approve.

9. To carry on the business of real estate and to acquire by purchase, lease, exchange development, construction, building erection, or to demolish, re-elect, alter, repair, re-model or otherwise deal in and make advances on the security of and deal in land, buildings, estates, hereditaments, roads, highways, docks, bridges, canals, dams, ports, reservoirs, or any other structural or architectural work of any kind whatsoever and for such purpose to prepare, estimates, designs, plans, specifications or models and to do such other or any act that may be requisite thereof, and to otherwise deal in offices, flats, service it (chawls, factories, godowns, warehouses, shops, cinema theatres, and other conveniences of all kinds and properties of all kinds and description and to act as town-planners, surveyors, values, appraisers, decorators, furnishers, furniture makers, merchants, dealers, in cement, steel, iron, fuel, coke, wood cool, timber and other building requisites and to manufacture requisites for above and prefabricated houses, apartments and structures etc.

10. To carry on in India or elsewhere the business to establish and to act as agent, representative, surveyor, sub-insurance agent, franchiser, marketing, market making, market generating, consultant, advisor, collaborator or other-wise to deal in all incidental and allied activities related to insurance business as a corporate on account of insurance companies and to resell insurance products elaborated by third parties contracted insurers and to carry out any other type of financial activities in accordance with applicable laws, organize, manage, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize, insurance and assurance business in all its branches of life insurance and general insurance including whole life insurance, endowment insurance, double benefit and multiple benefit insurance, joint life insurance, medical insurance, group insurance, fire insurance, riot insurance, earth quake and natural calamity insurance, crop insurance, animal life insurance, loss of profit insurance, human body part, limbs and organs insurance, theft insurance, transit insurance, vehicle insurance, annuity plans, gratuity plans, fixed income plans, accidental insurance, unit linked insurance and any product to insure any credit performed by a client, any goods acquired through credit and the client itself and such other insurance, assurance, plans and schemes as may be developed from time-to-time and also the various type of mutual fund schemes, bonds, deposits, unit linked schemes, securities with different type of options as offered by companies, banks, Reserve Bank of India, Govt. of India, foreign institutions, financial institutions or other entities and also the various marketing products generated by the banks, institutions, etc. in the form of marketing, selling, distribution, agent, consultant, soliciting credit cards, personal loans, housing loans, business loans, loan against shares, loan against properties, gold loans, gold biscuits, and for the purpose to apply, approach, tender, acquire, hold, procure and obtain such rights, titles, entitlements, licenses and permissions from government, semi government, local authorities, public bodies, public institutions and government undertakings or from other authorities as may be necessary for the attainment of the objects under the Memorandum of Association.

Key terms of our Material Agreements

Shareholders' Agreement dated June 5, 2015 ("Shareholders' Agreement") executed among our Company, Grameen Foundation Asia, Mr. Amit Patni, Mr. Arihant Patni, Citicorp Finance (India) Limited and Grameen Capital India Private Limited.

Our Company has executed the Shareholders' Agreement with Grameen Foundation USA ("**GF US**"), Mr. Amit Patni, Mr. Arihant Patni, Citicorp Finance (India) Limited ("**CFIL**") and Grameen Capital India Private Limited ("**Grameen**") **(**individually as a **"Party",** together the **"Parties**")

The salient features of the Shareholders' Agreement are as follows:

- **Pre-emptive Rights:** Each of the Parties have a pre-emptive right to subscribe (in proportion to their respective shareholding) to any additional equity shares or any other securities.
- **Right of First Offer:** In case of fresh issue of securities, GF US and CFIL have the right of first offer and must be accepted within 30 days of such offer.
- **Restriction on transfer and creation of encumbrance**: Any Party is restricted from transferring their shareholding in our Company for 4 years or create any encumbrance on the shares without prior written consent of all other Parties. However, transfers may be made to affiliates in accordance with the Shareholders' Agreement.
- **Restriction on Income:** All amounts received by Grameen including but not limited to income generated from advisory services and other services provided by Grameen and any other type of fee income, shall be solely the income of Grameen. Grameen shall not share, divide or otherwise pay out any portion of such income to the shareholders.
- **Rights to purchase other Party's shareholding**: If any Party becomes insolvent, or in the event of **change** of control of GF US, CFIL or our Company, the other Parties have the right to purchase the insolvent Party's shareholding.

Investment in our Associate i.e. Grameen is accounted in consolidated financial statements in accordance with Accounting Standard (AS) 13, Accounting for Investments and not under the equity method as per Accounting Standard (AS) 23, Accounting for Investments in Associates in consolidated financial statements as the associate operates under severe long-term restrictions (as enshrined in the Shareholders Agreement) that scientifically impair its ability to transfer funds to the investor.

Securities Subscription Agreement dated June 05, 2015 ("Subscription Agreement") executed between our Company and Grameen Capital India Private Limited ("Grameen Capital"):

Pursuant to the Subscription Agreement, Grameen Capital has subscribed to 21,26,000 fully paid up equity shares at a price of ₹ 10 per share ("**Subscription Shares**") constituting 26% of the equity share capital of our Company on a fully diluted basis along with 3,874,000 OCPS (Optionally Convertible cumulative redeemable participating preference shares) of ₹ 10 each aggregating to a sum of ₹ 6,00,00,000. The Subscription Agreement was thus entered into by and between our Company and Grameen Capital for the purpose of recording the terms on which Grameen Capital will subscribe to the Subscription Shares and the OCPS so issued to Grameen Capital.

Group Function Outsourcing Agreement ("Group Outsourcing Agreement") dated October 5, 2018 between L&T Finance Holdings Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited, L&T Housing Finance Limited and L&T Finance Limited ("Group Function Companies"), made effective from April 1, 2018.

Pursuant to the Group Outsourcing Agreement read with Amendment Agreement dated June 10, 2019 made effective from May 08, 2019, the Group Function Companies have sought to maximise their utilisation by sharing certain resources which include various personnel (staff, employees, representatives, agents, advisors, counsels, retainers and other manpower), infrastructure, space, fixed and movable assets owned, hardware and software applications leased or belonging to any of the Group Function Companies. The outsourcing of resources is limited to the scope of work as agreed upon between *inter alia* the Group Function Companies.

Business Transfer Agreement dated September 4, 2018 executed between our Company and Centrum Financial Services Limited, made effective vide Deed of Assignment December 31, 2018

Our wholesale business initially comprised of infrastructure finance, supply chain finance and structured corporate finance. During Financial Year 2018-19, our Company, by way of a slump sale, had agreed to transfer its supply chain financing business to Centrum Financial Services Limited ("**Centrum**") by way of a Business

Transfer Agreement dated September 4, 2018. The supply chain financing business was effectively transferred to Centrum through a Deed of Assignment dated December 31, 2018. However, to support the transfer of a large portfolio, our Company in terms of the Transition Services Agreement has agreed to provide certain transition support services to Centrum till March 31, 2019.

Shareholders' Agreement dated April 25, 2019 ("Shareholders' Agreement") executed among our Company, L&T Infra Debt Fund Limited, APIS Growth II (Lavender) Limited, L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited

Our Company has executed the Shareholders' Agreement with L&T Infra Debt Fund Limited ("**L&T IDF**"), APIS Growth II (Lavender) Limited ("**Investor**"), L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited **(**individually as a **"Party",** together the **"Parties**") ("**Shareholders' Agreement**")

The salient features of the Shareholders' Agreement, in relation to our Company, are as follows:

- **Non- Disposal Undertaking:** Our Company is interalia restricted from transferring or creating any encumbrance its shareholding in L&T IDF, without the consent from the Investor.
- **Right of First Refusal:** In case our Company intends to transfer its shareholding in L&T IDF, our Company has to provide a notice of such intention to the Investor which must be responded within 15 business days of such offer by the Investor.
- **Tag Along Right:** In the event our Company proposes to transfer its shareholding in L&T IDF, pursuant to a bona fide offer from a proposed buyer, our Company shall deliver a written notice containing the details prescribed in the Shareholders Agreement.

Share Subscription and Share Purchase Agreement dated April 25, 2019 ("Subscription Agreement") executed among our Company, L&T Infra Debt Fund Limited, APIS Growth II (Lavender) Limited, L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited

Our Company has executed the Share Subscription and Share Purchase Agreement with L&T Infra Debt Fund Limited ("**L&T IDF**"), APIS Growth II (Lavender) Limited ("**Investor**"), L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited **(**individually as a **"Party",** together the **"Parties**") **("Share Purchase Agreement")**

Pursuant to the Share Purchase Agreement, subject to the terms and conditions contained therein our Company interalia has agreed to transfer its shareholding in L&T IDF (to the tune of upto 3,47,78,079 equity shares) to the Investor. Also the Investor, subject to the terms and conditions contained in the Share Purchase Agreement has agreed to invest an amount of upto US$ 110 million in L&T IDF.

OUR MANAGEMENT

Board of Directors

The general superintendence, direction and management of our affairs and business are vested in our Board of Directors. As on the date of this Draft Shelf Prospectus, we have four Directors on our Board.

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, defaulter list maintained by the RBI and/or Export Credit Guarantee Corporation of India Limited.

Details relating to Directors:

Name, Designation, Age, DIN, PAN and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
Mr. Dinanath Mohandas Dubhashi *Designation:* Chairperson and Non-Executive Director *Age:*53 *DIN:* 03545900 *PAN: AAEPD9649J* *Term of Appointment: Liable to retire by rotation*	Indian	December 31, 2012	9, Prabhat, PM Road, Vile Parle East, Mumbai - 400057.	1. L&T Finance Holdings Limited 2. L&T Infra Investment Partners Advisory Private Limited 3. L&T Housing Finance Limited 4. L&T Infra Debt Fund Limited. 5. L&T Infrastructure Finance Co. Limited. 6. L&T Capital Markets Limited 7. L&T Investment Management Limited
Dr. Rajani Rajiv Gupte *Designation:* Independent Director *Age: 64* *DIN:* 03172965 *PAN: ABDPG8127G* *Term of Appointment:* Five years commencing from March 20, 2015.	Indian	March 20, 2015	10, Dream Residency, 128, Anand Park, Aundh, Pune – 411007.	1. L&T Finance Holdings Limited 2. L & T Housing Finance Limited 3. Symbiosis Centre for Entrepreneurship and Innovation 4. National Securities Depository Limited
Mr. Pradeep Vasudeo Bhide *Designation:* Independent Director *Age: 69* *DIN:* 03304262 *PAN: ADYPB4012C* *Term of Appointment:* Five years commencing from March 18, 2017	Indian	March 18, 2017	D-1/ 48, First Floor, Vasant Vihar, New Delhi – 110 W	1. L&T Finance Holdings Limited 2. L&T Housing Finance Limited 3. Nocil Limited 4. Glaxosmithkline Pharmaceuticals Limited 5. Glaxosmithkline Consumer Healthcare Limited 6. A.P.I.D.C. Venture Capital Private Limited 7. Shiksha Financial Services India Private Limited.

Name, Designation, Age, DIN, PAN and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
				8. Tube Investments of India Limited 9. Gujarat Borosil Limited
Mr. Rishi Mandawat *Designation:* Non-Executive Director *Age:* 40 *DIN:* 07639602 *PAN: AIJPM4245Q* *Term of Appointment: Not liable to retire by rotation pursuant to the Articles*	Indian	April 28, 2019	1601, Tower 5, Planet Godrej, K K Road, Mahalaxmi (E) Mumbai 400011	1. L&T Housing Finance Limited 2. L&T Infrastructure Finance Company Limited. 3. BDC Datacentres (Bangalore) Private Limited 4. India Resurgence Asset Management Business Private limited

Profile of Directors

Mr. Dinanath Mohandas Dubhashi is the Non-Executive Director and Chairperson of the Company. He has experience of over 28 years across multiple domains in financial services such as corporate banking, cash management, credit ratings, retail lending and rural financing. Prior to joining us, he has been associated with BNP Paribas, CARE Ratings and SBI Capital Markets in various capacities.

Mr. Pradeep Vasudeo Bhide is an Independent Director of the Company. He is a retired IAS Officer of the Andhra Pradesh cadre (batch of 1973). He has experience of over 40 years having held various positions in the Ministry of Finance, including as Revenue Secretary.

Dr. Rajani R. Gupte is an Independent Director of the Company. She is currently the Vice Chancellor of Symbiosis International University, Pune. She has experience of over 30 years in teaching and research at prestigious institutes.

Mr. Rishi Mandawat is a Non-Executive Director of the Company. He has an experience of over 18 years. Currently, he is serving as the Principal of Bain Capital. Prior to joining us, he has been associated with McKinsey & Company and P&G."

Relationship between Directors

None of our Directors are related to each other. None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company

Remuneration of the Directors

The Nomination and Remuneration Committee ("**NRC**") of the Board reviews and assess Board composition, recommends appointment of new directors and suitable remuneration for such directors.

Details of remuneration paid/payable to our Directors during the financial year ended March 31, 2019 by our Company are as follows:

(₹ in crores)

Sl. No.	Name of the Director	By our Company
		Remuneration /Sitting Fees
1.	Mr. Dinanath Mohandas Dubhashi	Nil
2.	Mr. Pradeep Vasudeo Bhide	0.05
3.	Dr. Rajani Rajiv Gupte	0.05

Sl. No.	Name of the Director	By our Company
		Remuneration /Sitting Fees
4.	Mr. Ashish Arvind Kotecha	0.022
5.	Mr. MannilVenugopalan*	0.014
6.	Mr. Desh Raj Dogra**	0.008
7.	Mr. Banavar Anantharamaiah Prabhakar***	0.004

**Mr. Mannil Venugopalan has resigned with effect from June 11, 2018.*

*** Mr. Desh Raj Dogra has resigned with effect from June 4, 2018.*

**** Mr. Banavar Anantharamaiah Prabhakar has resigned with effect from May 30, 2018.*

Further, one of our directors, Mr. Dinanath Mohandas Dubhashi is a non-executive director and chairperson of our Associate Company, L&T Infra Debt Fund Limited. During the last financial year ended March 31, 2019, he has not received any remuneration from L&T Infra Debt Fund Limited.

Pursuant to the recommendation of our NRC by resolution passed on May 10, 2019 and the resolution passed by the Board of the Directors on May 12, 2019, the eligible Non-Executive directors and Independent Directors have been paid commission for the Fiscal Year 2019, as follows:

(₹ in crores)

Sr. No.	Designation	Amount
1.	Mr. Pradeep Vasudeo Bhide	0.1350
2.	Dr. Rajani Rajiv Gupte	0.1465
3.	Mr. Ashish Arvind Kotecha	0.0835
4.	Mr. Mannil Venugopalan*	0.0375
5.	Mr. Desh Raj Dogra**	0.0145
6.	Mr. Banavar Anantharamaiah Prabhakar***	0.0145

**Mr. Mannil Venugopalan has resigned with effect from June 11, 2018.*

*** Mr. Desh Raj Dogra has resigned with effect from June 4, 2018.*

**** Mr. Banavar Anantharamaiah Prabhakar has resigned with effect from May 30, 2018.*

Pursuant to the resolutions passed by the Board at its meetings held on July 24, 2017 the Independent Directors and eligible Non-Executive Director(s) are entitled to fees/ remuneration as under:

Meeting	Overall limit per Director per meeting (₹)
Meetings of the Board of Directors	40,000
Meetings of Audit Committee	40,000
Meetings of Nomination and Remuneration Committee	40,000
Meetings of Stakeholders Relationship Committee	20,000
Meetings of Risk Management Committee	20,000
Meetings of Corporate Social Responsibility Committee	20,000

Borrowing Powers of the Board

Pursuant to a resolution passed by the shareholders at their EGM held on August 14, 2019, in accordance with Section 180(1)(c) and all other applicable provisions of the Companies Act and Articles of Association, our Board has been authorised to borrow monies from time to time, and, if they think fit, mortgaging or charging our Company's undertaking and any property or any part thereof to secure such borrowings up to a continuous limit for the time being remaining undischarged of Rs. 70,000 Crores (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) even though the money to be borrowed together with the monies already borrowed by our Company may exceed the aggregate of the paid-up share capital of our Company and its free reserves.

Interest of the Directors

All the directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof and reimbursement of expenses payable to them and the directors may be deemed to be interested to the extent of commission out of net profits as may be paid to them. All the Directors of our Company, except Mr Dinanath

Dubhashi, are entitled to receive sitting fees for every meeting of the Board or a committee thereof. The Manager, Chief Financial Officer and the Company Secretary of our Company are interested to the extent of remuneration paid for services rendered as an officer or employee of our Company.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company.

None of the Directors have any interest in immovable property acquired or proposed to be acquired by our Company in the preceding two years as of the date of this Draft Shelf Prospectus.

Our Company's directors have not taken any loan from our Company.
None of the relatives of the Directors have been appointed to an office or place of profit.

Save and except to the extent of compensation and commission if any, and their shareholding in our Company (held jointly with L&T Finance Holdings Limited), our Directors do not have any other interest in our business.

Debenture holding of Directors:

As on March 31, 2019, except as stated below, none of the Directors of our Company hold any Debentures issued by our Company.

(₹ in crores)

S. No.	Name of Director	No. of Debentures	Amount of Debentures
1.	Mr. Dinanath Dubhashi Non-Executive Director	3,510	0.35

Changes in the Directors of our Company during the last three years:

The changes in the Board of Directors of our Company in the three years preceding the date of this Draft Shelf Prospectus are as follows:

Name of the Director, Designation and DIN	Appointment /Resignation/Change in Designation	Date of Appointment	Date of Resignation
Mr. Kailash Kulkarni Designation: Non-Executive Director DIN: 07242982	Resignation	April 29, 2016	March 17, 2017
Mr. Yeshwant Moreshwar Deosthalee Designation: Additional Director DIN: 00001698	Appointment	March 18, 2017	-
Mr. Yeshwant Moreshwar Deosthalee Designation: Non-Executive Director DIN: 00001698	Resignation	March 18, 2017	May 31, 2017
Mr. Pavninder Singh Designation: Additional Director DIN: 03048302	Appointment	March 18, 2017	-
Mr. Pradeep Vasudeo Bhide Designation: Additional Director DIN: 03304262	Appointment	March 18, 2017	-

Name of the Director, Designation and DIN	Appointment /Resignation/Change in Designation	Date of Appointment	Date of Resignation
Mr. Pavninder Singh Designation: Non-Executive Director DIN: 03048302	Resignation	March 18, 2017	July 14, 2017
Mr. Desh Raj Dogra Designation: Additional Director DIN: 00226775	Appointment	July 24, 2017	-
Ashish Arvind Kotecha Designation: Additional Director DIN: 02384614	Appointment	July 14, 2017	-
Mr. Pradeep Vasudeo Bhide Designation: Independent Director DIN: 03304262	Change in designation	August 22, 2017	-
Mr. Desh Raj Dogra Designation: Independent Director DIN: 00226775	Change in designation	August 22, 2017	-
Ashish Arvind Kotecha Designation: Non-Executive Director DIN: 02384614	Change in designation	August 22, 2017	-
Mr. Prabhakar B. Designation: Non-Executive Director DIN: 02101808	Resignation	October 23, 2015	May 30, 2018
Mr. Desh Raj Dogra Designation: Independent Director DIN: 00226775	Resignation	July 24, 2017	June 4, 2018
Mr. Mannil Venugoplalan Designation: Independent Director DIN: 00255575	Resignation	October 17, 2014	June 11, 2018
Mr. Rishi Mandawat Designation: Non-Executive Director DIN: 07639602	Appointment	April 28, 2019	-
Mr. Rishi Mandawat Designation: Non-Executive Director DIN: 07639602	Change in Designation	July 26, 2019	-
Ashish Arvind Kotecha Designation: Non-Executive Director DIN: 02384614	Resignation	July 14, 2017	April 28, 2019

Shareholding of Directors, including details of qualification shares held by our Directors

As per the provisions of our AOA, our Directors are not required to hold any qualification shares. Details of the shares held in our Company by our Directors, as on September 30, 2019 are provided in the table given below:

Name of the Director	No. of Shares held as on September 30, 2019	% of total shares of our Company
Mr. Dinanath Dubhashi (DIN 03545900) *Chairman and Non- Executive Director*	1*	-^

**Held jointly with L&T Finance Holdings Limited for the purpose of the compliance with applicable law.*

^less than 0.01% of the shareholding

Details of various committees of the Board

Our Company has various committees which have been constituted, as per applicable laws and as a part of the good corporate governance practices.

A. Audit Committee

The Board vide by a resolution passed by circulation on March 18, 2017 reconstituted the Audit Committeee. The members of the Audit Committee are:

(i) Mr. P V Bhide (Chairperson);
(ii) Dr. Rajani R. Gupte; and
(iii) Mr. Dinanath Dubhashi.

The terms of reference of the Audit Committee, *inter alia*, include:

- Recommend to the Board appointment, remuneration and terms of appointment of auditors of our Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examine the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of our Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and other related matters;
- Functioning of the Vigil Mechanism Framework of our Company;
- Full access to information contained in the records of our Company and external professional advice;
- Investigate any activity within its terms of reference, seek information from an employee, obtain outside legal/professional advice;
- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend appointment and removal of external auditor, fixation of audit fees and also approve payment for other services;
- Discuss with the auditors periodically on internal control systems, scope of audit including observations of the auditors, and review the half yearly and annual financial statements before submission to the Board and ensure compliance of internal control system;
- Ensure Information System Audit of the internal systems and processes to assess operational risks faced by our Company in accordance with the requirements stipulated by RBI.
- Recommend on financial management including audit report which shall be binding on the Board;

- Investigate into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of our 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 our Company.

B. Nomination and Remuneration Committee ("NRC")

The Board by a resolution passed by circulation on June 25, 2018 reconstituted the NRC. The constitution and the terms of reference of the NRC are in compliance with the provisions of section 178(1) of the Companies Act, 2013. The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director:

The members of the NRC are:

(i) Mr. P.V. Bhide (Chairperson);
(ii) Mr. Dinanath Dubhashi; and
(iii) Dr. Rajani R. Gupte.

The terms of reference of the NRC Committee, *inter alia*, include:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- 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 our Company successfully;

  (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

  (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals.

- To ensure fit and proper status of existing/proposed reference directors by obtaining necessary information a declaration from them and undertake a process of due diligence to determine suitability of the person for appointment/continuing to hold appointment as Director on the Board based upon qualification, expertise, track record, integrity and other relevant factors.
- The process of due diligence should be undertaken at the time of initial appointment and also prior to reappointment.
- Based on the information provided in the declaration the Committee should decide on the acceptance (and/or otherwise) and may make references where considered necessary to the appropriate person/authority to ensure their compliance with the requirements indicated.
- To obtain annual declaration confirming that the information already provided had not undergone change and if there is any change requisite details would be furnished by the directors forthwith.
- To focus on evaluating senior level employees their remuneration, promotion etc.

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was consituted by a resolution passed by circulation on March 18, 2017

The members of the Stakeholders' Relationship Committee are:

(i) Mr. Dinanath Dubhashi (Chairperson);
(ii) Mr. Sunil Prabhune; and
(iii) Mr. Sachinn Joshi.

The terms of reference of the Stakeholders' Relationship Committee, *inter alia*, include:

- The role of the Committee includes to consider and resolve the grievances of the debenture-holders and any other security holders from time to time.

D. Asset Liability Management Committee

The members of the Asset Liability Management Committee are:

(i) Managing Director & Chief Executive Officer, L&T Finance Holdings Limited;
(ii) Mr. Vipul Chandra;
(iii) Chief Investments Officer;
(iv) Group Chief Economist;
(v) Group Chief Financial Officer;
(vi) Group Head – Treasury;
(vii) Chief Risk Officer;
(viii) Group Chief Risk Officer and
(ix) Manager

The Asset Liability Management Committee ("**ALCO**") was reconstituted by the Board at its meeting held on October 18, 2019. The Committee is responsible for supervising our Company's treasury and financial risk management activities.

The terms of reference of the Asset Liability Committee, *inter alia*, include:

- 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;
- Revieiwng the business strategy of our Company (on the assets and liabilities sides) in line with our Company's budget and set 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 our Company's internal limits;
- Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- Product pricing for financial assistance, desired maturity profile and mix of the incremental assets and liabilities, based on market conditions;
- Articulating the current interest rate view of our Company and decide about the future business strategy accordingly; and
- Deciding on the source and mix of liabilities and recomonding the desired asset mix.

E. Risk Management Committee

The Risk Management Committee was reconstituted by the Board at its Meeting held on October 18, 2019. The members of the Risk Management Committee are:

(i) Managing Director & Chief Executive Officer, L&T Finance Holdings Limited;
(ii) Mr. Rishi Mandawat;
(iii) Manager;
(iv) Chief Risk Officer; and
(v) Group Chief Risk Officer

The terms of reference of the Risk Management Committee, *inter alia*, include:

- While, the Asset-Liability Management Committee (ALCO) has been constituted to monitor the asset liability gap and strategize action to mitigate the associated risks, the Risk Management Committee would be managing the integrated risk for our Company.

F. Corporate Social Responsibility Committee

The Board by a resolution passed by circulation on June 25, 2018 reconstituted the Corporate Social Responsibility Committeee. The members of the Corporate Social Responsibility Committee are:

(i) Dr. Rajani R. Gupte (Chairperson);
(ii) Mr. P. V. Bhide; and
(iii) Mr. Dinanath Dubhashi.

The terms of reference of the CSR Committee, *inter alia*, include:

- Formulation of CSR Policy indicating the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013 and recommendation of the same to the Board;
- Determine the amount to be spent on CSR from time to time and recommend the same to the Board;
- Monitoring the CSR Policy of our Company from time to time.

G. IT Strategy Committee

In compliance of requirements of Reserve Bank of India Master Direction No. DNBS.PPD.No.04/66.15.001/2016-17 dated June 8, 2017, specifying the IT framework to be adopted for the NBFC sector, our Company has during the year under review constituted an IT Strategy Committee on June 25, 2018 (vide circular resolution).

The Members of the IT Strategy Committee are:

(i) Dr. Rajani R. Gupte (Independent Director) – Chairperson;
(ii) Managing Director & Chief Executive Officer - L&T Finance Holdings Limited
(iii) Chief Information Officer;
(iv) Chief Technology Officer;
(v) Manager;
(vi) Chief Risk Officer; and
(vii) Chief Information Security Officer

The roles and responsibility of the IT Strategy Committee will be as follows:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

- Institute an effective governance mechanism and risk management processes for all outsourced IT operations.
- Our Company may consider outsourcing of some of the IT functions/processes. The Role of IT Strategy committee in respect of outsourced operations shall include:
    (a) Defining a Framework for outsourced activities and processes, comprising of risk-based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
    (b) Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
    (c) Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
    (d) Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
    (e) Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by IT Strategy Committee;
    (f) Ensuring that, the business continuity preparedness is not adversely compromised on account of outsourcing. Ensuring sound adoption of the business continuity.
    (g) management practices as issued by RBI and seeks proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis

Payment of benefits and profit-share to Employees

The broad structure of compensation payable to employees is under:

(i) Fixed pay which has components like basic salary & other allowances/ flexi pay as per the grade where the employees can choose allowances from bouquet of options.

(ii) Variable pay in the form of annual performance pay based on KRA's or Incentive based on targets which is paid monthly/Quarterly/Half yearly or Annually.

(iii) Retirals such as PF, Gratuity & superannuation (for certain grades).

(iv) Benefits such as car scheme, medical and dental benefit, loans, insurance, etc., as per grades

OUR PROMOTER

Profile of our Promoter

Our Promoter was incorporated and registered in India under the Indian Companies Act, 1956 on May 01, 2008 as L&T Capital Holdings Limited. The name of our Promoter was changed to L&T Finance Holdings Limited on September 6, 2010. There has been no change in the control or management of our Promoter in the three years preceding the date of this Draft Shelf Prospectus.

The registered office of our Promoter is situated at Brindavan, Plot 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai- 400098.

The equity shares of our Promoter are currently listed on BSE and NSE.

Our Promoter is engaged in non-banking financial services and its primary businesses include infrastructure, housing, rural and investment management. Our Promoter is registered with the RBI as a Non-Banking Financial Company – Core Investment Company ("NBFC-CIC") conducting business through our wholly-owned subsidiaries.

Interest of our Promoter in our Company

Except as stated under the chapter titled "***Related Party Transaction***" beginning on page 157 of this Draft Shelf Prospectus and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company's business. Further, our Promoter has no interest in any property acquired by our Company in the last two years from the date of this Draft Shelf Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Further as on September 30, 2019, our Company, has no outstanding bank facilities, which have been guaranteed by our Promoter.

Other Confirmations

Our Promoter has confirmed that it has not been identified as a wilful defaulter by the RBI or any government authority nor is it in default of payment of interest or repayment of principal amount in respect of debt securities issued by it, if any, for a period of more than six months.

There were no instances of non-compliance by our Promoter on any matter related to the capital markets, resulting in disciplinary action against our Company by the Stock Exchange or Securities & Exchange Board of India (SEBI) or any other statutory authority, as disclosed in the chapter titled "***Outstanding Litigations and Defaults***" on page 201 of this Draft Shelf Prospectus.

Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchanges in India or abroad.

Board of Directors of our Promoter

1. Mr. Shailesh V. Haribhakti, Non-Executive Chairperson (Independent Director)
2. Mr. Dinanath Dubhashi, Managing Director and Chief Executive Officer
3. Mr. R. Shankar Raman, Non-Executive Director
4. Mr. Pradeep Vasudeo Bhide, Independent Director
5. Mr. Thomas Mathew T., Independent Director
6. Ms. Nishi Vasudeva, Independent Director
7. Dr. Rajani Rajiv Gupte, Independent Director
8. Mr. Pavninder Singh, Nominee Director
9. Mr. Prabhakar B., Non-Executive Director.

Shareholding Pattern of our Promoter as on September 30, 2019

Table I - Summary Statement holding of specified securities

L&T Finance Holdings Limited																		
Table I - Summary Statement holding of specified securities																		
Category	**Category of shareholder**	**Nos. of shareholders**	**No. of fully paid up equity shares held**	**No. of Partly paid-up equity shares held**	**No. of shares underlying Depository Receipts**	**Total nos. shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)**	**Number of Voting Rights held in each class of securities**				**No. of Shares Underlying Outstanding convertible securities (including Warrants)**	**Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)**	**Number of Locked in shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialised form**
								No of Voting Rights			**Total as a % of (A+B+C)**			**No. (a)**	**As a % of total Shares held (b)**	**No. (a)**	**As a % of total Shares held (b)**	
								Class eg: X	**Class eg: y**	**Total**								
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII) = (IV)+(V) + (VI)**	**(VIII) As a % of (A+B+C2)**	**(IX)**				**(X)**	**(XI)= (VII)+(X) As a % of (A+B+C2)**	**(XII)**		**(XIII)**		**(XIV)**
(A)	Promoter & Promoter Group	1	12,77,520,203	0	0	12,77,520,203	63.8607	12,77,520,203	0	12,77,520,203	63.8607	0	63.8607	1,07,810,899	8.439	0	0	12,77,520,203
(B)	Public	523,713	7,22,960,257	0	0	7,22,960,257	36.1393	7,22,960,257	0	7,22,960,257	36.1393	0	36.1393	0	0	NA	NA	7,22,952,456
(C)	Non Promoter - Non Public				0				0			0			0	NA	NA	

(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
	Total	**523,714**	**20,00,480,460**	**0**	**0**	**20,00,480,460**	**100**	**20,00,480,460**	**0**	**20,00,480,460**	**100**	**0**	**100**	**1,07,810,899**	**5.3892**	**0**	**0**	**20,00,472,659**

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the shareholders	**PAN**	**Nos. of shareholders**	**No. of fully paid up equity shares held**	**Partly paid-up equity shares held**	**No. of shares underlying Depository Receipts**	**Total nos. shares held**	**Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)**	**Number of Voting Rights held in each class of securities**				**No. of Shares Underlying Outstanding convertible securities (including Warrants)**	**Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)**	**Number of Locked in shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialised form**
									No of Voting Rights			**Total as a % of (A+B+C)**			**No. (a)**	**As a % of total Shares held(b)**	**No. (a)**	**As a % of total Shares held(b)**	
									Class eg: X	**Class eg: y**	**Total**								

	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	**Indian**																		
(a)	**Individuals / Hindu Undivided Family**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	**Central Government / State Government(s)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	**Financial Institutions / Banks**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	**Any Other (Specify)**		1	12,77,520,203	0	0	12,77,520,203	63.8607	12,77,520,203	0	12,77,520,203	63.8607	0	63.8607	1,07,810,899	8.4391	0	0	12,77,520,203
	Bodies Corporate		1	12,77,520,203	0	0	12,77,520,203	63.8607	12,77,520,203	0	12,77,520,203	63.8607	0	63.8607	1,07,810,899	8.4391	0	0	12,77,520,203
	Larsen And Toubro Limited	AAACL0140P	1	12,77,520,203	0	0	12,77,520,203	63.8607	12,77,520,203	0	12,77,520,203	63.8607	0	63.8607	1,07,810,899	8.4391	0	0	12,77,520,203
	Sub Total (A)(1)		1	12,77,520,203	0	0	12,77,520,203	63.8607	12,77,520,203	0	12,77,520,203	63.8607	0	63.8607	1,07,810,899	8.4391	0	0	12,77,520,203
2	**Foreign**																		

(a)	**Individuals (Non-Resident Individuals / Foreign Individuals)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	**Government**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	**Institutions**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	**Foreign Portfolio Investor**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	**Any Other (Specify)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		**1**	**12,77,520,203**	**0**	**0**	**12,77,520,203**	**63.8607**	**12,77,520,203**	**0**	**12,77,520,203**	**63.8607**	**0**	**63.8607**	**1,07,810,899**	**8.4391**	**0**	**0**	**12,77,520,203**
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																			

No. of shareholders : 0			**No. of shares outstanding : 0**														
Note :																	
(1) PAN would not be displayed on website of Stock Exchange(s)																	
(2) The term 'Encumbrance' has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																	

Table III - Statement showing shareholding pattern of the Public shareholder																			
	Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class eg: X	Class eg: y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Institutions																		
(a)	Mutual Fund		18	32,488,786	0	0	32,488,786	1.624	32,488,786	0	32,488,786	1.624	0	1.624	0	0	NA	NA	32,488,786
(b)	Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(c)	Alternate Investment Funds		4	1,732,831	0	0	1,732,831	0.0866	1,732,831	0	1,732,831	0.0866	0	0.0866	0	0	NA	NA	1,732,831
(d)	Foreign Venture		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0

	Capital Investors																		
(e)	**Foreign Portfolio Investor**		108	2,15,793,936	0	0	2,15,793,936	10.7871	2,15,793,936	0	2,15,793,936	10.7871	0	10.7871	0	0	NA	NA	2,15,793,936
	Citigroup Global Markets Mauritius Private Limited	AAFCS3274C	1	57,869,992	0	0	57,869,992	2.8928	57,869,992	0	57,869,992	2.8928	0	2.8928	0	0	NA	NA	57,869,992
	Smallcap World Fund, Inc	AABCS3581L	1	27,926,500	0	0	27,926,500	1.396	27,926,500	0	27,926,500	1.396	0	1.396	0	0	NA	NA	27,926,500
(f)	**Financial Institutions / Banks**		9	9,199,105	0	0	9,199,105	0.4598	9,199,105	0	9,199,105	0.4598	0	0.4598	0	0	NA	NA	9,199,105
(g)	**Insurance Companies**		3	61,936,180	0	0	61,936,180	3.0961	61,936,180	0	61,936,180	3.0961	0	3.0961	0	0	NA	NA	61,936,180
	Icici Prudential Life Insurance Company Limited	AAACI7351P	1	60,088,513	0	0	60,088,513	3.0037	60,088,513	0	60,088,513	3.0037	0	3.0037	0	0	NA	NA	60,088,513
(h)	**Provident Funds/ Pension Funds**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
(i)	**Any Other (Specify)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
	Sub Total (B)(1)		142	3,21,150,838	0	0	3,21,150,838	16.0537	3,21,150,838	0	3,21,150,838	16.0537	0	16.0537	0	0	NA	NA	3,21,150,838

2	**Central Government/ State Government (s)/ President of India**																		
	Sub Total (B)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
3	**Non-Institutions**																		
(a)	**Individuals**			0	0										0		NA	NA	
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		500,933	1,99,052,294	0	0	1,99,052,294	9.9502	1,99,052,294	0	1,99,052,294	9.9502	0	9.9502	0	0	NA	NA	1,99,044,493
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		749	45,920,611	0	0	45,920,611	2.2955	45,920,611	0	45,920,611	2.2955	0	2.2955	0	0	NA	NA	45,,920,611
(b)	**NBFCs registered with RBI**		9	45,621	0	0	45,621	0.0023	45,621	0	45,621	0.0023	0	0.0023	0	0	NA	NA	45,621
	Trust Employee		1	1,000	0	0	1,000	0	1,000	0	1,000	0	0	0	0	0	NA	NA	1,000
(d)	**Overseas Depositories(holding DRs)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0

	(balancing figure)																		
(e)	**Any Other (Specify)**		21879	1,56,789,893	0	0	1,56,789,893	7.8376	1,56,789,893	0	1,56,789,893	7.8376	0	7.8376	0	0	NA	NA	1,56,789,893
	Trusts		17	7,567,224	0	0	7,567,224	0.3783	7,567,224	0	7,567,224	0.3783	0	0.3783	0	0	NA	NA	7,567,224
	Hindu Undivided Family		12,955	9,378,355	0	0	9,378,355	0.4688	9,378,355	0	9378355	0.4688	0	0.4688	0	0	NA	NA	9,378,355
	Foreign Companies		2	95,657,961	0	0	95,657,961	4.7817	95,657,961	0	95,657,961	4.7817	0	4.7817	0	0	NA	NA	95,657,961
	Bc Asia Growth Investments	AADCB6851C	1	63,820,990	0	0	63,820,990	3.1903	63,820,990	0	63,820,990	3.1903	0	3.1903	0	0	NA	NA	63,820,990
	Bc Investments Vi Limited	AAGCB3659R	1	31,836,971	0	0	31,836,971	1.5915	31,836,971	0	31,836,971	1.5915	0	1.5915	0	0	NA	NA	31,836,971
	Non Resident Indians (Non Repat)		2321	2,802,509	0	0	2,802,509	0.1401	2,802,509	0	2,802,509	0.1401	0	0.1401	0	0	NA	NA	2,802,509
	Non Resident Indians (Repat)		4764	8,265,921	0	0	8,265,921	0.4132	826592 1	0	8,265,921	0.4132	0	0.4132	0	0	NA	NA	8,265,921
	Clearing Member		310	3,543,563	0	0	3,543,563	0.1771	3,543,563	0	3,543,563	0.1771	0	0.1771	0	0	NA	NA	3,543,563
	Bodies Corporate		1510	29,574,360	0	0	29,574,360	1.4784	29,574,360	0	29,574,360	1.4784	0	1.4784	0	0	NA	NA	29,574,360
	Sub Total (B)(3)		523571	4,01,809,419	0	0	4,01,809,419	20.0856	401809419	0	4,01,809,419	20.0856	0	20.0856	0	0	NA	NA	4,01,801,618

	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		**523713**	**7,22,960,257**	**0**	**0**	**7,22,960,257**	**36.1393**	**7,22,960,257**	**0**	**7,22,960,257**	**36.1393**	**0**	**36.1393**	**0**	**0**	**NA**	**NA**	**7,22,952,456**
	Details of the shareholders acting as person in concert including their shareholding (Number and %) : **NIL**																		
	Details of shares which remain unclaimed may be given here along with details such as Number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																		
	No. of shareholders : 6			**No. of shares:**		**689**		**Voting rights frozen :**		**689**									
Note :																			
	(1) PAN would not be displayed on website of Stock Exchange(s)																		
	(2) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares.																		
	(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.																		

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

	Category & Name of the shareholders	**PAN**	**Nos. of shareholders**	**No. of fully paid up equity shares held**	**Partly paid-up equity shares held**	**No. of shares underlying Depository Receipts**	**Total nos. shares held**	**Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)**	**Number of Voting Rights held in each class of securities**		**No. of Shares Underlying Outstanding convertible securities (includin**	**Shareholding, as a % assuming full conversion of convertible securities (as a percentage**	**Number of Locked in shares**		**Number of Shares pledged or otherwise encumbered**		**Number of equity shares held in dematerialised form**
									No of Voting Rights	**Total as a % of**			**No.**	**As a % of total Shar**	**No.**	**As a % of total Shar**	

									Class eg: X	**Class eg: y**	**Total**	**(A+B+C)**	**g Warrants)**	**of diluted share capital)**	**(a)**	**es held(b)**	**(a)**	**es held(b)**	
	(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII) = (IV)+(V)+(VI)**	**(VIII) As a % of (A+B+C2)**	**(IX)**				**(X)**	**(XI)= (VII)+(X) As a % of (A+B+C2)**	**(XII)**		**(XIII)**		**(XIV)**
1	**Custodian/ DR Holder**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
2	**Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**NA**	**NA**	**0**

Other Confirmations

Our Promoter has confirmed that it has not been identified as a wilful defaulter. Our Promoter has not been prohibited from accessing or operating in capital markets, nor has it been restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory authority. Our Promoter does not intend to subscribe to this Issue.

Promoter shareholding in our Company as on September 30, 2019

Name of shareholders	Total number of Equity Shares held	Total shareholding as % of total no of Equity Shares
L&T Finance Holdings Limited	1,59,91,38,192	100
Mr. Dinanath Dubhashi*	1	-^
Mr. Sunil Prabhune*	1	-^
Mr. Sachinn Joshi*	1	-^
Mr. Raju Dodti *	1	-^
Mr. S. Anantharaman*	1	-^
Mr. Srikanth J*	1	-^
Mr. Abhishek Sharma*	1	-^
Total	1,59,91,38,199	100.00

*Held Jointly with L&T Finance Holdings Limited for the purpose of the compliance with applicable law.

^ Less than 0.01% shareholding.

None of the shares of our Company, held by the Promoter, are pledged or otherwise encumbered.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the financial years 2019, 2018, 2017, 2016 and 2015, in accordance with the requirements under Indian Accounting Standard 24 "Related Party Disclosures" for financial year 2019 and Accounting Standard 18 "Related Party Disclosures" for financial years 2018, 2017, 2016 and 2015, see "***Financial Information***" on page 158 of this Draft Shelf Prospectus.

SECTION V-FINANCIAL INFORMATION

FINANCIAL INFORMATION

Sr. No.	Particulars	Page No.
1.	Audited Ind AS Financial Statements	F-1
2.	Reformatted Financial Information	F-233
3.	Unaudited Ind AS Interim Financial Information	F-371

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT
To The Members of L&T Finance Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **L&T Finance Limited** (the "Company" / "Parent"), which includes Parent's share of profit in its associate, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on the separate financial statements of the associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Parent in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Provision for Expected Credit Loss:** The Parent exercises significant judgement using subjective assumptions over both when and how much to record as loan impairment, and estimation of the amount of the impairment provision for loans and advances. Because loans form a major portion of the Parent's assets, and due to the significance of the judgments used in classifying these loans into various stages stipulated in Ind AS 109 and determining related provision requirements, this audit area is considered a key audit risk.	**Principle audit procedures:** ▪ We gained understanding of the Parent's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes; ▪ We read the Parent's Ind AS 109 based impairment provisioning policy and compared it with the requirements of Ind AS 109; ▪ We obtained an understanding of the Parent's internal rating models for loans and advances and read the rating validation report prepared by the Parent to gain comfort that the discrimination and calibration of the rating model is appropriate; ▪ We understood the theoretical soundness and tested the mathematical integrity of the Models. Where relevant, we used Information System specialists to gain comfort on data integrity; ▪ We checked consistency of various inputs and assumptions used by the Parent's management to determine impairment provisions; ▪ We checked the appropriateness of the Parent's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages; ▪ We checked and understood the key data sources and assumptions for data used in the Expected Credit Loss (ECL) models (the Models) used by the Parent to determine impairment provisions; ▪ For forward looking assumptions used by the Parent's management in its ECL calculations, we held discussions with management and corroborated the assumptions using publicly available information; ▪ For a sample of exposures, we checked the appropriateness of the Parent's staging, appropriateness of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations; ▪ For Probability of Default (PD) used in the ECL calculations we checked the Through the Cycle (TTC) PDs calculation and checked the

Sr. No.	Key Audit Matter	Auditor's Response
		appropriateness of conversion of the TTC PDs to point in time (PIT) PDs; ▪ We checked the calculation of the Loss Given Default (LGD) used by the Parent in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations; ▪ We checked the completeness of the loans, off balance sheet items, investment securities, placements and other financial assets included in the ECL calculations as at the period end; ▪ For provision against exposures classified as Stage 1 and Stage 2, we obtained an understanding of the Parent's provisioning methodology, assessed the reasonableness of the underlying assumptions and the sufficiency of the data used by the management. ▪ For exposures determined to be individually impaired, we tested a sample of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations; and ▪ We checked the appropriateness of the opening balance adjustments.
2.	**Multiple and discrete Information Technology (IT) Systems** The Parent is highly dependent on technology due to the significant number of transactions that are processed daily and discrete IT Systems. The interest income is computed through various IT Systems and the interfacing of these system with the accounting system is critical aspect of audit. The audit approach relies on automated controls and controls around interface of different systems, therefore on the effectiveness of controls over IT systems. IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. Management has implemented	**Principal audit procedures:** We have performed a range of audit procedures, which included of the following: a) Access rights were tested over applications, operating systems and databases relied upon for financial reporting. Specifically, the tests were designed to cover the following: ▪ New access requests for new recruits were properly reviewed and authorised; ▪ User access rights were removed on a timely basis when an individual left or moved role; ▪ Access rights to applications, operating systems and databases were periodically monitored for appropriateness; and ▪ Highly privileged access is restricted to appropriate personnel. b) Other procedures were performed: ▪ Where inappropriate access was identified, we understood the nature of the access, and, where possible, obtained additional evidence on the appropriateness of the activities performed;

Sr. No.	Key Audit Matter	Auditor's Response
	preventive and detective controls across critical applications and infrastructure to reduce the risk over IT applications in the financial reporting process. Due to the pervasive nature, we assessed the risk of a material misstatement arising from technology as significant for the audit.	▪ A list of users' access permissions was obtained and manually compared to other access lists where segregation of duties was deemed to be of higher risk. c) Other areas that were independently assessed included password policies, security configurations, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. Testing of automated controls and interface testing was carried out.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Management Discussion and Analysis of the Annual Report, but does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of associate audited by the other auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the associate, is traced from its financial statements audited by the other auditor.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of 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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Parent including its associate in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the Parent and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent and of its associate are responsible for assessing the ability of the Parent and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent and of its associate are also responsible for overseeing the financial reporting process of the Parent and of its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Parent and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities included in the consolidated financial statements of which we are the independent auditors. For the associate included in the consolidated financial statements, which has been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements includes the Parent's share of net profit of ₹37.24 crore and total comprehensive income of ₹37.23 crore for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matter with respect to our reliance on the work done and the report of other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the associate referred to in the Other Matters section above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent, and the report of the statutory auditors of the associate, none of the directors of the Parent and its associate, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent.

   ii) The Parent, did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its associate company.

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



Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 28, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of **L&T Finance Limited** (the "Parent" / "Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Parent and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associate company which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent and its associate company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal financial control over financial reporting criteria established by the respective companies considering the essential Parents of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to an associate, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 28, 2019

L&T Finance Limited
Consolidated Balance Sheet as at March 31, 2019

₹ in crore

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A. ASSETS:				
1. Financial assets				
(a) Cash and cash equivalents	2	1,530.51	348.66	294.82
(b) Bank balance other than (a) above	3	30.57	43.90	22.57
(c) Derivative financial instruments	4	7.20	-	-
(d) Receivables	5			
(i) Trade receivables		11.50	9.12	10.29
(ii) Other receivables		18.95	5.12	1.09
(e) Loans	6	47,113.67	38,198.40	28,611.45
(f) Investments	7	4,788.96	2,522.48	3,162.73
(g) Other financial assets	8	107.54	74.67	59.68
		53,608.90	**41,202.35**	**32,162.63**
2. Non-financial assets				
(a) Current tax assets (net)		77.78	186.09	104.73
(b) Deferred tax assets (net)		727.21	695.33	433.43
(c) Property, plant and equipment	9	49.34	74.53	160.25
(d) Intangible assets under development	10	18.48	9.23	-
(e) Goodwill	10	1,131.41	1,697.11	2,262.81
(f) Other Intangible assets	10	214.71	277.54	358.63
(g) Other non-financial assets	11	113.55	100.00	55.84
		2,332.48	**3,039.83**	**3,375.69**
Total ASSETS		**55,941.38**	**44,242.18**	**35,538.32**
B. LIABILITIES AND EQUITY :				
1. LIABILITIES				
a. Financial liabilities				
(a) Derivative financial instruments	4	-	0.10	6.66
(b) Payables	12			
(i) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		86.03	109.09	79.76
(ii) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		13.11	14.38	10.57
(c) Debt securities	13	23,071.60	16,980.60	17,117.95
(d) Borrowings (other than debt securities)	14	22,139.86	17,353.47	10,059.78
(e) Subordinated liabilities	15	1,124.42	1,124.35	1,190.42
(f) Other financial liabilities	16	406.66	239.14	218.56
		46,841.68	**35,821.13**	**28,683.70**
b. Non-financial liabilities				
(a) Current tax liabilities (net)		20.51	20.51	-
(b) Provisions	17	21.74	11.83	11.50
(c) Other non-financial liabilities	18	52.36	34.10	39.48
		94.61	**66.44**	**50.98**
2. Equity				
(a) Equity share capital	19	1,599.14	1,599.14	1,440.05
(b) Other equity	20	7,405.95	6,755.47	5,363.59
		9,005.09	**8,354.61**	**6,803.64**
Total Liabilities and Equity		**55,941.38**	**44,242.18**	**35,538.32**
Significant accounting policies	1			
See accompanying notes forming part of the consolidated financial statements	2 to 48			

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Place : Mumbai
Date : April 28, 2019

Gufran Ahmed Siddiqui
Company Secretary

L&T Finance Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

₹ in crore

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
	Revenue from operations			
(i)	Interest income	21	7,011.72	4,968.14
(ii)	Rental income	22	18.84	37.23
(iii)	Fees and commission income	23	152.25	65.71
I	**Total revenue from operations**		**7,182.81**	**5,071.08**
II	**Other income**	25	199.78	0.35
III	**Total income (I + II)**		**7,382.59**	**5,071.43**
	Expenses			
(i)	Finance costs	26	3,327.92	2,505.55
(ii)	Net loss on fair value changes	24	8.62	0.69
(iii)	Net loss on derecognition of financial instruments under amortised cost category	27	324.97	419.13
(iv)	Impairment on financial instruments	28	637.06	730.69
(v)	Employee benefits expenses	29	548.31	205.87
(vi)	Depreciation, amortization and impairment	9 & 10	690.93	693.24
(vii)	Other expenses	30	541.70	362.58
IV	**Total expenses (IV)**		**6,079.51**	**4,917.75**
V	**Profit before tax (III - IV)**		**1,303.08**	**153.68**
	Tax expense			
	(1) Current tax		488.47	297.02
	(2) Deferred tax		(31.35)	(260.68)
VI	**Total tax expense**		**457.12**	**36.34**
VII	**Profit for the year (V - VI)**		**845.96**	**117.34**
VIII	**Add: Share in profits from associate company**		37.24	39.31
IX	**Profit for the year(VII - VIII)**		**883.20**	**156.65**
X	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans (including share of associates)		(1.55)	(0.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.54	-
	Subtotal (A)		**(1.01)**	**(0.21)**
B.	(i) Items that will be reclassified to profit or loss			
	a) Change in fair value of debt instruments measured at fair value through other comprehensive income		(0.37)	(6.22)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	2.15
	Subtotal (B)		**(0.37)**	**(4.07)**
	Other comprehensive income (A+B)		**(1.38)**	**(4.28)**
XI	**Total comprehensive income for the year (IX+X)**		**881.82**	**152.37**
XII	**Earnings per equity share**	35		
	Basic earnings per equity share (₹)		5.52	1.08
	Diluted earnings per equity share (₹)		5.52	1.08
	Significant accounting policies	1		
	See accompanying notes forming part of the consolidated financial statements	2 to 48		

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : April 28, 2019

L&T Finance Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2019

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flows from operating activities :		
Profit before tax for the year	1,303.08	153.68
Adjustments for:		
Net loss on sale of property, plant and equipment	7.62	5.47
Net gain arising on financial assets (investments) measured at fair value through profit or loss	(47.91)	(18.55)
Net loss on derecognition of financial instruments under amortised cost category	324.97	419.13
Impairment on financial instruments	637.06	730.69
Fair value changes on loan assets	63.81	17.51
Depreciation, amortisation and impairment	690.93	693.24
(Gain)/loss on derivatives at fair value through profit or loss	(1.13)	(2.84)
Amortisation of borrowing issue costs included in finance cost	4.51	8.00
Operating profit before working capital changes	**2,982.94**	**2,006.33**
Changes in working capital		
Adjustments for increase/(decrease) in operating liabilities		
Other financial liabilities	(4.12)	173.39
Provisions	9.91	0.33
Trade and other payables	(24.33)	33.14
Other non-financial liabilities	(21.18)	(11.94)
Adjustments for (increase)/decrease in operating assets		
Other non-financial assets	(11.46)	(44.16)
Other financial assets	(109.46)	(49.79)
Trade and other receivables	(16.21)	(2.86)
Cash generated from operations	**2,806.09**	**2,104.44**
Direct taxes refund/(paid) (net)	(380.16)	(356.95)
Loans disbursed (net of repayments)	(9,943.66)	(10,775.51)
Net cash used in operating activities (A)	**(7,517.73)**	**(9,028.02)**
B. Cash flows from investing activities :		
Change in other bank balance not available for immediate use	13.33	(21.33)
Purchase of property, plant and equipment	(21.35)	(23.40)
Proceeds from sale of property, plant and equipment	11.30	65.09
Purchase of intangible assets	(46.15)	(23.05)
Purchase of investments	(2,761.95)	(1,568.89)
Proceeds on sale of investments	659.01	2,325.00
Net cash (used in)/generated from by investing activities (B)	**(2,145.81)**	**753.42**
C. Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	1,400.00
Payment for share issue costs	-	(1.40)
Payment for issue costs	(42.97)	(2.67)
Proceeds from borrowings	17,822.06	13,992.73
Repayment of borrowings	(6,933.70)	(7,060.22)
Net cash generated from financing activities (C)	**10,845.39**	**8,328.44**
Net increase in cash and cash equivalents (A+B+C)	**1,181.85**	**53.84**
Cash and cash equivalents at beginning of the year	348.66	294.82
Cash and cash equivalents at the end of the year	1,530.51	348.66
Net increase in cash and cash equivalents	**1,181.85**	**53.84**

L&T Finance Limited

Consolidated Statement of Cash Flow for the year ended March 31, 2019

Notes:

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2. Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.

3. Net cash used in investing activity exclude investments aggregating to ₹ 2.25 crore (Previous year ₹ 21.99 crore) acquired against claims.

4. Net cash used in operating activity is determined after adjusting the following:

₹ in crore

	Year ended March 31, 2019	Year ended March 31, 2018
Interest received	6,760.36	4,838.64
Interest paid	3,286.92	2,322.82

Significant accounting policies	1
See accompanying notes forming part of the consolidated financial statements	2 to 48

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : April 28, 2019

L&T Finance Limited
Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

₹ in crore

Particulars	Number of Shares	Equity share capital
Issued, subscribed and fully paid up equity shares outstanding at April 1, 2017	1,44,00,47,294	1,440.05
Changes in equity share capital during the year		
Issue of equity shares	15,90,90,905	159.09
Issued, subscribed and fully paid up equity shares outstanding at the end of the year March 31, 2018	1,59,91,38,199	1,599.14
Changes in equity share capital during the year		
Issue of equity shares	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year March 31, 2019	1,59,91,38,199	1,599.14

B. Other equity

₹ in crore

Particulars	Reserves and Surplus								Fair value changes of financial instrument measured at fair value through other comprehensive income	Total
	Capital redemption reserve	Debenture redemption reserve	Securities premium account	General reserve	Reserve u/s 45-IC of Reserve Bank of India Act , 1934	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Amalgamation adjustment account	Retained earnings		
Balance at April 1, 2017	3.20	75.22	5,664.21	-	526.42	8.81	(538.52)	(379.82)	4.07	5,363.59
Profit for the year	-	-	-	-	-	-	-	156.65	-	156.65
Actuarial loss on defined benefit plan (gratuity) net of income tax	-	-	-	-	-	-	-	(0.21)	(4.07)	(4.28)
Total comprehensive income for the year	-	-	-	-	-	-	-	156.44	(4.07)	152.37
Issue of equity shares	-	-	1,240.91	-	-	-	-	-	-	1,240.91
Share issue expenses	-	-	(1.40)	-	-	-	-	-	-	(1.40)
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	57.98	-	-	(57.98)	-	-
Transfer to debenture redemption reserve	-	23.09	-	-	-	-	-	(23.09)	-	-
Transfer to general reserve	-	(0.24)	-	0.24	-	-	-	-	-	-
Transfer to amalgamation adjustment account	-	(0.46)	-	-	-	-	0.46	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	-	14.76	-	(14.76)	-	-
Balance at March 31, 2018	3.20	97.61	6,903.72	0.24	584.40	23.57	(538.06)	(319.21)	-	6,755.47

L&T Finance Limited
Statement of Changes in Equity for the year ended March 31, 2019

Particulars	Reserves and Surplus								Fair value changes of financial instrument measured at fair value through other comprehensive income	Total
	Capital redemption reserve	Debenture redemption reserve	Securities premium account	General reserve	Reserve u/s 45-IC of Reserve Bank of India Act , 1934	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Amalgamation adjustment account	Retained earnings		
Balance at April 1, 2018	3.20	97.61	6,903.72	0.24	584.40	23.57	(538.06)	(319.21)	-	6,755.47
Profit for the year	-	-	-	-	-	-	-	883.20	-	883.20
Actuarial loss on defined benefit plan (gratuity) net of income tax	-	-	-	-	-	-	-	(1.01)	(0.37)	(1.38)
Total comprehensive income for the year	-	-	-	-	-	-	-	882.19	(0.37)	881.82
Payment of interim dividends (₹ 1.2 per share)	-	-	-	-	-	-	-	(191.90)	-	(191.90)
Tax on interim dividend	-	-	-	-	-	-	-	(39.44)	-	(39.44)
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	169.19	-	-	(169.19)	-	-
Transfer to debenture redemption reserve	-	16.58	-	-	-	-	-	(16.58)	-	-
Transfer to general reserve	-	(0.01)	-	0.01	-	-	-	-	-	-
Transfer to amalgamation adjustment account	-	*(0.00)	-	-	-	-	*0.00	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	-	21.36	-	(21.36)	-	-
Balance at March 31, 2019	3.20	114.18	6,903.72	0.25	753.59	44.93	(538.06)	124.51	(0.37)	7,405.95

*Amount less than ₹ 1 lakh

Significant accounting policies	1
See accompanying notes forming part of the consolidated financial statements	2 to 48

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : April 28, 2019

1. Significant Accounting Policies:

1.1. Statement of compliance:

The Consolidated financial statements of L&T Finance Limited (the "Company") and its associate (together the "Group") have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2019 of the Group are the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2017. The financial statements upto the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability. Refer Note 41 for the details of first-time adoption exemptions availed by the Group.

1.2. Basis of preparation:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.3. Presentation of financial statements:

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the consolidated financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the consolidated financial statements are presented in Indian Rupees in Crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013.

Per share data are presented in Indian Rupee to two decimal places.

1.4. Basis of consolidation:

Investments in associates:

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using equity method of accounting. Under the equity method, an investment in associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The carrying amount of investment in associates is reduced to recognize impairment, if any, when there is objective evidence of impairment.

1.5. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(i) Interest and dividend income

Interest income is recognised in the Consolidated Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

(ii) Fee and commission income:

Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in the Consolidated statement of profit and loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees.

Fee and commission expenses with regards to services are accounted for as the services are received.

(iii) Net gain or fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain/loss in the consolidated statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the consolidated statement of profit and loss.

(iv) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.6. Property, plant and equipment (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2017. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

Land and buildings held for use are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land)) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets held under finance leases are depreciated over the shorter of lease term and their useful life on the same basis as owned assets. However, when there is no reasonable certainty that the Group shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Group for similar assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

1.7. Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

1.8. Impairment of tangible and intangible assets other than goodwill

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Consolidated Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Consolidated Statement of Profit and Loss.

1.9. Employee benefits:

(i) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(ii) Post-employment benefits:

(a) **Defined contribution plans:** The Group's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(b) **Defined benefit plans:** The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Group, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Consolidated Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Consolidated Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absencesis measured at present value of estimated future cash flows expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Group's offer of the termination benefit is accepted or when the Group recognises the related restructuring costs whichever is earlier.

1.10. Leases:

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases:

A. Leases where the Group has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance lease are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Consolidated Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

1.11 Financial instruments:

Financial assets and financial liabilities are recognised in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(ii) Financial liabilities

(a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

(b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.12 Write off:

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

1.13 Impairment:

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Significant increase in credit risk

The Group monitors all financial assetsand financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a corporate loans becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets. In respect of the corporate loan assets, shifting to Stage 2 has been rebutted using historical evidence from own portfolio to a threshold of 60 days past due, which is reviewed annually.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

1.14 Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- Change in currency or change of counterparty,
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

(a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

(b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

1.15 Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance

Sheet as the carrying amount is at fair value.

1.16 Derivative financial instruments :

The Group enters into a derivative financial instruments which are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk. Derivative held include foreign exchange forward contracts, cross currency and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations (net investment hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

1.17 Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

1.18 Securities premium account:

(i) Securities premium includes:
- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.19 Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.20 Share-based payment arrangements:

The stock options granted to employees by the holding company's (i.e. L&T Finance Holdings Limited) Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. The cost incurred by the holding company, in respect of options granted to employees of the Company, is being recovered by holding company and it is charged to the Consolidated Statement of Profit and Loss of the Company over the period of vesting.

1.21 Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Group.

1.22 Foreign currencies:

(i) The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

(iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.23 Taxation:

Current Tax

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.24 Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

(i) an Group entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.25 Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid;

(c) funding related commitment to associate companies; and

(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.26 Consolidated Statement of cash flows:

Consolidated Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

(i) changes during the period in operating receivables and payables transactions of a non-cash nature;
(ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Consolidated Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.27 Earnings per share:

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.28 Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual

results and estimates is recognised in the period in which the results are known.

1.29 Operating cycle for current and non-current classification:

Based on the nature of products / activities of the Group entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.30 Changes in Accounting Standard and recent accounting pronouncements:

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the consolidated statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

a. Ind AS 12- Income taxes — Appendix C on uncertainty over income tax treatments and accounting for dividend distribution tax
b. Ind AS 19- Employee benefits
c. Ind AS 23- Borrowing costs
d. Ind AS 28- investment in associates and joint ventures
e. Ind AS 103 and Ind AS 111- Business combinations and joint arrangements
f. Ind AS 109- Financial instruments

The Group is in the process of evaluating the impact of such amendments.

Note 2 : Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	28.46	58.22	59.91
Balances with banks in current accounts (of the nature of cash and cash equivalents)#	1,499.46	271.28	231.30
Cheques, drafts on hand	2.59	-	-
Bank deposit with original maturity less than three months	-	19.16	3.61
Total cash and cash equivalents	**1,530.51**	**348.66**	**294.82**

includes ₹ 4. 65 crore towards unutilised funds raised through public issue.

Note 3 : Bank balance other than note 2 above

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Earmarked balances with banks	0.89	-	-
Balances with banks to the extent held as margin money or security against borrowing, guarantees, other commitments	29.68	43.85	22.52
Banks deposit with maturity greater than three months and less than twelve months	-	0.05	0.05
Total bank balance other than note 2 above	**30.57**	**43.90**	**22.57**

Note 4 : Derivative financial instruments

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Part I			
(i) Currency derivatives:			
Notional Amounts			
-Currency swaps	100.00	100.00	132.36
Fair value assets			
-Currency swaps	7.20	-	-
Fair value liabilities			
-Currency swaps	-	(0.10)	(6.66)
Total derivative financial instruments	**7.20**	**(0.10)**	**(6.66)**

Note: The company has not designated any derivatives as hedging instruments

Note 5 : Receivables

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade receivables			
(a) Receivables considered good - secured	0.30	0.15	4.88
(b) Receivables considered good - unsecured	11.20	8.97	5.41
Total trade receivables	**11.50**	**9.12**	**10.29**
Other receivables			
(a) Receivables considered good - unsecured	7.34	0.61	-
(b) Receivables from related parties (refer note : 31)	11.61	4.51	1.09
Total other receivables	**18.95**	**5.12**	**1.09**
Total receivables	**30.45**	**14.24**	**11.38**

Note 6 : Loans

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(i) At amortised cost			
- Bills purchased and bills discounted	295.60	2,051.75	2,668.25
- Loans repayable on demand	238.08	97.85	115.80
- Term loans	34,572.26	28,831.05	22,926.56
- Leasing	72.61	91.41	74.05
- Debentures (refer note 6(i))	1,392.70	1,588.48	1,484.92
Total gross loans at amortised cost	**36,571.25**	**32,660.54**	**27,269.58**
Less: Impairment loss allowance	(1,742.85)	(1,966.13)	(1,292.75)
Total net loans at amortised cost (i)	**34,828.40**	**30,694.41**	**25,976.83**
(ii) At fair value through profit or Loss			
- Loans repayable on demand	69.32	-	6.68
- Term loans	11,952.17	6,646.30	2,519.04
- Debentures (refer note 6(i))	350.62	880.72	114.42
Total gross loans at fair value through profit or loss	**12,372.11**	**7,527.02**	**2,640.14**
Less: Impact on fair value changes	(86.84)	(23.03)	(5.52)
Total net loans at fair value through profit or loss (ii)	**12,285.27**	**7,503.99**	**2,634.62**
Total net loans (A) = (i)+(ii)	**47,113.67**	**38,198.40**	**28,611.45**
(B)			
(i) At amortised cost			
-Secured by tangible assets	22,150.16	20,677.84	19,213.29
-Unsecured	14,421.09	11,982.70	8,056.29
Total gross loans at amortised cost	**36,571.25**	**32,660.54**	**27,269.58**
Less: Impairment loss allowance	(1,742.85)	(1,966.13)	(1,292.75)
Total net loans at amortised cost (i)	**34,828.40**	**30,694.41**	**25,976.83**
(ii) At fair value through profit or loss:			
-Secured by tangible assets	12,372.11	7,527.02	2,640.14
-Unsecured	-	-	-
Total gross loans at fair value through profit or loss	**12,372.11**	**7,527.02**	**2,640.14**
Less: Impact on fair value changes	(86.84)	(23.03)	(5.52)
Total net loans at fair value through profit or loss (ii)	**12,285.27**	**7,503.99**	**2,634.62**
Total net loans (B) = (i)+(ii)	**47,113.67**	**38,198.40**	**28,611.45**

Note 6 : Loans

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(C)			
(I) Loans in India			
(i) At amortised cost			
- Public sector	-	-	-
- Others	36,571.25	32,660.54	27,269.58
Total gross loans at amortised cost	**36,571.25**	**32,660.54**	**27,269.58**
Less: Impairment loss allowance	(1,742.85)	(1,966.13)	(1,292.75)
Total net loans in India at amortised cost (i)	**34,828.40**	**30,694.41**	**25,976.83**
(ii) At fair value through profit or loss:			
- Public sector	-	-	-
- Others	12,372.11	7,527.02	2,640.14
Total gross loans at fair value through profit or loss	**12,372.11**	**7,527.02**	**2,640.14**
Less: Impact on fair value changes	(86.84)	(23.03)	(5.52)
Total net loans at fair value through profit or loss (ii)	**12,285.27**	**7,503.99**	**2,634.62**
Total net loans in India (C)(I) = (i)+(ii)	**47,113.67**	**38,198.40**	**28,611.45**
(II) Loans outside India			
(i) At amortised cost	-	-	-
Less: Impairment loss allowance	-	-	-
Total net loans outside India at amortised cost (i)	-	-	-
(b) At fair value through profit or loss:	-	-	-
Less: Impact on fair value changes	-	-	-
Total net loans at fair value through profit or loss (b)	-	-	-
Total net loans outside India (C)(I) = (i)+(ii)	-	-	-
Total net loans (C) = (I)+(II)	**47,113.67**	**38,198.40**	**28,611.45**

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note: 6(i) Following are the details of debentures in the nature of Loan:

Name of Company	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Nos.	Face Value	₹ in crore	Nos.	Face Value	₹ in crore	Nos.	Face Value	₹ in crore
Debenture - Secured									
Avantha Holding Limited	2,250	10,00,000	308.55	2,250	10,00,000	264.15	2,250	10,00,000	229.17
Citywood Builders Private Limited	-	-	-	300	8,57,011	45.30	300	9,40,000	40.65
Diamond Power Infrastructure Limited	3,000	83,441	27.89	3,000	83,441	26.94	3,000	83,441	25.62
Giraffe Developer Private Limited	-	-	-	640	8,68,750	88.04	640	9,34,375	77.18
Intrepid Finance And Leasing Privete Limited	-	-	-	200	2,91,667	5.87	200	7,91,667	15.97
M Power Microfinance Private Limited	-	-	-	150	2,91,667	4.41	150	7,91,667	11.98
Oriental Nagpur Betul Highway Limited	3,094	1,00,000	30.68	3,217	1,00,000	31.88	11,479	1,00,000	114.42
Pahal Financial Services Private Limited	-	-	-	150	2,91,667	4.41	150	7,91,667	11.98
PCR Investments Limited	-	-	-	1,500	10,00,000	213.25	-	-	-
Pudhuaaru Financial Services Private Limited	-	-	-	200	2,91,667	5.88	200	7,91,667	15.98
Regen Infrastructure And Services Private Limited	2,794	8,83,341	245.15	2,794	9,21,819	257.54	-	-	-
Renew Akshay Urja Private Limited	180	9,96,341	17.94	180	9,98,780	17.98	-	-	-
Sambandh Finserve Private Limited	-	-	-	100	2,91,667	2.94	100	7,91,667	7.99
Satin Creditcare Network Limited	-	-	-	260	2,91,667	7.64	260	7,91,667	20.75
SINTEX-BAPL Limited	27,000	1,00,000	282.46	27,000	1,00,000	270.11	-	-	-
SP Jammu Udhampur Highway Limited	2,950	10,00,000	312.17	4,678	10,00,000	498.41	-	-	-
U. P. Power Corporation Ltd	-	-	-	3,519	10,00,000	352.39	-	-	-
Mandhana Industries Limited	200	6,00,000	14.17	200	6,00,000	13.31	200	6,00,000	12.45
Bacchus Hospitality Services & Real Estate Private Limited	-	-	-	-	-	-	2,500	10,00,000	323.67
Bollineni Developers Limited	60	1,00,00,000	84.59	60	1,00,00,000	78.01	60	1,00,00,000	72.05
Integrated Spaces Limited	-	-	-	-	-	-	275	10,83,188	29.04
Valdel Projects Corporation Private Limited	-	-	-	-	-	-	2,968	72,540	37.29
Karvy Solar Power Limited	2,000	96,500	19.27	-	-	-	-	-	-
New Era Enviro Ventures (Mahabubnagar) Private Limited	1,600	95,700	15.31	-	-	-	-	-	-
Pennar Renewables Private Limited	3,800	95,700	36.34	-	-	-	-	-	-
Premier Photovoltiac Medak Private Limited	2,600	95,700	24.84	-	-	-	-	-	-
Debenture - Unsecured									
Avantha Holding Limited	2,250	10,00,000	309.22	2,250	10,00,000	266.52	2,250	10,00,000	224.97
Bhoruka Power Holdings Private Limited	1,00,000	1,000	14.74	1,00,000	1,000	14.22	1,00,000	1,000	12.26
Jindal Power Limited	-	-	-	-		-	105	6,00,000	6.38
Tata Tele Services (Maharashtra) Limited	-	-	-	-		-	1,000	10,00,000	109.72
High Point Properties Private Limited	-	-	-	-		-	200	1,00,00,000	199.82
Total Debenture			**1,743.32**			**2,469.20**			**1,599.34**

Note 7 : Investments

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
A. Investments in fully paid equity shares									
(a) Associates (at cost)									
(i) Unquoted									
L&T Infra Debt Fund Limited	10.00	13,86,52,953	281.16	10.00	13,86,52,953	243.93	10.00	13,31,33,329	184.83
(b) Other equity shares									
(i) Quoted									
(a) Investments carried at fair value through profit or loss									
Integrated Digital Info Services Limited	10.00	3,83,334	-	10.00	3,83,334	-	10.00	3,83,334	-
Elque Polyesters Limited	10.00	1,94,300	-	10.00	1,94,300	-	10.00	1,94,300	-
Monnet Industries Limited	10.00	5,640	-	10.00	5,640	-	10.00	5,640	-
Monnet Ispat And Energy Limited	10.00	992	-	10.00	3,008	-	10.00	3,008	-
Monnet Project Developers Limited	10.00	11,280	-	10.00	11,280	-	10.00	11,280	-
Jaypee Infratech Limited	-	-	-	-	-	-	10.00	37,85,221	3.97
Bhushan Steel Limited	2.00	3,67,119	1.08	2.00	2,12,471	0.86	2.00	10,23,392	5.87
Jaihind Projects Limited	10.00	24,797	-	10.00	24,797	0.01	10.00	1,50,000	0.09
Diamond Power Infrastructure Limited	10.00	28,89,921	-	10.00	28,89,921	2.15	10.00	28,89,921	11.45
3I Infotech Limited	10.00	24,26,383	0.93	10.00	24,26,383	0.85	10.00	24,26,383	1.23
Gol Offshore Limited	10.00	15,52,907	-	10.00	15,52,907	1.57	10.00	15,52,907	3.49
SVOGL Oil Gas and Exploration Services Limited	10.00	19,40,514	-	10.00	19,40,514	-	10.00	19,40,514	0.49
Glodyne Technoserve Limited	6.00	3,19,262	-	6.00	3,19,262	-	6.00	3,19,262	-
MIC Electronics Limited	2.00	53,84,616	-	2.00	53,84,616	-	-	-	-
Usher Agro Limited	10.00	3,35,344	-	10.00	3,35,344	0.13	-	-	-
Amara Raja Batteries Limited	1.00	2,728	0.20	1.00	3,293	0.26	-	-	-
Hindusthan National Glass & Industries Ltd	2.00	4,12,808	3.40	2.00	1,47,765	1.57	-	-	-
(ii) Unquoted									
(a) Investments carried at fair value through profit or loss									
Invent Assets Securitisation & Reconstruction Private Limited	-	-	-	-	-	-	10.00	71,00,000	10.67
Grameen Capital India Private Limited	10.00	21,26,000	2.13	10.00	21,26,000	2.13	10.00	21,26,000	2.13
Alpha Micro Finance Consultants Private Limited	10.00	2,00,000	-	10.00	2,00,000	-	10.00	2,00,000	0.20
Metropoli Overseas Limited	10.00	99,400	-	10.00	99,400	-	10.00	99,400	-
Anil Chemicals and Industries Limited	10.00	40,000	-	10.00	40,000	-	10.00	40,000	-
VMC Systems Limited	10.00	7,33,611	-	10.00	7,33,611	-	10.00	7,33,611	-
Saumya Mining Limited	10.00	10,77,986	-	10.00	10,77,986	-	10.00	10,77,986	2.95
Total investment in equity shares (A)			**288.90**			**253.46**			**227.37**

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note 7 : Investments

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
B. Investments in debt securities									
(a) Investment carried at fair value through profit or loss									
Bhoruka Power Corporation Limited	1,00,000.00	3,800	52.50	1,00,000.00	3,800	52.50	1,00,000.00	3,800	52.04
Soma Enterprises Limited	10.00	1,45,53,210	6.98	10.00	1,45,53,210	5.41	-	-	-
(b) Investment carried at fair value through other comprehensive income									
Punjab National Bank	-	-	-	-	-	-	10,00,000.00	5,000	500.31
Indian Overseas Bank	-	-	-	10,00,000.00	3,399	344.68	10,00,000.00	3,399	344.86
IDFC Bank Limited	-	-	-	-	-	-	10,00,000.00	400	41.36
Bajaj Finance Limited	-	-	-	-	-	-	10,00,000.00	1,000	113.30
Piramal Finance Limited	-	-	-	-	-	-	10,00,000.00	3,900	392.45
TATA AIG General Insurance Company Limited	10,00,000.00	310	31.50	10,00,000.00	379	38.00	10,00,000.00	1,530	153.39
U. P. Power Corporation Limited	10,00,000.00	301	30.61	10,00,000.00	301	30.22	10,00,000.00	2,940	294.34
Axis Bank	10,00,000.00	500	50.83	10,00,000.00	500	50.96	-	-	-
Union Bank of India	10,00,000.00	780	77.92	10,00,000.00	800	79.94	-	-	-
Cholamandlam MS General Insurance Company Limited	10,00,000.00	418	43.91	10,00,000.00	428	44.10	-	-	-
Dewan Housing Finance Corporation Limited	10,00,000.00	2,746	272.26	10,00,000.00	2,500	266.26	-	-	-
Dewan Housing Finance Corporation Limited	1,000.00	27,50,000	286.62	-	-	-	-	-	-
State Bank of India	10,00,000.00	4,100	418.65	10,00,000.00	4,100	426.12	-	-	-
Corporation Bank Limited	-	-	-	10,00,000.00	500	51.13	-	-	-
UCO Bank	-	-	-	10,00,000.00	400	42.67	-	-	-
Allahabad Bank	-	-	-	10,00,000.00	311	32.21	-	-	-
The South Indian Bank Limited	1,00,000.00	38,759	407.19	1,00,000.00	40,000	412.91	-	-	-
Bank of Baroda	-	-	-	10,00,000.00	150	15.09	-	-	-
Kotak Mahindra Bank Limited	5.00	5,00,00,000	27.59	-	-	-	-	-	-
Power Finance Corporation Limited	10,00,000.00	1,213	163.19	-	-	-	-	-	-
Power Finance Corporation Limited	1,000.00	1,00,000	12.89	-	-	-	-	-	-
ECL Finance Limited	10,00,000.00	900	96.49	-	-	-	-	-	-
ECL Finance Limited	1,000.00	30,00,000	323.47	-	-	-	-	-	-
Total investment in debt securities (B)			**2,302.60**			**1,892.20**			**1,892.05**
C. Investments in mutual funds									
(a) Investment carried at fair value through profit or loss									
L & T Liquid Fund - Growth	-	-	-	-	-	-	1,000.00	11,23,998	250.00
Kotak Liquid Scheme Plan - Growth	-	-	-	-	-	-	1,000.00	2,73,581	90.03
ICICI Prudential Liquid Plan - Growth	-	-	-	-	-	-	100.00	41,65,195	100.03
L&T banking and PSU debt fund DP - Growth	10.00	2,38,50,695	40.09	-	-	-	-	-	-
Total investment in mutual funds (C)			**40.09**			**-**			**440.06**

Note 7 : Investments

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
D. Investments in fully paid preference shares (Unquoted)									
(a) Investment carried at fair value through profit or loss									
Grameen Capital India Private Limited	10.00	38,74,000	3.87	10.00	38,74,000	3.87	10.00	38,74,000	3.87
3I Infotech Limited	5.00	38,96,954	0.68	5.00	38,96,954	0.68	5.00	38,96,954	1.95
10% SEW Vizag Coal Terminal Private Limited	10.00	40,91,423	-	10.00	40,91,423	1.43	10.00	40,91,423	4.08
Total investment in preference shares (D)			**4.55**			**5.98**			**9.90**
E. Investments in government securities									
(a) Investment carried at amortised cost									
12% National Saving Certificate 2002	-	-	*0.00	-	-	*0.00	-	-	*0.00
Government of India	100.00	16,55,00,000	1,643.54	-	-	-	-	-	-
(b) Investment carried at fair value through other comprehensive income									
Madhya Pradesh Uday Bond	-	-	-	-	-	-	100.00	14,13,000	14.16
Tamil Nadu Uday Bond	-	-	-	-	-	-	100.00	1,00,00,000	101.12
Telangana Uday Bond	-	-	-	-	-	-	100.00	1,30,19,000	130.61
Rural Electrification Corporation Limited	10,00,000.00	240	32.29	-	-	-	-	-	-
National Highways Authority Of India	10,00,000.00	50	5.33	-	-	-	-	-	-
Total investment in government securities (E)			**1,681.16**			**-**			**245.89**
F. Investment in other securities									
(a) Investment carried at fair value through profit or loss									
KKR India debt Opportunities Fund II	1,000.00	17,76,074	177.61	1,000.00	11,25,000	112.50	1,000.00	8,75,000	87.50
KKR India debt Opportunities Fund III	1,000.00	61,640	6.16	1,000.00	96,117	9.61	1,000.00	1,78,249	19.29
Total investment in other securities (F)			**183.77**			**122.11**			**106.79**
G. Investment in pass through certificates									
(a) Investment carried at fair value through other comprehensive income									
IFMR Capital Mosec Azeroth	-	-	-	0.12	59,86,64,559	6.95	0.49	59,86,64,559	31.96
Zlatan IFMR Capital 2016	-	-	-	-	-	-	0.68	1,23,39,58,721	83.76
Frey IFMR Capital	-	-	-	-	-	-	1.03	1,66,74,322	1.81
Zion IFMR Capital	-	-	-	-	-	-	3.12	1,92,37,467	6.30
Goldstein IFMR Capital	43.00	8,57,170	2.91	43.00	8,57,170	3.69	44.80	8,57,170	4.04
Libertas IFMR Capital	-	-	-	-	-	-	1.02	35,19,752	0.38
Martell IFMR Capital	-	-	-	-	-	-	2.04	3,55,04,403	7.63

Note 7 : Investments

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Mjolnir IFMR Capital	-	-	-	-	-	-	2.08	73,30,422	1.60
Napoleon IFMR Capital	-	-	-	1.00	5,21,18,415	5.21	1.04	5,21,18,415	5.71
Smith IFMR Capital	4.00	1,20,96,782	3.85	4.00	1,20,96,782	4.84	4.20	1,20,96,782	5.33
Syme IFMR Capital	1.00	1,42,10,515	1.42	1.00	1,42,10,515	1.42	1.04	1,42,10,515	1.56
Fubelt IFMR Capital	-	-	-	-	-	-	1.04	8,08,78,031	8.85
Moses IFMR Capital	1.00	22,50,000	0.23	1.00	22,50,000	0.23	1.06	22,50,000	0.25
Oracle IFMR Capital	-	-	-	-	-	-	202.00	2,61,793	5.55
Sentinel IFMR capital	-	-	-	-	-	-	19.69	8,87,538	1.83
Total investment in pass through certificate (G)			**8.41**			**22.34**			**166.56**
H. Investment in security receipts									
(a) Investment carried at fair value through profit or loss									
Phoenix ARF Scheme 6	1,000.00	9,843	0.25	1,000.00	9,843	0.49	1,000.00	9,843	0.98
Phoenix ARF Scheme 9	1.00	6,612	-	27.09	6,612	0.02	62.01	6,612	0.04
Phoenix ARF Scheme 10	-	-	-	922.00	18,889	1.29	982.00	18,889	1.85
Phoenix ARF Scheme 11	1.00	44,208	-	1.00	44,208	-	1.00	44,208	0.01
Phoenix ARF Scheme 13	5.00	27,404	0.01	1,000.00	27,404	2.06	1,000.00	27,404	2.06
Phoenix ARF Scheme 14	1,000.00	34,882	2.61	1,000.00	34,882	2.97	1,000.00	34,882	3.49
Phoenix Trust FY19-6	903.00	12,49,500	112.83	-	-	-	-	-	-
JM Financial Asset Reconstruction Company Private Limited (Series I - JMFARC-IRIS December 2016 - Trust)	1,000.00	6,885	-	1,000.00	6,885	-	1,000.00	6,885	1.03
EARC Trust SC - 258 - Series I	932.90	6,46,510	27.14	995.66	6,46,510	64.37	1,000.00	6,46,510	64.65
JMFARC LTF June 2017 Trust	748.14	2,97,500	22.21	984.76	2,97,500	29.30	-	-	-
JMFARC LTF June 2017 Trust	748.14	4,80,849	35.89	984.76	4,80,849	47.35	-	-	-
Suraksha ARC - 024 Trust	1,000.00	7,85,400	78.54	1,000.00	7,85,400	78.54	-	-	-
Total investment in security receipts (H)			**279.48**			**226.39**			**74.11**
Total investments (I)			**4,788.96**			**2,522.48**			**3,162.73**
(i) Investments outside India			-			-			-
(ii) Investments in India			4,788.96			2,522.48			3,162.73
Total Investments (II)			**4,788.96**			**2,522.48**			**3,162.73**
Less: Allowance for Impairment loss (III)			-			-			-
Net total investment (IV)= (I)-(III)			**4,788.96**			**2,522.48**			**3,162.73**

*Amount less than ₹ 1 lakh

Note 8 : Other financials assets

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposit	76.97	72.05	58.18
Other advances	3.26	2.06	1.37
Receivable on sale of Investment	14.92	-	-
Margin money deposits	12.15	-	-
Accrued interest on fixed deposit	0.24	0.56	0.13
Total other financials assets	**107.54**	**74.67**	**59.68**

L&T Finance Limited

Notes forming part of the consolidated financial statements

Note 9 : Property, plant and equipment

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Buildings : Owned	0.38	-	-	0.38	0.01	0.01	-	0.02	**0.36**	**0.37**
Lease hold renovation : Owned	12.53	1.64	-	14.17	4.33	4.20	-	8.53	**5.64**	**8.20**
Plant and equipments : Lease out	25.81	-	13.97	11.84	5.06	4.93	5.07	4.92	**6.92**	**20.75**
Computers										
Owned	19.76	14.01	0.80	32.97	6.10	7.14	0.62	12.62	20.35	13.66
Leased out	0.74	-	0.74	-	0.55	0.10	0.65	-	-	0.19
Sub total - Computers	**20.50**	**14.01**	**1.54**	**32.97**	**6.65**	**7.24**	**1.27**	**12.62**	**20.35**	**13.85**
Furniture and fixtures										
Owned	6.40	1.81	0.05	8.16	2.15	2.41	0.02	4.54	3.62	4.25
Leased out	7.95	-	3.21	4.74	2.08	1.51	0.59	3.00	1.74	5.87
Sub total - Furniture and fittings	**14.35**	**1.81**	**3.26**	**12.90**	**4.23**	**3.92**	**0.61**	**7.54**	**5.36**	**10.12**
Office equipment										
Owned	4.26	1.80	0.13	5.93	1.44	1.75	0.08	3.11	2.82	2.82
Leased out	0.45	-	0.44	0.01	0.31	0.05	0.36	-	0.01	0.14
Sub total - Office equipment	**4.71**	**1.80**	**0.57**	**5.94**	**1.75**	**1.80**	**0.44**	**3.11**	**2.83**	**2.96**
Vehicles										
Owned	1.20	-	-	1.20	0.21	0.29	-	0.50	0.70	0.99
Leased out	21.65	-	10.59	11.06	4.36	3.14	3.62	3.88	7.18	17.29
Sub total - Vehicles	**22.85**	-	**10.59**	**12.26**	**4.57**	**3.43**	**3.62**	**4.38**	**7.88**	**18.28**
Total	**101.13**	**19.26**	**29.93**	**90.46**	**26.60**	**25.53**	**11.01**	**41.12**	**49.34**	**74.53**

L&T Finance Limited

Notes forming part of the consolidated financial statements

Note 9 : Property, plant and equipment

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	As at April 01, 2017	For the year	Disposals	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
Buildings : Owned	26.11	-	25.73	0.38	-	0.50	0.49	0.01	**0.37**	**26.11**
Lease hold renovation : Owned	12.01	0.62	0.10	12.53	-	4.37	0.04	4.33	**8.20**	**12.01**
Plant and equipments : Leased out	32.56	-	6.75	25.81	-	5.96	0.90	5.06	**20.75**	**32.56**
Computers										
Owned	11.19	9.87	1.30	19.76	-	6.71	0.61	6.10	13.66	11.19
Leased out	1.49	-	0.75	0.74	-	0.55	-	0.55	0.19	1.49
Sub total - Computers	**12.68**	**9.87**	**2.05**	**20.50**	**-**	**7.26**	**0.61**	**6.65**	**13.85**	**12.68**
Furniture and fixtures										
Owned	5.66	1.06	0.32	6.40	-	2.24	0.09	2.15	4.25	5.66
Leased out	7.95	-	-	7.95	-	2.08	-	2.08	5.87	7.95
Sub total - Furniture and fittings	**13.61**	**1.06**	**0.32**	**14.35**	**-**	**4.32**	**0.09**	**4.23**	**10.12**	**13.61**
Office equipment										
Owned	3.92	0.47	0.13	4.26	-	1.50	0.06	1.44	2.82	3.92
Leased out	0.45	-	-	0.45	-	0.31	-	0.31	0.14	0.45
Sub total - Office equipment	**4.37**	**0.47**	**0.13**	**4.71**	**-**	**1.81**	**0.06**	**1.75**	**2.96**	**4.37**
Motor cars										
Owned	-	1.20	-	1.20	-	0.21		0.21	0.99	-
Leased out	58.91	4.25	41.51	21.65	-	8.20	3.84	4.36	17.29	58.91
Sub total - Vehicles	**58.91**	**5.45**	**41.51**	**22.85**	**-**	**8.41**	**3.84**	**4.57**	**18.28**	**58.91**
Total	**160.25**	**17.47**	**76.59**	**101.13**	**-**	**32.63**	**6.03**	**26.60**	**74.53**	**160.25**

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note 10 : Other intangible assets, Goodwill and Intangible assets under development

₹ in crore

Particulars	Gross carrying value				Accumulated Amortization				Net carrying value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Other intangible assets										
Specialised software	40.35	36.90	0.03	77.22	26.09	11.94	0.00	38.03	39.19	14.26
Distribution and customer network rights (refer footnote)	438.80	-	-	438.80	175.52	87.76	-	263.28	175.52	263.28
(a) Total other intangible assets	**479.15**	**36.90**	**0.03**	**516.02**	**201.61**	**99.70**	**-**	**301.31**	**214.71**	**277.54**
(b) Goodwill (refer footnote)	**2,828.51**	**-**	**-**	**2,828.51**	**1,131.40**	**565.70**	**-**	**1,697.10**	**1,131.41**	**1,697.11**
(c) Intangible assets under development									**18.48**	**9.23**

₹ in crore

Particulars	Gross carrying value				Accumulated Amortization				Net carrying value	
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	As at April 01, 2017	For the year	Disposals	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Other intangible assets										
Specialised software	26.53	13.82	-	40.35	18.94	7.15	-	26.09	14.26	7.59
Distribution and customer network rights (refer footnote)	438.80	-	-	438.80	87.76	87.76	-	175.52	263.28	351.04
(a) Total other intangible assets	**465.33**	**13.82**	**-**	**479.15**	**106.70**	**94.91**	**-**	**201.61**	**277.54**	**358.63**
(b) Goodwill (refer footnote)	**2,828.51**	**-**	**-**	**2,828.51**	**565.70**	**565.70**	**-**	**1,131.40**	**1,697.11**	**2,262.81**
(c) Intangible assets under development									**9.23**	-

Footnote:

Pursuant to the Orders of Honorable Calcutta High Court and the National Company Law Tribunal, Mumbai Bench (the" Honorable Courts"), the erstwhile L&T Finance Limited (U65990MH1994PLC083147) and L&T FinCorp Limited (U65910MH1997PLC108179) have been merged with Family Credit Limited (now known as L&T Finance Limited - U65910WB1993FLC060810) (the "Amalgamated Company"), effective from February 13, 2017 with the Appointed Date being April 1, 2016.

Consequent to the scheme becoming effective, net assets of Transferor Company amounting to ₹ 3,157.29 crore as on the Appointed Date have been transferred to the Transferee Company at their respective fair values and the fair value of Distribution and Customer Network Rights ("DCNR") as determined by an Independent Valuer, have been recognised as a part of Other Intangible Asset at a valuation of ₹ 438.80 crore. The balance amount of ₹ 2,828.51 crore has been recorded as Goodwill on amalgamation. These intangible assets, i.e. the DCNR and Goodwill on amalgamation, are being amortised on a straight line basis over a period of 5 years with effect from April 01, 2016 in terms of the Scheme of Arrangement of the Honorable Courts.

Note 11 : Other non-financials assets

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	9.59	6.43	6.93
Advances to others	25.75	17.38	35.85
Amount paid under protest	41.96	42.03	4.52
Capital advances	11.78	9.69	3.76
Assets acquired in settlement of claims	24.47	24.47	4.78
Total other non-financials Assets	**113.55**	**100.00**	**55.84**

Note 12 : Payables

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade payables			
Micro enterprises and small enterprises (refer note: 40)	-	-	-
Due to others	34.69	65.36	65.31
Due to related parties (refer note: 31)	51.34	43.73	14.45
Total trade payables	**86.03**	**109.09**	**79.76**
Other payables			
Micro enterprises and small enterprises (refer note: 40)	-	-	-
Due to others	12.71	13.94	9.87
Due to related parties (refer note: 31)	0.40	0.44	0.70
Total other payables	**13.11**	**14.38**	**10.57**
Total payables	**99.14**	**123.47**	**90.33**

Note 13 : Debt securities

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(i) At amortised cost			
- Commercial papers (net) (refer note 13 (b))	7,064.36	6,525.82	9,650.42
- Redeemable non convertible debentures (refer note 13 (a))	16,007.24	10,454.78	7,467.53
Total debt securities (A)	**23,071.60**	**16,980.60**	**17,117.95**
(B)			
(I) Debt securities in India			
(i) At amortised cost	23,071.60	16,980.60	17,117.95
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total debt securities in India (I = i+ii+iii)	**23,071.60**	**16,980.60**	**17,117.95**
(II) Debt securities in outside India			
(i) At amortised cost	-	-	-
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total debt securities in outside India (I = i+ii+iii)	-	-	-
Total debt securities (B) = (I)+(II)	**23,071.60**	**16,980.60**	**17,117.95**

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note 13 (a)
Secured redeemable non convertible debentures as on March 31, 2019

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series P FY 2014-15 opt 4	₹ 25 lakh each	24-Feb-15	25.22	9.25%	24-Feb-20	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	20-May-15	27.99	8.87%	20-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series D FY 2015-16 opt 3	₹ 25 lakh each	27-May-15	56.20	8.88%	27-May-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 opt 7	₹ 25 lakh each	04-Jun-15	34.63	8.88%	04-Jun-19	Redeemable at par at the end of 1461 days from the date of allotment
Series N FY 2015-16	₹ 25 lakh each	29-Mar-16	185.14	8.90%	29-Apr-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 opt 3	₹ 25 lakh each	13-Apr-16	10.84	8.70%	12-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 opt 4	₹ 25 lakh each	13-Apr-16	27.10	8.69%	31-May-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 opt 5	₹ 25 lakh each	13-Apr-16	298.11	8.69%	13-Jun-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 opt 6	₹ 25 lakh each	13-Apr-16	81.29	8.68%	12-Sep-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 opt 7	₹ 25 lakh each	13-Apr-16	4.34	8.68%	30-Sep-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	20-Apr-16	10.83	8.80%	19-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 lakh each	20-Apr-16	324.60	8.65%	20-Aug-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	20-May-16	21.52	8.80%	20-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	24-May-16	53.70	8.65%	24-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	24-May-16	3.80	8.64%	28-Jun-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	13-Jun-16	10.70	8.80%	13-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-Jun-16	10.70	8.80%	11-Jun-21	Redeemable at par at the end of 1824 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	14-Jun-16	53.48	8.72%	14-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	29-Jun-16	138.57	8.72%	28-Jun-19	Redeemable at par at the end of 1094 days from the date of allotment
Series E FY 2016-17 opt 2	₹ 25 lakh each	29-Jun-16	3.15	8.71%	22-Jul-19	Redeemable at par at the end of 1118 days from the date of allotment
Series G FY 2016-17 opt 2	₹ 25 lakh each	03-Aug-16	79.18	8.45%	02-Aug-19	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	75.96	7.37%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	05-Aug-16	5.28	8.65%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2016-17	₹ 25 lakh each	09-Aug-16	52.70	8.40%	09-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	18-Aug-16	3.10	8.55%	05-Aug-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	23-Aug-16	14.56	8.54%	30-Sep-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	08-Sep-16	52.31	8.31%	06-Sep-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G FY 2016-17	₹ 25 lakh each	12-Sep-16	209.15	8.31%	12-Sep-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 2016-17 opt 2	₹ 25 lakh each	19-Jan-17	152.25	7.83%	20-Jan-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2016-17 opt 2	₹ 25 lakh each	27-Mar-17	25.03	7.90%	27-Mar-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2016-17	₹ 25 lakh each	29-Mar-17	100.06	7.90%	29-Jun-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	31-Mar-17	324.21	8.07%	29-May-20	Redeemable at par at the end of 1155 days from the date of allotment
Series A FY 2017-18 opt I	₹ 25 lakh each	10-Apr-17	161.28	7.71%	10-Apr-19	Redeemable at par at the end of 730 days from the date of allotment
Series A FY 2017-18 opt II	₹ 25 lakh each	10-Apr-17	107.60	7.80%	08-May-20	Redeemable at par at the end of 1124 days from the date of allotment
Series C FY 2017-18	₹ 25 lakh each	25-May-17	26.67	7.85%	25-May-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 lakh each	09-Jun-17	223.34	7.85%	09-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2019

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series E FY 2017-18	₹ 25 lakh each	16-Jun-17	265.34	7.75%	16-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 lakh each	19-Jun-17	212.28	7.85%	19-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2017-18	₹ 25 lakh each	20-Jun-17	397.98	7.85%	20-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2017-18 opt 1	₹ 25 lakh each	21-Jun-17	53.02	7.76%	10-Aug-20	Redeemable at par at the end of 1146 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 lakh each	21-Jun-17	26.51	7.81%	21-Jul-22	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 2017-18	₹ 25 lakh each	23-Jun-17	132.48	7.75%	23-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 2017-18	₹ 25 lakh each	28-Jun-17	132.35	7.75%	26-Jun-20	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2017-18	₹ 25 lakh each	19-Jul-17	421.45	7.65%	19-Jul-19	Redeemable at par at the end of 730 days from the date of allotment
Series L FY 2017-18	₹ 25 lakh each	25-Jul-17	328.51	7.65%	20-Aug-20	Redeemable at par at the end of 1122 days from the date of allotment
Series M FY 2017-18	₹ 25 lakh each	08-Aug-17	488.03	7.71%	08-Aug-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 lakh each	06-Oct-17	321.57	7.70%	06-Oct-22	Redeemable at par at the end of 1826 days from the date of allotment
Series O FY 2017-18	₹ 25 lakh each	13-Oct-17	517.56	7.65%	13-Nov-20	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2017-18	₹ 25 lakh each	17-Oct-17	155.24	7.68%	18-Dec-20	Redeemable at par at the end of 1158 days from the date of allotment
Series Q FY 2017-18	₹ 25 lakh each	24-Nov-17	313.35	7.85%	11-Dec-20	Redeemable at par at the end of 1113 days from the date of allotment
Series R FY 2017-18	₹ 25 lakh each	04-Dec-17	768.89	7.90%	04-Dec-20	Redeemable at par at the end of 1096 days from the date of allotment
Series S FY 2017-18	₹ 25 lakh each	06-Dec-17	218.74	7.84%	06-Jan-21	Redeemable at par at the end of 1127 days from the date of allotment
Series T FY 2017-18	₹ 25 lakh each	12-Dec-17	86.94	7.95%	12-Dec-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 2017-18	₹ 25 lakh each	29-Dec-17	102.04	8.00%	27-Nov-20	Redeemable at par at the end of 1064 days from the date of allotment
Series V FY 2017-18	₹ 25 lakh each	27-Mar-18	89.40	8.25%	08-Apr-21	Redeemable at par at the end of 1108 days from the date of allotment
Series W FY 2017-18	₹ 25 lakh each	28-Mar-18	95.06	8.25%	21-Jun-21	Redeemable at par at the end of 1181 days from the date of allotment
Series A FY 2018-19	₹ 10 lakh each	06-Jun-18	58.88	8.65%	28-Apr-22	Redeemable at par at the end of 1422 days from the date of allotment
Series B FY 2018-19	₹ 10 lakh each	29-Jun-18	1,065.79	8.70%	29-Jun-21	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2018-19 opt 1	₹ 10 lakh each	06-Jul-18	37.30	8.95%	10-Jun-22	Redeemable at par at the end of 1435 days from the date of allotment
Series C FY 2018-19 opt 2	₹ 10 lakh each	06-Jul-18	132.46	8.92%	06-Oct-21	Redeemable at par at the end of 1188 days from the date of allotment
Series D FY 2018-19 opt 1	₹ 10 lakh each	20-Jul-18	26.56	8.92%	30-Jul-21	Redeemable at par at the end of 1106 days from the date of allotment
Series D FY 2018-19 opt 2	₹ 10 lakh each	20-Jul-18	382.41	8.95%	16-Aug-21	Redeemable at par at the end of 1123 days from the date of allotment
Reissuance - Series "W"1-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 10 lakh each	27-Jul-18	79.21	8.25%	21-Jun-21	Redeemable at par at the end of 1060 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	02-Aug-18	37.04	8.86%	02-Aug-23	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance - Series "W"2-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 10 lakh each	09-Aug-18	54.43	8.25%	21-Jun-21	Redeemable at par at the end of 1047 days from the date of allotment
Reissuance - Series D1 FY 2018-19 Opt 1 (Original issuance series D FY 2018-19 Opt 1)	₹ 10 lakh each	20-Aug-18	11.49	8.92%	30-Jul-21	Redeemable at par at the end of 1075 days from the date of allotment

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2019

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Reissuance - Series D1 FY 2018-19 Opt 2 (Original issuance series D FY 2018-19 Opt 2)	₹ 10 lakh each	20-Aug-18	54.32	8.95%	16-Aug-21	Redeemable at par at the end of 1092 days from the date of allotment
Series D1 FY 2018-19 Opt 3	₹ 10 lakh each	20-Aug-18	26.32	8.60%	19-Dec-19	Redeemable at par at the end of 486 days from the date of allotment
Series D1 FY 2018-19 Opt 4	₹ 10 lakh each	20-Aug-18	84.28	8.75%	19-Aug-20	Redeemable at par at the end of 730 days from the date of allotment
Reissuance - Series D2 FY 2018-19 Opt 4 (Original issuance series D FY 2018-19 Opt 4)	₹ 10 lakh each	27-Aug-18	358.11	8.75%	19-Aug-20	Redeemable at par at the end of 723 days from the date of allotment
Reissuance - Series D3 FY 2018-19 Opt 1 (Original issuance series D1 FY 2018-19 Opt 3)	₹ 10 lakh each	31-Aug-18	52.63	8.60%	19-Dec-19	Redeemable at par at the end of 475 days from the date of allotment
Series D3 FY 2018-19 Opt 2	₹ 10 lakh each	31-Aug-18	26.26	8.62%	30-Jan-20	Redeemable at par at the end of 517 days from the date of allotment
Reissuance - Series D3 FY 2018-19 Opt 3 (Original issuance series C FY 2018-19)	₹ 10 lakh each	31-Aug-18	52.27	8.92%	06-Oct-21	Redeemable at par at the end of 1132 days from the date of allotment
Series F FY 2018-19	₹ 10 lakh each	12-Sep-18	61.86	8.82%	03-Sep-21	Redeemable at par at the end of 1087 days from the date of allotment
Reissuance - Series G FY 2018-19 Opt 1 (Original issuance series F FY 2018-19)	₹ 10 lakh each	31-Oct-18	5.16	8.82%	03-Sep-21	Redeemable at par at the end of 1038 days from the date of allotment
Series G FY 2018-19 Opt 2	₹ 10 lakh each	31-Oct-18	78.77	9.48%	14-Mar-22	Redeemable at par at the end of 1230 days from the date of allotment
Reissuance-Series G FY 2018-19 Opt 3 (Original issuance series T FY 2017-18)	₹ 10 lakh each	31-Oct-18	16.13	7.95%	12-Dec-22	Redeemable at par at the end of 1503 days from the date of allotment
Reissuance- Series A1 FY 2018-19 (Original issuance series A FY 2018-19)	₹ 10 lakh each	14-Nov-18	31.36	8.65%	28-Apr-22	Redeemable at par at the end of 1261 days from the date of allotment
Reissuance- Series H FY 2018-19 Opt 1 (Original issuance series D3 FY 2018-19 Opt 2)	₹ 10 lakh each	20-Nov-18	54.21	8.62%	30-Jan-20	Redeemable at par at the end of 436 days from the date of allotment
Reissuance- Series H FY 2018-19 Opt 2 (Original issuance series N FY 2017-18)	₹ 10 lakh each	20-Nov-18	64.05	7.70%	06-Oct-22	Redeemable at par at the end of 1416 days from the date of allotment
Series I FY 2018-19	₹ 10 lakh each	05-Dec-18	1,233.76	9.36%	20-Dec-19	Redeemable at par at the end of 380 days from the date of allotment
Series J FY 2018-19	₹ 10 lakh each	04-Jan-19	817.16	9.00%	04-Jan-24	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2018-19 option 1	₹ 10 lakh each	11-Jan-19	305.76	8.81%	11-Mar-20	Redeemable at par at the end of 425 days from the date of allotment
Series K FY 2018-19 option 2	₹ 10 lakh each	11-Jan-19	25.43	9.00%	09-Feb-24	Redeemable at par at the end of 1855 days from the date of allotment
Series M FY 2018-19 option 1- MLD	₹ 10 lakh each	18-Jan-19	44.32	8.45%	17-Jul-20	Redeemable at par at the end of 546 days from the date of allotment
Series M FY 2018-19 option 2- MLD	₹ 10 lakh each	18-Jan-19	53.79	8.65%	10-Aug-20	Redeemable at par at the end of 570 days from the date of allotment
Series M FY 2018-19 option 3- MLD	₹ 10 lakh each	18-Jan-19	29.86	8.61%	18-Jan-21	Redeemable at par at the end of 731 days from the date of allotment
Series L FY 2018-19 option 1	₹ 10 lakh each	24-Jan-19	203.21	8.81%	13-Mar-20	Redeemable at par at the end of 414 days from the date of allotment
Series L FY 2018-19 option 2	₹ 10 lakh each	24-Jan-19	50.80	8.93%	08-Aug-22	Redeemable at par at the end of 1292 days from the date of allotment
Series N FY 2018-19 option 2	₹ 10 lakh each	01-Feb-19	25.36	9.02%	11-Mar-24	Redeemable at par at the end of 1865 days from the date of allotment
Series O FY 2018-19	₹ 10 lakh each	01-Mar-19	276.53	8.75%	22-May-20	Redeemable at par at the end of 448 days from the date of allotment

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2019

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
NCD 2009 series 4 (Public issue)	₹ 1000 each	17-Sep-09	479.60	10.24%	17-Sep-19	Redeemable at par at the end of 3652 days from the date of allotment
Series I option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	175.64	9.00%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series I option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	683.40	9.10%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	5.04	9.00%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	79.85	9.10%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series III option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	30.09	9.10%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	233.90	9.25%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	1.75	8.75%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	59.62	8.89%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	7.95	9.20%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	110.11	9.35%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	0.70	8.84%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	100.98	8.98%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
			16,007.24			

Nature of Security :

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

Secured redeemable non convertible debentures public issue :

The Company has raised ₹ 1,500 crore from the public issue. The Company has utilised ₹ 1,495.35 crore for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. The unutilised balance amount of ₹ 4.65 crore is in current account.

Note 13 (b)

Commercial papers (net) as on March 31,2019

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Bullet	Up to 1 years	7.01% to 8.00%	4,424.26
		8.01% to 9.00%	1,110.06
		9.01% to 10.00%	1,530.04
Total			**7,064.36**

L&T Finance Limited

Notes forming part of the consolidated financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2018

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2018 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2013-14	₹ 10 lakh each	03-Jan-14	408.53	9.05%	05-Apr-18	Redeemable at par at the end of 1553 days from the date of allotment
Series P FY 2014-15 opt 3	₹ 25 lakh each	24-Feb-15	25.22	9.22%	15-Jun-18	Redeemable at par at the end of 1207 days from the date of allotment
Series P FY 2014-15 opt 4	₹ 25 lakh each	24-Feb-15	197.21	9.25%	24-Feb-20	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 2015-16 opt 4	₹ 25 lakh each	29-Apr-15	10.91	8.92%	23-Apr-18	Redeemable at par at the end of 1090 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 lakh each	17-Apr-15	2.25	8.86%	12-Apr-18	Redeemable at par at the end of 1091 days from the date of allotment
Series A FY 2015-16 opt 6	₹ 25 lakh each	17-Apr-15	77.12	8.86%	16-Apr-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 opt 7	₹ 25 lakh each	17-Apr-15	119.31	8.85%	17-Apr-18	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 8	₹ 25 lakh each	17-Apr-15	28.60	8.86%	19-Apr-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 opt 9	₹ 25 lakh each	17-Apr-15	23.14	8.86%	24-Apr-18	Redeemable at par at the end of 1103 days from the date of allotment
Series B FY 2015-16 opt 4	₹ 25 lakh each	11-May-15	7.67	8.85%	30-Apr-18	Redeemable at par at the end of 1085 days from the date of allotment
Series B FY 2015-16 opt 5	₹ 25 lakh each	11-May-15	2.56	8.86%	07-May-18	Redeemable at par at the end of 1092 days from the date of allotment
Series C FY 2015-16 opt 1	₹ 25 lakh each	20-May-15	7.98	8.91%	14-May-18	Redeemable at par at the end of 1090 days from the date of allotment
Series C FY 2015-16 opt 2	₹ 25 lakh each	20-May-15	38.33	8.91%	15-May-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 opt 3	₹ 25 lakh each	20-May-15	16.15	8.91%	18-May-18	Redeemable at par at the end of 1094 days from the date of allotment
Series C FY 2015-16 opt 4	₹ 25 lakh each	20-May-15	60.03	8.90%	11-Jun-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	20-May-15	27.98	8.87%	20-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 opt 8	₹ 25 lakh each	20-May-15	40.88	8.91%	22-May-18	Redeemable at par at the end of 1098 days from the date of allotment
Series D FY 2015-16 opt 3	₹ 25 lakh each	27-May-15	51.62	8.88%	27-May-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 opt 3	₹ 25 lakh each	04-Jun-15	47.04	8.85%	04-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 opt 4	₹ 25 lakh each	04-Jun-15	5.36	8.85%	04-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 opt 5	₹ 25 lakh each	04-Jun-15	21.61	8.85%	22-Nov-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 opt 6	₹ 25 lakh each	04-Jun-15	25.43	8.85%	24-Dec-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 opt 7	₹ 25 lakh each	04-Jun-15	31.80	8.88%	04-Jun-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 opt 3	₹ 25 lakh each	23-Jun-15	6.35	8.95%	07-Jan-19	Redeemable at par at the end of 1294 days from the date of allotment
Series G FY 2015-16 opt 3	₹ 25 lakh each	26-Jun-15	12.67	8.91%	20-Jun-18	Redeemable at par at the end of 1090 days from the date of allotment
Series G FY 2015-16 opt 4	₹ 25 lakh each	26-Jun-15	5.34	8.90%	26-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2015-16 opt 1	₹ 25 lakh each	08-Jul-15	44.24	8.93%	02-Jul-18	Redeemable at par at the end of 1090 days from the date of allotment
Series H FY 2015-16 opt 2	₹ 25 lakh each	08-Jul-15	44.24	8.93%	05-Jul-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 opt 3	₹ 25 lakh each	08-Jul-15	63.89	8.92%	06-Jul-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 opt 4	₹ 25 lakh each	08-Jul-15	32.86	8.93%	17-Jul-18	Redeemable at par at the end of 1105 days from the date of allotment
Series I FY 2015-16 opt 1	₹ 25 lakh each	19-Aug-15	37.44	8.80%	16-Aug-18	Redeemable at par at the end of 1093 days from the date of allotment
Series I FY 2015-16 opt 2	₹ 25 lakh each	19-Aug-15	26.34	8.80%	17-Aug-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 opt 3	₹ 25 lakh each	19-Aug-15	22.46	8.80%	03-Sep-18	Redeemable at par at the end of 1111 days from the date of allotment
Series J FY 2015-16 opt 1	₹ 25 lakh each	27-Aug-15	37.38	8.81%	20-Aug-18	Redeemable at par at the end of 1089 days from the date of allotment
Series N FY 2015-16	₹ 25 lakh each	29-Mar-16	201.60	8.90%	29-Apr-19	Redeemable at par at the end of 1126 days from the date of allotment

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2018

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2018 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2016-17 opt 2	₹ 25 lakh each	13-Apr-16	184.29	8.69%	12-Mar-19	Redeemable at par at the end of 1063 days from the date of allotment
Series A FY 2016-17 opt 3	₹ 25 lakh each	13-Apr-16	10.84	8.70%	12-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 opt 4	₹ 25 lakh each	13-Apr-16	27.10	8.69%	31-May-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 opt 5	₹ 25 lakh each	13-Apr-16	298.11	8.69%	13-Jun-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 opt 6	₹ 25 lakh each	13-Apr-16	81.29	8.68%	12-Sep-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 opt 7	₹ 25 lakh each	13-Apr-16	4.34	8.68%	30-Sep-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	20-Apr-16	10.83	8.80%	19-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 lakh each	20-Apr-16	324.60	8.65%	20-Aug-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	20-May-16	21.51	8.80%	20-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	24-May-16	53.70	8.65%	24-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	24-May-16	3.50	8.64%	28-Jun-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	13-Jun-16	10.70	8.80%	13-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-Jun-16	10.70	8.80%	11-Jun-21	Redeemable at par at the end of 1824 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	14-Jun-16	53.48	8.72%	14-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	29-Jun-16	138.57	8.72%	28-Jun-19	Redeemable at par at the end of 1094 days from the date of allotment
Series E FY 2016-17 opt 2	₹ 25 lakh each	29-Jun-16	2.90	8.71%	22-Jul-19	Redeemable at par at the end of 1118 days from the date of allotment
Series G FY 2016-17 opt 1	₹ 25 lakh each	03-Aug-16	52.77	8.40%	03-Aug-18	Redeemable at par at the end of 730 days from the date of allotment
Series G FY 2016-17 opt 2	₹ 25 lakh each	03-Aug-16	79.18	8.45%	02-Aug-19	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	75.94	7.37%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	10.56	8.65%	03-Aug-18	Redeemable at par at the end of 728 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	05-Aug-16	5.28	8.65%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2016-17	₹ 25 lakh each	09-Aug-16	52.70	8.40%	09-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	18-Aug-16	2.86	8.55%	05-Aug-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	23-Aug-16	13.41	8.54%	30-Sep-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	08-Sep-16	52.33	8.31%	06-Sep-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G FY 2016-17	₹ 25 lakh each	12-Sep-16	209.15	8.31%	12-Sep-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 2016-17 opt 1	₹ 25 lakh each	19-Jan-17	50.76	7.66%	18-Jan-19	Redeemable at par at the end of 729 days from the date of allotment
Series J FY 2016-17 opt 2	₹ 25 lakh each	19-Jan-17	152.32	7.83%	20-Jan-20	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	22-Mar-17	50.11	7.71%	22-Jun-18	Redeemable at par at the end of 457 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	27-Mar-17	50.05	7.75%	26-Apr-19	Redeemable at par at the end of 760 days from the date of allotment
Series D FY 2016-17 opt 2	₹ 25 lakh each	27-Mar-17	25.03	7.90%	27-Mar-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2016-17	₹ 25 lakh each	29-Mar-17	107.96	7.90%	29-Jun-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	31-Mar-17	324.28	8.07%	29-May-20	Redeemable at par at the end of 1155 days from the date of allotment
Series A FY 2017-18 opt 1	₹ 25 lakh each	10-Apr-17	161.26	7.71%	10-Apr-19	Redeemable at par at the end of 730 days from the date of allotment
Series A FY 2017-18 opt 2	₹ 25 lakh each	10-Apr-17	107.59	7.80%	08-May-20	Redeemable at par at the end of 1124 days from the date of allotment

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2018

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2018 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series C FY 2017-18	₹ 25 lakh each	25-May-17	26.67	7.85%	25-May-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 lakh each	09-Jun-17	223.32	7.85%	09-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2017-18	₹ 25 lakh each	16-Jun-17	265.34	7.75%	16-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 lakh each	19-Jun-17	212.26	7.85%	19-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2017-18	₹ 25 lakh each	20-Jun-17	397.98	7.85%	20-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2017-18 opt 1	₹ 25 lakh each	21-Jun-17	53.02	7.76%	10-Aug-20	Redeemable at par at the end of 1146 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 lakh each	21-Jun-17	26.51	7.81%	21-Jul-22	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 2017-18	₹ 25 lakh each	23-Jun-17	132.48	7.75%	23-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 2017-18	₹ 25 lakh each	28-Jun-17	132.35	7.75%	26-Jun-20	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2017-18	₹ 25 lakh each	19-Jul-17	421.41	7.65%	19-Jul-19	Redeemable at par at the end of 730 days from the date of allotment
Series L FY 2017-18	₹ 25 lakh each	25-Jul-17	305.13	7.65%	20-Aug-20	Redeemable at par at the end of 1122 days from the date of allotment
Series M FY 2017-18	₹ 25 lakh each	08-Aug-17	487.99	7.71%	08-Aug-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 lakh each	06-Oct-17	321.57	7.70%	06-Oct-22	Redeemable at par at the end of 1826 days from the date of allotment
Series O FY 2017-18	₹ 25 lakh each	13-Oct-17	517.40	7.65%	13-Nov-20	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2017-18	₹ 25 lakh each	17-Oct-17	155.24	7.68%	18-Dec-20	Redeemable at par at the end of 1158 days from the date of allotment
Series Q FY 2017-18	₹ 25 lakh each	24-Nov-17	313.32	7.85%	11-Dec-20	Redeemable at par at the end of 1113 days from the date of allotment
Series R FY 2017-18	₹ 25 lakh each	04-Dec-17	768.71	7.90%	04-Dec-20	Redeemable at par at the end of 1096 days from the date of allotment
Series S FY 2017-18	₹ 25 lakh each	06-Dec-17	218.63	7.84%	06-Jan-21	Redeemable at par at the end of 1127 days from the date of allotment
Series T FY 2017-18	₹ 25 lakh each	12-Dec-17	86.91	7.95%	12-Dec-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 2017-18	₹ 25 lakh each	29-Dec-17	102.04	8.00%	27-Nov-20	Redeemable at par at the end of 1064 days from the date of allotment
Series V FY 2017-18	₹ 25 lakh each	27-Mar-18	82.58	8.25%	08-Apr-21	Redeemable at par at the end of 1108 days from the date of allotment
Series W FY 2017-18	₹ 25 lakh each	28-Mar-18	95.05	8.25%	21-Jun-21	Redeemable at par at the end of 1181 days from the date of allotment
NCD 2009 series 4 (Public issue)	₹ 1000 each	17-Sep-09	477.33	10.24%	17-Sep-19	Redeemable at par at the end of 3652 days from the date of allotment
			10,454.78			

Nature of Security :

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

Note 13 (b)

Commercial papers (net) as on March 31,2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ crore)
Bullet	Up to 1 years	upto 7.00%	29.40
		7.01% to 8.00%	5,079.93
		8.01% to 9.00%	1,416.49
Total			**6,525.82**

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on April 1,2017

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2013-14	₹ 10 lakh each	03-Jan-14	408.53	9.05%	05-Apr-18	Redeemable at par at the end of 1553 days from the date of allotment
Series C FY 2014-15 opt 3	₹ 25 lakh each	25-Jun-14	31.08	9.76%	19-Jun-17	Redeemable at par at the end of 1090 days from the date of allotment
Series I FY 2014-15 opt 2	₹ 25 lakh each	28-Oct-14	10.41	9.57%	27-Oct-17	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2014-15 opt 3	₹ 25 lakh each	07-Nov-14	11.15	9.31%	07-Nov-17	Redeemable at par at the end of 1096 days from the date of allotment
Series L FY 2014-15 opt 3	₹ 25 lakh each	26-Dec-14	10.94	9.06%	06-Dec-17	Redeemable at par at the end of 1076 days from the date of allotment
Series N FY 2014-15 opt 2	₹ 25 lakh each	21-Jan-15	122.06	9.20%	19-Jan-18	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2014-15 opt 2	₹ 25 lakh each	30-Jan-15	126.53	8.62%	28-Jul-17	Redeemable at par at the end of 910 days from the date of allotment
Series L FY 2014-15 opt 3	₹ 25 lakh each	13-Feb-15	6.01	9.03%	04-Apr-17	Redeemable at par at the end of 781 days from the date of allotment
Series L FY 2014-15 opt 4	₹ 25 lakh each	13-Feb-15	12.33	9.02%	17-Apr-17	Redeemable at par at the end of 794 days from the date of allotment
Series P FY 2014-15 opt 1	₹ 25 lakh each	24-Feb-15	5.65	9.15%	07-Feb-18	Redeemable at par at the end of 1079 days from the date of allotment
Series P FY 2014-15 opt 2	₹ 25 lakh each	24-Feb-15	4.77	9.24%	23-Feb-18	Redeemable at par at the end of 1095 days from the date of allotment
Series P FY 2014-15 opt 3	₹ 25 lakh each	24-Feb-15	180.56	9.22%	15-Jun-18	Redeemable at par at the end of 1207 days from the date of allotment
Series P FY 2014-15 opt 4	₹ 25 lakh each	24-Feb-15	25.23	9.25%	24-Feb-20	Redeemable at par at the end of 1826 days from the date of allotment
Series P FY 2014-15 opt 5	₹ 25 lakh each	24-Feb-15	26.08	9.24%	06-Mar-18	Redeemable at par at the end of 1106 days from the date of allotment
Series L FY 2014-15	₹ 100 lakh each	13-Mar-15	119.32	9.10%	28-Mar-18	Redeemable at par at the end of 1111 days from the date of allotment
Series Q FY 2014-15	₹ 100 lakh each	13-Mar-15	179.26	9.10%	28-Mar-18	Redeemable at par at the end of 1111 days from the date of allotment
Series A FY 2015-16 opt 1	₹ 25 lakh each	17-Apr-15	5.60	8.81%	04-Apr-17	Redeemable at par at the end of 718 days from the date of allotment
Series A FY 2015-16 opt 2	₹ 25 lakh each	17-Apr-15	42.17	8.81%	06-Apr-17	Redeemable at par at the end of 720 days from the date of allotment
Series A FY 2015-16 opt 3	₹ 25 lakh each	17-Apr-15	59.61	8.80%	17-Apr-17	Redeemable at par at the end of 731 days from the date of allotment
Series A FY 2015-16 opt 4	₹ 25 lakh each	17-Apr-15	25.95	8.81%	27-Apr-17	Redeemable at par at the end of 741 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 lakh each	17-Apr-15	2.07	8.86%	12-Apr-18	Redeemable at par at the end of 1091 days from the date of allotment
Series A FY 2015-16 opt 6	₹ 25 lakh each	17-Apr-15	70.83	8.86%	16-Apr-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 opt 7	₹ 25 lakh each	17-Apr-15	119.26	8.85%	17-Apr-18	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 8	₹ 25 lakh each	17-Apr-15	26.27	8.86%	19-Apr-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 opt 9	₹ 25 lakh each	17-Apr-15	21.25	8.86%	24-Apr-18	Redeemable at par at the end of 1103 days from the date of allotment
Series A FY 2015-16 opt 1	₹ 25 lakh each	29-Apr-15	20.01	8.87%	26-Apr-17	Redeemable at par at the end of 728 days from the date of allotment
Series A FY 2015-16 opt 1	₹ 25 lakh each	29-Apr-15	28.86	8.87%	25-Apr-17	Redeemable at par at the end of 727 days from the date of allotment
Series A FY 2015-16 opt 3	₹ 25 lakh each	29-Apr-15	21.50	8.87%	04-May-17	Redeemable at par at the end of 736 days from the date of allotment
Series A FY 2015-16 opt 4	₹ 25 lakh each	29-Apr-15	10.02	8.92%	23-Apr-18	Redeemable at par at the end of 1090 days from the date of allotment
Series B FY 2015-16 opt 2	₹ 25 lakh each	11-May-15	57.48	8.80%	02-May-17	Redeemable at par at the end of 722 days from the date of allotment
Series B FY 2015-16 opt 3	₹ 25 lakh each	11-May-15	12.33	8.86%	15-May-17	Redeemable at par at the end of 735 days from the date of allotment
Series B FY 2015-16 opt 4	₹ 25 lakh each	11-May-15	7.05	8.85%	30-Apr-18	Redeemable at par at the end of 1085 days from the date of allotment
Series B FY 2015-16 opt 5	₹ 25 lakh each	11-May-15	2.35	8.86%	07-May-18	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2015-16 opt 6	₹ 25 lakh each	11-May-15	46.97	8.85%	04-Apr-17	Redeemable at par at the end of 694 days from the date of allotment
Series C FY 2015-16 opt 1	₹ 25 lakh each	20-May-15	7.32	8.91%	14-May-18	Redeemable at par at the end of 1090 days from the date of allotment
Series C FY 2015-16 opt 2	₹ 25 lakh each	20-May-15	35.18	8.91%	15-May-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 opt 3	₹ 25 lakh each	20-May-15	16.16	8.91%	18-May-18	Redeemable at par at the end of 1094 days from the date of allotment

L&T Finance Limited

Notes forming part of the consolidated financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on April 1,2017

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series C FY 2015-16 opt 4	₹ 25 lakh each	20-May-15	55.10	8.90%	11-Jun-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	20-May-15	28.00	8.87%	20-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 opt 7	₹ 25 lakh each	20-May-15	14.35	8.81%	15-May-17	Redeemable at par at the end of 726 days from the date of allotment
Series C FY 2015-16 opt 8	₹ 25 lakh each	20-May-15	37.53	8.91%	22-May-18	Redeemable at par at the end of 1098 days from the date of allotment
Series C FY 2015-16 opt 1	₹ 25 lakh each	27-May-15	2.93	8.90%	09-May-17	Redeemable at par at the end of 713 days from the date of allotment
Series C FY 2015-16 opt 2	₹ 25 lakh each	27-May-15	5.86	8.91%	24-May-17	Redeemable at par at the end of 728 days from the date of allotment
Series C FY 2015-16 opt 3	₹ 25 lakh each	27-May-15	19.33	8.91%	22-May-17	Redeemable at par at the end of 726 days from the date of allotment
Series C FY 2015-16 opt 4	₹ 25 lakh each	27-May-15	17.57	8.91%	29-May-17	Redeemable at par at the end of 733 days from the date of allotment
Series D FY 2015-16 opt 1	₹ 25 lakh each	27-May-15	17.54	8.80%	27-Apr-17	Redeemable at par at the end of 701 days from the date of allotment
Series D FY 2015-16 opt 2	₹ 25 lakh each	27-May-15	5.37	8.80%	26-May-17	Redeemable at par at the end of 730 days from the date of allotment
Series D FY 2015-16 opt 3	₹ 25 lakh each	27-May-15	47.40	8.88%	27-May-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 opt 2	₹ 25 lakh each	04-Jun-15	3.50	8.80%	20-Jun-17	Redeemable at par at the end of 747 days from the date of allotment
Series E FY 2015-16 opt 3	₹ 25 lakh each	04-Jun-15	43.20	8.85%	04-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 opt 4	₹ 25 lakh each	04-Jun-15	5.36	8.85%	04-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 opt 5	₹ 25 lakh each	04-Jun-15	19.85	8.85%	22-Nov-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 opt 6	₹ 25 lakh each	04-Jun-15	23.35	8.85%	24-Dec-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 opt 7	₹ 25 lakh each	04-Jun-15	29.21	8.88%	04-Jun-19	Redeemable at par at the end of 1461 days from the date of allotment
Series D FY 2015-16 opt 2	₹ 25 lakh each	12-Jun-15	4.67	8.91%	05-Jun-17	Redeemable at par at the end of 724 days from the date of allotment
Series D FY 2015-16 opt 3	₹ 25 lakh each	12-Jun-15	29.18	8.91%	07-Jun-17	Redeemable at par at the end of 726 days from the date of allotment
Series D FY 2015-16 opt 4	₹ 25 lakh each	12-Jun-15	7.00	8.91%	12-Jun-17	Redeemable at par at the end of 731 days from the date of allotment
Series F FY 2015-16 opt 2	₹ 25 lakh each	12-Jun-15	2.91	8.82%	31-May-17	Redeemable at par at the end of 719 days from the date of allotment
Series F FY 2015-16 opt 3	₹ 25 lakh each	12-Jun-15	3.50	8.82%	12-Jun-17	Redeemable at par at the end of 731 days from the date of allotment
Series F FY 2015-16 opt 4	₹ 25 lakh each	12-Jun-15	2.62	8.82%	19-Jun-17	Redeemable at par at the end of 738 days from the date of allotment
Series F FY 2015-16 opt 5	₹ 25 lakh each	12-Jun-15	1.75	8.80%	24-Jul-17	Redeemable at par at the end of 773 days from the date of allotment
Series F FY 2015-16 opt 6	₹ 25 lakh each	12-Jun-15	25.35	8.80%	01-Aug-17	Redeemable at par at the end of 781 days from the date of allotment
Series E FY 2015-16 opt 1	₹ 25 lakh each	23-Jun-15	2.33	8.95%	06-Jun-17	Redeemable at par at the end of 714 days from the date of allotment
Series E FY 2015-16 opt 2	₹ 25 lakh each	23-Jun-15	32.62	8.96%	19-Jun-17	Redeemable at par at the end of 727 days from the date of allotment
Series E FY 2015-16 opt 3	₹ 25 lakh each	23-Jun-15	5.82	8.95%	07-Jan-19	Redeemable at par at the end of 1294 days from the date of allotment
Series G FY 2015-16 opt 1	₹ 25 lakh each	26-Jun-15	186.82	8.90%	26-Jun-17	Redeemable at par at the end of 731 days from the date of allotment
Series G FY 2015-16 opt 2	₹ 25 lakh each	26-Jun-15	34.02	8.90%	27-Jul-17	Redeemable at par at the end of 762 days from the date of allotment
Series G FY 2015-16 opt 3	₹ 25 lakh each	26-Jun-15	11.63	8.91%	20-Jun-18	Redeemable at par at the end of 1090 days from the date of allotment
Series G FY 2015-16 opt 4	₹ 25 lakh each	26-Jun-15	5.34	8.90%	26-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series F 2015-16	₹ 25 lakh each	30-Jun-15	20.94	8.96%	26-Jun-17	Redeemable at par at the end of 727 days from the date of allotment
Series H FY 2015-16 opt 1	₹ 25 lakh each	08-Jul-15	40.60	8.93%	02 Jul-18	Redeemable at par at the end of 1090 days from the date of allotment
Series H FY 2015-16 opt 2	₹ 25 lakh each	08-Jul-15	40.61	8.93%	05-Jul-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 opt 3	₹ 25 lakh each	08-Jul-15	63.89	8.92%	06-Jul-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 opt 4	₹ 25 lakh each	08-Jul-15	30.16	8.93%	17-Jul-18	Redeemable at par at the end of 1105 days from the date of allotment

L&T Finance Limited

Notes forming part of the consolidated financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on April 1,2017

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series G FY 2015-16 opt 1	₹ 25 lakh each	13-Jul-15	58.01	8.99%	06-Jul-17	Redeemable at par at the end of 724 days from the date of allotment
Series G FY 2015-16 opt 2	₹ 25 lakh each	13-Jul-15	10.18	8.98%	13-Jul-17	Redeemable at par at the end of 731 days from the date of allotment
Series H FY 2015-16 opt 1	₹ 25 lakh each	21-Jul-15	17.65	8.92%	12-Jul-17	Redeemable at par at the end of 722 days from the date of allotment
Series H FY 2015-16 opt 2	₹ 25 lakh each	21-Jul-15	52.93	8.91%	21-Jul-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 opt 1	₹ 25 lakh each	07-Aug-15	105.80	8.97%	07-Aug-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 opt 2	₹ 25 lakh each	07-Aug-15	46.13	8.98%	04-Aug-17	Redeemable at par at the end of 728 days from the date of allotment
Series I FY 2015-16 opt 1	₹ 25 lakh each	19-Aug-15	34.41	8.80%	16-Aug-18	Redeemable at par at the end of 1093 days from the date of allotment
Series I FY 2015-16 opt 2	₹ 25 lakh each	19-Aug-15	26.36	8.80%	17-Aug-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 opt 3	₹ 25 lakh each	19-Aug-15	20.64	8.80%	03-Sep-18	Redeemable at par at the end of 1111 days from the date of allotment
Series J FY 2015-16 opt 1	₹ 25 lakh each	27-Aug-15	34.34	8.81%	20-Aug-18	Redeemable at par at the end of 1089 days from the date of allotment
Series D FY 2015-16 opt 1	₹ 25 lakh each	31-Aug-15	131.51	8.93%	31-Aug-17	Redeemable at par at the end of 731 days from the date of allotment
Series K FY 2015-16	₹ 25 lakh each	26-Oct-15	103.68	8.61%	25-Sep-17	Redeemable at par at the end of 700 days from the date of allotment
Series L FY 2015-16 opt 1	₹ 25 lakh each	29-Oct-15	129.42	8.61%	29-Sep-17	Redeemable at par at the end of 701 days from the date of allotment
Series L FY 2015-16 opt 2	₹ 25 lakh each	29-Oct-15	103.54	8.61%	25-Sep-17	Redeemable at par at the end of 697 days from the date of allotment
Series N FY 2015-16	₹ 25 lakh each	29-Mar-16	185.14	8.90%	29-Apr-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 opt 1	₹ 25 lakh each	13-Apr-16	157.10	8.64%	28-Mar-18	Redeemable at par at the end of 714 days from the date of allotment
Series A FY 2016-17 opt 2	₹ 25 lakh each	13-Apr-16	184.25	8.69%	12-Mar-19	Redeemable at par at the end of 1063 days from the date of allotment
Series A FY 2016-17 opt 3	₹ 25 lakh each	13-Apr-16	10.84	8.70%	12-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 opt 4	₹ 25 lakh each	13-Apr-16	27.09	8.69%	31-May-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 opt 5	₹ 25 lakh each	13-Apr-16	298.06	8.69%	13-Jun-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 opt 6	₹ 25 lakh each	13-Apr-16	81.26	8.68%	12-Sep-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 opt 7	₹ 25 lakh each	13-Apr-16	4.33	8.68%	30-Sep-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	20-Apr-16	10.83	8.80%	19-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 lakh each	20-Apr-16	324.26	8.65%	20-Aug-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 2015-16 opt 1	₹ 25 lakh each	11-May-15	35.19	8.78%	03-Apr-17	Redeemable at par at the end of 693 days from the date of allotment
Series B FY 2016-17 opt 1	₹ 25 lakh each	20-May-16	53.81	8.80%	18-May-18	Redeemable at par at the end of 728 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	20-May-16	21.52	8.80%	20-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2016-17 opt 1	₹ 25 lakh each	20-May-16	134.60	8.80%	21-Jun-19	Redeemable at par at the end of 1127 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	24-May-16	53.69	8.65%	24-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	24-May-16	3.22	8.64%	28-Jun-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	13-Jun-16	10.70	8.80%	13-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-Jun-16	10.70	8.80%	11-Jun-21	Redeemable at par at the end of 1824 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	14-Jun-16	50.05	8.72%	14-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	29-Jun-16	138.54	8.72%	28-Jun-19	Redeemable at par at the end of 1094 days from the date of allotment
Series E FY 2016-17 opt 2	₹ 25 lakh each	29-Jun-16	2.66	8.71%	22-Jul-19	Redeemable at par at the end of 1118 days from the date of allotment
Series F FY 2016-17 opt 1	₹ 25 lakh each	22-Jul-16	211.99	8.70%	20-Jul-18	Redeemable at par at the end of 728 days from the date of allotment
Series G FY 2016-17 opt I	₹ 25 lakh each	03-Aug-16	52.77	8.40%	03-Aug-18	Redeemable at par at the end of 730 days from the date of allotment

Note 13 (a)

Secured redeemable non convertible debentures as on April 1,2017

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series G FY 2016-17 opt II	₹ 25 lakh each	03-Aug-16	79.17	8.45%	02-Aug-19	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	75.89	7.37%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	10.57	8.65%	03-Aug-18	Redeemable at par at the end of 728 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	05-Aug-16	5.28	8.65%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2016-17	₹ 25 lakh each	09-Aug-16	52.69	8.40%	09-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	18-Aug-16	2.62	8.55%	05-Aug-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	23-Aug-16	12.33	8.54%	30-Sep-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	08-Sep-16	52.14	8.31%	06-Sep-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G 2016-17	₹ 25 lakh each	12-Sep-16	209.15	8.31%	12-Sep-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 2016-17 opt I	₹ 25 lakh each	19-Jan-17	50.75	7.66%	18-Jan-19	Redeemable at par at the end of 729 days from the date of allotment
Series J FY 2016-17 opt II	₹ 25 lakh each	19-Jan-17	152.28	7.83%	20-Jan-20	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	22-Mar-17	49.83	7.71%	22-Jun-18	Redeemable at par at the end of 457 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	27-Mar-17	53.48	7.75%	26-Apr-19	Redeemable at par at the end of 760 days from the date of allotment
Series D FY 2016-17 opt 2	₹ 25 lakh each	27-Mar-17	25.03	7.90%	27-Mar-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2016-17	₹ 25 lakh each	29-Mar-17	99.79	7.90%	29-Jun-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	31-Mar-17	300.07	8.07%	29-May-20	Redeemable at par at the end of 1155 days from the date of allotment
NCD 2009 series 4 (Public issue)	₹ 1000 each	17-Sep-09	453.90	10.24%	17-Sep-19	Redeemable at par at the end of 3652 days from the date of allotment
			7,467.53			

Nature of Security :

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

Note 13 (b)

Commercial papers (net) as on April 1,2017

Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹ crore)
Bullet	Up to 1 years	upto 7.00%	3,333.41
		7.01% to 8.00%	4,444.53
		8.01% to 9.00%	1,380.11
		9.01% to 10.00%	492.37
Total			**9,650.42**

Note 14 : Borrowings (other than debt securities)

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(i) At amortised cost			
(a) Term loans			
(i) from banks (refer note 14 (a))	9,661.43	7,387.93	4,234.71
(ii) from financial institutions (refer note 14 (b))	1,477.13	1,475.78	-
(b) Term loans from bank - FCNR (refer note 14 (c))	107.32	101.16	129.70
(b) Loan from related parties (refer note 14 (d))	169.36	667.13	243.79
(c) Loan repayable on demand			
(i) from banks (refer note 14 (e))	8,781.30	7,721.47	5,451.58
(d) Corporate bond repo (refer note 14 (f))	323.62	-	-
(e) Collateralized borrowing and lending obligation (refer note 14 (g))	1,619.70	-	-
Total borrowings (other than debt securities) (A)	**22,139.86**	**17,353.47**	**10,059.78**
(B)			
(I) Borrowings (other than debt securities) in India			
(i) At amortised cost	22,139.86	17,353.47	10,059.78
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total borrowings (other than debt securities) in India (I = i+ii+iii)	22,139.86	17,353.47	10,059.78
(II) Borrowings (other than debt securities) in outside India			
(i) At amortised Cost	-	-	-
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total borrowings (other than debt securities) in outside India (II = i+ii+iii)	-	-	-
Total borrowings (other than debt securities) (B) = (I)+(II)	**22,139.86**	**17,353.47**	**10,059.78**

Note 14 (a)

Term loans from bank as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Bullet	Up to 5 Years	8.01% - 9.00%	1,390.00
	Up to 5 Years	9.01% - 10.00%	250.00
	Above 5 Years	8.01% - 9.00%	700.00
Annually	Up to 5 Years	9.01% - 10.00%	750.00
	Above 5 Years	9.01% - 10.00%	185.00
Half Yearly	Up to 5 Years	8.01% - 9.00%	1,706.08
	Up to 5 Years	9.01% - 10.00%	3,180.35
	Above 5 Years	8.01% - 9.00%	1,500.00
Total			**9,661.43**

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (b)

Term loans from financial institutions as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Half Yearly	Up to 5 Years	8.01% - 9.00%	271.35
Quarterly	Up to 5 Years	7.01% - 8.00%	805.78
	Above 5 Years	7.01% - 8.00%	400.00
Total			**1,477.13**

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (c)

Term loans from bank- FCNR as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Bullet	Up to 5 Years	8.01%-9.00%	107.32
Total			**107.32**

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (d)

Loan from related parties as on March 31, 2019 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Bullet	Up to 1 Year	7.01% to 8.00%	3.25
		9.01% to 10.00%	166.11
Total			**169.36**

Note 14 (e)

Loan repayable on demand from bank as on March 31, 2019 : Secured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	1,299.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	848.00
Working Capital Demand	Bullet	Up to 5 Years	9.01% - 10.00%	1,085.00
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	279.85
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	9.01% - 10.00%	29.45
Total				**3,541.30**

Nature of Security :

Loan repayable on demand from bank is secured by hypothecation of specified lease/term loan receivables.

Loan repayable on demand as on March 31, 2019 : Unsecured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	2,390.00
Line of credit	Bullet	Up to 5 Years	9.01% - 10.00%	2,050.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	800.00
Total				**5,240.00**

Note 14 (f)

Corporate bond repo as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Bullet	Up to 1 month	8.01% to 9.00%	323.62
Total			**323.62**

Nature of Security :

Secured by hypothecation of any Corporate Bonds of Investment held by the Company.

Note 14 (g)

Collateralized borrowing and lending obligation as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Bullet	4 days	upto 7.00%	1,525.57
		7.01% to 8.00%	94.13
Total			**1,619.70**

Nature of Security :

Collateralized borrowing and lending obligation is secured by hypothecation of eligible Government Bonds as approved by The Clearing Corporation of India Limited.

Note 14 (a)

Term loans from bank as on March 31, 2018 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ crore)
Bullet	Up to 5 Years	7.01% - 8.00%	500.00
	Up to 5 Years	8.01% - 9.00%	4,435.03
	Above 5 Years	8.01% - 9.00%	740.00
Annually	Up to 5 Years	8.01% - 9.00%	50.00
Half Yearly	Up to 5 Years	8.01% - 9.00%	1,052.47
	Above 5 Years	8.01% - 9.00%	500.00
Quarterly	Up to 5 Years	8.01% - 9.00%	110.43
Total			7,387.93

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (b)

Term loans from financial institutions as on March 31, 2018 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ crore)
Half Yearly	Up to 5 Years	8.01% - 9.00%	270.00
Quarterly	Up to 5 Years	7.01% - 8.00%	805.78
	Above 5 Years	7.01% - 8.00%	400.00
Total			1,475.78

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (c)

Term loans from bank- FCNR as on March 31, 2018 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ crore)
Bullet	Up to 5 Years	8.01%-9.00%	101.16
Total			101.16

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (d)

Loan from related parties as on March 31, 2018 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ crore)
Bullet	Up to 1 Year	upto 7.00%	2.67
		7.01% to 8.00%	3.92
		8.01% to 9.00%	660.54
Total			667.13

Note 14 (e)

Loan repayable on demand from bank as on March 31, 2018 : Secured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	1,700.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	390.00
Working Capital Demand	Bullet	Up to 5 Years	9.01% - 10.00%	146.00
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	58.47
Total				2,294.47

Nature of Security :

Loan repayable on demand from bank is secured by hypothecation of specified lease/term loan receivables.

Loan repayable on demand as on March 31, 2018 : Unsecured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	4,797.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	630.00
Total				5,427.00

Note 14 (a)

Term loans from bank as on April 1, 2017 : Secured

Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹ crore)
Bullet	Up to 5 Years	8.01% - 9.00%	2,425.00
	Up to 5 Years	9.01% - 10.00%	400.00
Half Yearly	Up to 5 Years	8.01% - 9.00%	585.50
	Up to 5 Years	9.01% - 10.00%	626.30
Quarterly	Up to 5 Years	8.01% - 9.00%	16.67
	Up to 5 Years	9.01% - 10.00%	181.24
Total			**4,234.71**

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (c)

Term loans from bank- FCNR as on April 1, 2017 : Secured

Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹ crore)
Bullet	Up to 5 Years	8.01%-9.00%	129.70
Total			**129.70**

Nature of Security :

Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (d)

Loan from related parties as on April 1, 2017 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹ crore)
Bullet	Up to 1 Year	7.01% to 8.00%	4.78
		9.01% to 10.00%	239.01
Total			**243.79**

Note 14 (e)

Loan repayable on demand from bank as on April 1, 2017 : Secured

Nature	Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹ crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	1,900.00
Working capital demand	Bullet	Up to 5 Years	8.01% - 9.00%	20.00
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	76.58
Total				**1,996.58**

Nature of Security :

Loan repayable on demand from bank is secured by hypothecation of specified lease/term loan receivables.

Loan repayable on demand as on April 1, 2017 : Unsecured

Nature	Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹ crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	2,955.00
			9.01% - 10.00%	500.00
Total				**3,455.00**

Note 15 : Subordinated liabilities

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(i) At amortised cost			
(a) Perpetual debt Instruments to the extent that do not qualify as equity (Refer note 15 (a))	260.81	260.75	255.82
(b) Subordinate debt Instruments (Refer note 15 (b))	863.61	863.60	934.60
Total subordinated liabilities (A)	**1,124.42**	**1,124.35**	**1,190.42**
(B)			
(I) Subordinated liabilities in India			
(i) At amortised cost	1,124.42	1,124.35	1,190.42
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total subordinated liabilities in India (I = i+ii+iii)	**1,124.42**	**1,124.35**	**1,190.42**
(II) Subordinated liabilities in outside India			
(i) At amortised cost	-	-	-
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total subordinated liabilities in outside India (II = i+ii+iii)	**-**	**-**	**-**
Total subordinated liabilities (B) = (I)+(II)	**1,124.42**	**1,124.35**	**1,190.42**

Note 15 (a)

Unsecured redeemable non convertible debentures as on March 31,2019 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series F FY 2011-12	₹ 10 lakh each	30-Dec-11	205.73	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30-Mar-16	55.08	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			260.81			

Note 15 (b)

Unsecured redeemable non convertible debentures as on March 31,2019 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series J FY 2012-13	₹ 10 lakh each	21-Dec-12	282.46	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28-Feb-14	25.24	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27-Mar-14	50.07	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	27-Mar-14	50.07	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30-Jun-14	43.11	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31-Dec-14	51.24	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30-Mar-15	55.00	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	09-Sep-15	105.14	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 lakh each	29-Jan-16	32.51	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	09-Feb-16	18.23	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	04-Mar-16	50.36	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23-Mar-16	100.18	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			863.61			

Note 15 (a)

Unsecured redeemable non convertible debentures as on March 31,2018 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2018 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series F FY 2011-12	₹ 10 lakh each	30-12-11	205.67	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30-03-16	55.08	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			260.75			

Note 15 (b)

Unsecured redeemable non convertible debentures as on March 31,2018 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2018 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series J FY 2012-13	₹ 10 lakh each	21-12-12	282.46	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28-02-14	25.24	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27-03-14	50.07	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	27-03-14	50.07	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30-06-14	43.13	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31-12-14	51.23	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30-03-15	54.95	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	09-09-15	105.12	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 lakh each	29-01-16	32.51	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	09-02-16	18.24	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	04-03-16	50.35	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23-03-16	100.23	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			863.60			

Note 15 (a)

Unsecured redeemable non convertible debentures as on April 1, 2017 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series F FY 2011-12	₹ 10 lakh each	30-12-11	205.78	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30-03-16	50.04	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			255.82			

Note 15 (b)

Unsecured redeemable non convertible debentures as on April 1, 2017 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series H FY 2007-08	₹ 10 lakh each	20-02-08	75.86	10.50%	20-02-18	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2012-13	₹ 10 lakh each	21-12-12	282.44	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28-02-14	25.24	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27-03-14	50.07	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	27-03-14	50.03	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30-06-14	43.19	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31-12-14	51.24	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30-03-15	50.07	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	09-09-15	105.17	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 lakh each	29-01-16	32.50	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	09-02-16	18.23	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	04-03-16	50.34	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23-03-16	100.22	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			934.60			

Note 16 : Other financial liabilities

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposit and margin money received	14.91	18.82	24.55
Unclaimed interest on debentures	0.89	-	-
Liability for capital goods	0.12	0.12	0.12
Bank book credit balance	0.59	0.07	18.52
Liability for expenses	143.49	77.96	111.58
Short term obligation	19.58	10.38	16.98
Interim dividend payable	191.90	-	-
Payable on re-recognition of financial assets	-	109.05	-
Other payables	35.18	22.74	46.81
Total other financial liabilities	**406.66**	**239.14**	**218.56**

Note 17 : Provisions

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Compensated absences	17.01	10.20	8.31
Gratuity	4.73	1.63	3.19
Total provisions	**21.74**	**11.83**	**11.50**

Note 18 : Other non-financial liabilities

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Revenue received in advance	0.58	2.30	5.43
Statutory dues payable	12.34	31.80	34.05
Dividend distribution tax payable	39.44	-	-
Total other non-financial liabilities	**52.36**	**34.10**	**39.48**

Note 19: Equity share capital

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	₹ in crore	No. of shares	₹ in crore	No. of shares	₹ in crore
Authorised						
Equity shares of ₹ 10 each	2,65,43,09,610	2,654.31	2,65,43,09,610	2,654.31	2,65,43,09,610	2,654.31
Preference shares of ₹ 100 each	10,00,000	10.00	10,00,000	10.00	10,00,000	10.00
Issued, subscribed and paid up						
Equity shares of ₹ 10 each fully paid up	1,59,91,38,199	1,599.14	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05
		1,599.14		1,599.14		1,440.05

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	₹ in crore	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05	20,43,09,610	204.31
Add: Issued during the year	-	-	15,90,90,905	159.09	1,23,57,37,684	1,235.74
At the end of the year	**1,59,91,38,199**	**1,599.14**	**1,59,91,38,199**	**1,599.14**	**1,44,00,47,294**	**1,440.05**

(c) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	No. of shares	No. of shares	No. of shares
Fully paid up pursuant to contract(s) without payment being received in cash	1,23,57,37,684	1,23,57,37,684	1,23,57,37,684

(d) 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. During the year, the company has declared interim dividend of ₹ 1.20 per equity share (previous year : ₹ Nil per equity share).

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.

(e) Shares held by holding company:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	₹ in crore	No. of shares	₹ in crore	No. of shares	₹ in crore
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity shares of ₹ 10 each fully paid up)	1,59,91,38,199	1,599.14	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05

(f) Shareholder holding more than 5% of equity shares as at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity shares of ₹ 10 each fully paid up)	1,59,91,38,199	100%	1,59,91,38,199	100%	1,44,00,47,294	100%

Note 20 : Other equity

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital redemption reserve	3.20	3.20	3.20
Debenture redemption reserve[1]	114.18	97.61	75.22
Securities premium account	6,903.72	6,903.72	5,664.21
General reserve[2]	0.25	0.24	-
Reserve u/s 45 IC of Reserve Bank of India Act, 1934[3]	753.59	584.40	526.42
Reserve u/s 36(1)(viii) of Income tax Act, 1961[4]	44.93	23.57	8.81
Amalgamation adjustment account[5]	(538.06)	(538.06)	(538.52)
Retained earnings	124.51	(319.21)	(379.82)
Change in fair value of debt instruments classified at fair value through other comprehensive income	(0.37)	-	4.07
Total other equity	**7,405.95**	**6,755.47**	**5,363.59**

Notes:

1. Debenture redemption reserve: As the Company has issued redeemable non-convertible debentures, it has created Debenture Redemption Reserve out of its profits available for payment of dividend in accordance with the provisions of section 71(4) of the Companies Act, 2013 to be utilised for the redemption of debentures.

2. General Reserve: The Companies (Transfer of Profits to Reserves) Rules, 1975 read with Section 205(2A) of the Companies Act, 1956, prohibited declaration of dividend for any financial year out of profits of the company for that year except after the transfer of a specified percentage of the profits not exceeding 10%, to its reserves. Amounts were transferred to General Reserve to comply with these provisions. The Companies Act, 2013, does not mandate such a transfer.

3. Reserve u/s 45 IC of Reserve Bank of India Act, 1934: The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

4. Reserve u/s 36(1)(viii) of Income tax Act, 1961: In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) carried to such reserve account.

5. Amalgamation Adjustment Account: Upon amalgamation of the erstwhile L&T Finance Limited and the erstwhile L&T Fincorp Limited (the "Transferor Companies") with Family Credit Limited (the "Transferee Company" which was renamed as L&T Finance Limited") the statutory reserves (i.e. Debenture Redemption Reserve, Reserve under section 45 IC of the Reserve Bank of India Act, 1934 and Reserve under section 36(1)(Viii) of the Income tax Act, 1961) of the Transferor Companies as on April 01, 2016 (the Appointed Date") with a corresponding debit to Amalgamation Adjustment Account. As the corresponding statutory reserve unwind, the Amalgamation Adjustment Account is also reversed.

Note 21 : Interest Income

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) On financial assets measured at amortised cost		
- Interest on loans	5,589.91	4,081.51
- Interest income from investments	74.24	-
- Interest on deposits with banks	13.02	3.63
- Other interest income	5.68	4.71
Total interest income on financial assets measured at amortised cost (i)	**5,682.85**	**4,089.85**
(ii) On financial assets measured at fair value through other comprehensive income		
- Interest income from investments	189.81	202.47
Total interest income on financial assets measured at fair value through other comprehensive income (ii)	**189.81**	**202.47**
(iii) On financial assets classified at fair value through profit or loss		
- Interest on loans	1,129.88	673.06
- Interest income from investments	9.18	2.76
Total interest income on financial assets classified at fair value through profit or loss (iii)	**1,139.06**	**675.82**
Total interest income (i+ii+iii)	**7,011.72**	**4,968.14**

Note 22 : Rental income

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Lease rental income	16.15	35.95
Other rental income	2.69	1.28
Total rental income	**18.84**	**37.23**

Note 23 : Fees and commission income

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy fees and financial advisory fee	71.70	26.82
Other financial activities	80.55	38.89
Total fees and commission income	**152.25**	**65.71**

Note 24 : Net gain/(loss) on fair value changes

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
On trading portfolio		
- Gain on sale of investments	76.46	2.96
- Gain/(loss) on sale of loan assets	7.28	(1.73)
- Fair value changes on loan assets	(63.81)	(17.51)
- Fair value changes on investments	(37.99)	(22.15)
(B) Net gain on disposal of financial instruments classified at fair value through other comprehensive income		
- Gain on sale of Investments	9.44	37.74
Total net gain/(loss) on fair value changes (A+B)	**(8.62)**	**(0.69)**
(C) Fair value changes:		
-Realised	93.18	38.97
-Unrealised	(101.80)	(39.66)
Total net gain/(loss) on fair value changes (D)	**(8.62)**	**(0.69)**

Note 25 : Other income

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income on cross sell	199.43	-
Other income	0.35	0.35
Total other income	**199.78**	**0.35**

Note 26 : Finance costs

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
On financial liabilities measured at amortised cost		
Interest on debt securities	1,778.02	1,582.82
Interest on borrowings	1,422.12	808.57
Interest on subordinated liabilities	110.42	89.41
Other interest expense	17.36	24.75
Total finance costs	**3,327.92**	**2,505.55**

Note 27 : Net loss on derecognition of financial instruments under amortised cost category

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss on foreclosure and writeoff of loan	1,181.43	471.07
Less: Provision held reversed on derecognition of financial instruments	(856.46)	(51.94)
Total net loss on derecognition of financial instruments under amortised cost category	**324.97**	**419.13**

Note 28 : Impairment on financial instruments

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
On financial instruments measured at amortised cost:		
Loans	637.06	730.69
Total impairment on financial instruments	**637.06**	**730.69**

Note 29 : Employee benefits expenses

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries	467.18	159.68
Contribution provident and pension fund (refer note: 32)	16.19	11.20
Contribution to gratuity fund (refer note: 32)	2.93	2.80
Share based payments to employees (refer note: 34)	25.91	15.39
Staff welfare expenses	36.10	16.80
Total employee benefits expenses	**548.31**	**205.87**

Note 30 : Other expenses

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	48.20	48.18
Rates and taxes	3.24	1.76
Repairs and maintenance	56.96	50.36
Advertisement and publicity	11.69	3.82
Printing and stationery	10.00	6.59
Telephone and postage	9.87	11.37
Directors sitting fees	0.28	0.32
Auditor's remuneration (refer footnote)	0.82	1.09
Legal and professional charges	99.44	58.18
Insurance	5.13	1.39
Electricity charges	5.94	5.30
Travelling and conveyance	29.02	20.32
Stamping charges	2.57	2.30
Collection charges	152.93	106.33
Loan processing charges	12.68	6.34
Corporate social responsibility expenses	4.01	1.81
Corporate support charges	8.02	2.85
Bank charges	22.25	8.51
Non executive directors remunerations	0.62	0.34
Loss on sale of property, plant and equipment (net)	7.62	5.47
Brand license fees	46.53	16.03
Miscellaneous expenses	3.88	3.92
Total administration and other expenses	**541.70**	**362.58**
footnote: Auditor's remuneration comprises the following		
Statutory audit fees	0.34	0.42
Limited review fees	0.13	0.12
Tax audit Fees	0.03	0.03
Certification and other service	0.27	0.43
Expenses reimbursed	0.02	0.05
GST/Service tax (net of input credit)	0.03	0.04
	0.82	**1.09**

Note: 31 Disclosure pursuant to Ind AS 24 "Related Party Disclosures"

(a) List of Related Parties (with whom transactions were carried out during current or previous year)

A. Ultimate Holding Company

1. Larsen & Toubro Limited

B. Holding Company

2. L&T Finance Holdings Limited

C. Fellow Subsidiary Companies

3. L&T Infrastructure Finance Company Limited
4. L&T Infotech Limited
5. L&T Capital Company Limited
6. L&T Capital Markets Limited
7. L&T Housing Finance Limited
8. L&T Investment Management Limited
9. L&T Financial Consultants Limited
10. L&T Infra Investment Partners Advisory Private Limited

D. Associates

11. L&T Infra Debt Fund Limited

E. Key Management Personnel

12. Mr. Dinanath Dubhashi
13. Mr. Sunil Prabhune
14. Mr. P. V. Bhide
15. Mr. D. R. Dongra *(Appointed as Director with effect from July 24, 2017 and Ceased to be a Director with effect from June 06, 2018)*
16. Mr. Mannil Venugopalan *(Ceased to be a Director with effect from June 11, 2018)*
17. Dr (Mrs). Rajni R Gupte
18. Mr. Prabhakar B. *(Ceased to be a Director with effect from May 30, 2018)*
19. Mr. Ashish Kotecha *(Appointed as Director with effect from July 14, 2017)*
20. Mr. Pavninder Singh *(Ceased to be a Director with effect from July 24, 2017)*

(b) Disclosure of related party transactions :

₹ in crore

Sr. No.	Nature of transaction*	2018-19	2017-18
1	**Inter corporate deposits borrowed**		
	Larsen & Toubro Limited	2,000.00	-
	L&T Finance Holdings Limited	8,036.51	7,421.03
	L&T Infrastructure Finance Company Limited	. 410.00	1,370.00
	L&T Housing Finance Limited	100.00	636.00
	L&T Capital Company Limited	5.97	8.37
	L&T Investment Management Limited	133.25	967.94
	L&T Capital Markets Limited	155.82	134.46
	L&T Infra Investment Partners Advisory Private Limited	61.26	159.95
2	**Inter corporate deposits repaid (including interest)**		
	Larsen & Toubro Limited	2,016.57	-
	L&T Finance Holdings Limited	8,626.02	6,992.97
	L&T Infrastructure Finance Company Limited	410.35	1,407.13
	L&T Housing Finance Limited	100.02	636.51
	L&T Capital Company Limited	9.67	10.02
	L&T Investment Management Limited	133.51	969.91
	L&T Capital Markets Limited	156.49	134.84
	L&T Infra Investment Partners Advisory Private Limited	61.53	160.70
3	**Interest expense on inter corporate deposits**		
	Larsen & Toubro Limited	16.57	-
	L&T Finance Holdings Limited	95.08	31.29
	L&T Infrastructure Finance Company Limited	0.35	2.12
	L&T Housing Finance Limited	0.02	0.51
	L&T Capital Company Limited	0.36	0.64
	L&T Investment Management Limited	0.26	1.97
	L&T Capital Markets Limited	0.67	0.38
	L&T Infra Investment Partners Advisory Private Limited	0.27	0.75
4	**Inter corporate deposits given**		
	L&T Infrastructure Finance Company Limited	75.00	100.00
	L&T Housing Finance Limited	12.57	5.65

(b) Disclosure of related party transactions :

₹ in crore

Sr. No.	Nature of transaction*	2018-19	2017-18
5	**Inter corporate deposits received back (inculding interest)**		
	L&T Infrastructure Finance Company Limited	75.04	100.02
	L&T Housing Finance Limited	12.59	5.66
6	**Interest received on inter corporate deposits**		
	L&T Infrastructure Finance Company Limited	0.04	0.02
	L&T Housing Finance Limited	0.02	0.01
7	**Advisory fees received from**		
	Larsen & Tourbo Limited	-	0.13
8	**Portfolio related transaction**		
	L&T Housing Finance Limited	0.57	0.58
9	**Investment in equity shares of**		
	L&T Infra Debt Fund Limited	-	19.80
10	**Purchase of assets from**		
	L&T Capital Company Limited	-	0.02
11	**Corporate support charges paid to**		
	L&T Finance Holdings Limited	7.36	2.62
12	**Branch sharing cost paid to**		
	Larsen & Toubro Limited	0.00	0.11
	L&T Financial Consultants Limited	24.28	23.36
	L&T Investment Management Limited	0.05	-
	L&T Housing Finance Limited	0.08	-
13	**Branch sharing cost recovered from**		
	L&T Infrastructure Finance Company Limited	0.23	0.17
	Larsen & Toubro Limited	0.05	0.05
	L&T Investment Management Limited	2.38	1.77
	L&T Capital Markets Limited	0.74	0.64
	L&T Housing Finance Limited	3.06	3.04
14	**IT/Professional fees paid to**		
	Larsen & Toubro Limited	7.63	6.13
	L&T Infotech Limited	1.19	2.15
	L&T Finance Holdings Limited	-	0.08
15	**Sale/Assignment of loan portfolio to**		
	L&T Infra Debt Fund Limited	248.03	418.21
	L&T Infrastructure Finance Company Limited	1,514.86	662.12
	L&T Housing Finance Limited	-	735.85
16	**Purchase of loan portfolio from**		
	L&T Housing Finance Limited	1,769.38	-
	L&T Infrastructure Finance Company Limited	120.02	963.00
17	**Purchase of investment from**		
	L&T Infrastructure Finance Company Limited	-	330.00
18	**Brand license fees paid to**		
	Larsen & Toubro Limited	45.16	14.73
19	**Expenses on employee stock option plan**		
	L&T Finance Holdings Limited	25.91	15.39
20	**Equity capital Infused (including share premium)**		
	L&T Finance Holdings Limited	-	1,400.00
21	**Service cost for loan portfolio**		
	L&T Housing Finance Limited	0.30	-
22	**Reimbursement of expenses to**		
	Larsen & Toubro Limited	0.11	-

(b) **Disclosure of related party transactions :**

₹ in crore

Sr. No.	Nature of transaction*	2018-19	2017-18
23	**Interest on security deposit**		
	L&T Financial Consultants Limited	0.43	0.40
24	**Interim dividend**		
	L&T Finance Holdings Limited	191.90	-

25 **Compensation Paid to Key Managerial Personnel**

₹ in crore

Name of Key Management Personnel	2018-19				2017-18			
	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total
Mr. Sunil Prabhune	2.32	-	-	2.32	8.13	-	-	8.13
Mr. P. V. Bhide	0.19	-	-	0.19	0.18	-	-	0.18
Mr. D. R. Dongra	0.02	-	-	0.02	0.08	-	-	0.08
Mr. Mannil Venugopalan	0.05	-	-	0.05	0.15	-	-	0.15
Dr (Mrs). Rajni R Gupte	0.20	-	-	0.20	0.21	-	-	0.21
Mr. Prabhakar B.	0.02	-	-	0.02	0.11	-	-	0.11
Mr. Ashish Kotecha	0.11	-	-	0.11	0.09	-	-	0.09
Mr. Pavninder Singh	-	-	-	-	0.02	-	-	0.02

(c) **Amount due to/from related parties:**

₹ in crore

S. No.	Nature of transactions	As at March 31,2019	As at March 31,2018	As at April 1,2017
1	**Inter corporate borrowings**			
	L&T Finance Holdings Limited	166.11	660.54	201.18
	L&T Infrastructure Finance Company Limited	-	-	35.01
	L&T Capital Company Limited	3.25	6.59	7.60
2	**Investment in equity share**			
	L&T Infra Debt Fund Limited	281.16	243.93	184.83
3	**Rent deposit**			
	L&T Financial Consultants Limited	7.89	3.81	3.81
4	**Account payable**			
	L&T Finance Holdings Limited	3.47	27.56	14.45
	L&T Infrastructure Finance Company Limited	0.02	0.14	-
	L&T Investment Management Limited	-	0.03	-
	L&T Capital Company Limited	***0.00	***0.00	-
	L&T Capital Markets Limited	-	0.07	0.70
	L&T Housing Finance Limited	-	0.19	-
	L&T Financial Consultants Limited	0.03	0.12	-
	L&T Infra Debt Fund Limited	0.35	-	-
5	**Account receivable**			
	Larsen & Toubro Limited	3.03	2.29	0.28
	L&T Finance Holdings Limited	-	-	0.03
	L&T Infrastructure Finance Company Limited	-	0.67	0.44
	L&T Investment Management Limited	0.40	0.56	0.10
	L&T Capital Markets Limited	2.44	0.16	-
	L&T Housing Finance Limited	5.76	0.83	0.24
	L&T Financial Consultants Limited	-	0.00	-
6	**Security deposit payable**			
	L&T Investment Management Limited	0.22	0.22	0.22
7	**Interim dividend payable**			
	L&T Finance Holdings Limited	191.90	-	-
8	**Brand license fees payable**			
	Larsen & Tourbo Limited	47.87	16.06	-

* Transactions shown above are excluding of GST, if any.

** Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole.

*** Amount less than ₹ 1 lakh.

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(i) Defined Contribution plan:

The Company's state governed provident fund scheme are defined contribution plan for its employees and for a certain categories of employees made to a trust viz. The Larsen & Toubro Officers & Supervisory Staff Provident Fund constituted by the ultimate parent company, which is permitted under The employee's Provident Funds and Miscellaneous Provisions Act, 1952. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vets immediately on rendering of services by the employee. In addition to the above, information relating to the scheme operated by the trust constituted by the holding company is given in the note (iii) below.

The Company has recognised charges of ₹ 16.19 crore (previous year: ₹ 11.20 crore) for provident fund contribution contribution is included in "Note 29 Employee Benefits Expenses" in the Statement of Profit and Loss.

(ii) Defined Benefits Gratuity Plan :

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary 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 as compared to the obligation under Payment of Gratuity Act, 1972.

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

₹ in crore

Particulars		Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A)	Present Value of Defined Benefit Obligation			
	- Wholly funded	12.92	9.55	9.09
	- Wholly unfunded	-	-	-
		12.92	**9.55**	**9.09**
	Less : Fair Value of plan assets	(8.19)	(7.91)	(5.89)
	Amount to be recognised as liability or (asset)	**4.73**	**1.63**	**3.19**
B)	Amounts reflected in Balance Sheet			
	Liabilities	4.73	1.63	3.19
	Assets	-	-	-
	Net liability/(asset)	**4.73**	**1.63**	**3.19**

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

₹ in crore

Sr. No.	Particulars	Gratuity Plan	
		As at March 31, 2019	As at March 31, 2018
1	Current Service Cost	2.93	2.80
2	Interest Cost	0.01	0.12
3	Actuarial losses/(gains):		
	i) Actuarial (gains)/losses arising from changes in financial assumptions	0.23	1.25
	ii) Actuarial (gains)/losses arising from changes in demographic assumptions	**0.00	(0.50)
	iii) Actuarial (gains)/losses arising from changes in experience adjustments	1.81	(0.56)
	iv) Actuarial losses/(gains) - difference between actuarial return on plan assets	(0.50)	0.01
4	Past Service Cost	-	-
	Total (1 to 4)	**4.48**	**3.12**
i	Amount included in "employee benefits expenses"	2.93	2.80
ii	Amount included in as part of "finance cost'	0.01	0.12
iii	Amount included as part of "Other Comprehensive income"	1.54	0.20
	Total (i + ii + iii)	**4.48**	**3.12**

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

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

₹ in crore

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the present value of defined benefit obligation	9.55	9.09	1.35
Add : Current Service Cost	2.93	2.80	3.07
Add : Interest Cost	0.63	0.63	0.76
Add : Actuarial losses/(gains)			
i) Actuarial (gains)/losses arising from changes in financial assumptions	0.23	1.25	0.89
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	**0.00	(0.50)	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	1.81	(0.56)	(1.18)
Less : Benefits paid	(2.48)	(3.15)	(3.72)
Add : Past service cost	-	-	-
Add : Liability assumed/(settled)*	0.25	(0.01)	7.92
Closing balance of the present value of defined benefit obligation	**12.92**	**9.55**	**9.09**

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

₹ in crore

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the fair value of the plan assets	7.91	5.89	0.78
Add : interest income of plan assets	0.62	0.51	0.52
Add/(less) : Actuarial gains/(losses)			
Difference between actual return on plan assets and interest income	0.50	(0.01)	0.14
Add : Contribution by the employer	1.63	4.67	2.58
Less : Benefits paid	(2.48)	(3.15)	(3.72)
Add: Assets acquired/(settled)*	-	-	5.59
Closing balance of the fair value of the plan assets	**8.19**	**7.91**	**5.89**

(e) The fair value of major categories of plan assets are as follows:

₹ in crore

Sr. No	Particulars	Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Government of India Securities	1.84	1.83	1.90
2	Insurer managed funds - unquoted	3.10	0.59	0.37
3	Others debt instruments	2.55	2.38	2.36
4	Others - unquoted	0.70	3.11	1.26

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(f) Principal actuarial assumptions at the valuation date:

Sr. No.	Particulars	Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Discount rate	6.90%	7.25%	7.20%
2	Salary escalation rate	9.00%	9.00%	6.00%

(A) **Discount rate:**
The discount rate based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

(B) **Salary escalation rate:**
The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

(g) Attrition Rate:
The attrition rate varies from 15% to 25% (previous year: 15% to 25%) for various age groups.

(h) Mortality:
Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

(i) Sensitivity Analysis:
One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation:

₹ in crore

Sr. No.	Particulars	Gratuity Plan			
		Effect of 1% increase		Effect of 1% decrease	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
1	Impact of change in discount rate	(0.63)	(0.44)	0.69	0.48
2	Impact of change salary escalation rate	0.67	0.47	(0.63)	(0.44)

(iii) Defined Benefits Provident Fund Plan
In respect of the contribution by the employer and employee to the provident fund trust constituted by the ultimate parent company, in terms of the guidance note issued by the Institution of Actuarial of India for the measurement of provident fund liabilities, the actuary engaged by the Company has provide the following information in this regards:

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

₹ in crore

	Particulars	Provident Fund Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A)	Present Value of Defined Benefit Obligation			
	- Wholly funded	15.72	24.07	-
	- Wholly unfunded	-	-	-
		15.72	**24.07**	**-**
	Assets acquired on acquisition	-	-	51.52
	Less : Fair Value of plan assets	(15.82)	(24.27)	(51.83)
	Add : Amount not recognised as an asset	-	-	-
	Amount to be recognised as liability or (asset)	**(0.10)**	**(0.20)**	**(0.31)**
B)	Amounts reflected in Balance Sheet			
	Liabilities	-	-	-
	Assets	(0.10)	(0.20)	(0.31)
	Net liability/(asset)	**(0.10)**	**(0.20)**	**(0.31)**

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

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

₹ in crore

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2019	As at March 31, 2018
1	Current Service Cost	-	0.00
2	Interest Cost	1.67	2.75
3	Interest Income on Plan Assets	-	-
4	Expected return on Plan Assets	(1.67)	(2.75)
5	Actuarial losses/(gains)	0.10	(2.56)
6	Actuarial gain/(loss) not recognised in Books	(0.10)	2.56
	Total (1 to 6)	-	-
i	Amount included in "employee benefits expenses"	-	-
ii	Amount included in as part of "finance cost'	-	-
iii	Amount included as part of "Other Comprehensive income"	-	-
	Total (i + ii + iii)	-	-

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

₹ in crore

Particulars	Provident Fund Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the present value of defined benefit obligation	24.07	51.52	-
Add : Assets acquired on acquisition	-	-	53.11
Add : Current Service Cost	-	**0.00	3.95
Add : Interest Cost	1.67	2.75	4.26
Add : Actuarial (gains)/losses			
i) Actuarial (gains)/losses arising from changes in financial assumptions	-	-	-
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	-	-	-
Less : Benefits paid	(10.53)	(32.08)	(14.44)
Add : Contribution by the employer	-	1.95	7.81
Add : Liability assumed/(settled)*	0.51	(0.07)	(3.16)
Closing balance of the present value of defined benefit obligation	**15.73**	**24.07**	**51.52**

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

₹ in crore

Particulars	Provident Fund Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the fair value of the plan assets	24.27	51.83	-
Add : Assets acquired on acquisition	-	-	53.25
Add : interest income of plan assets	1.67	2.75	4.26
Add/(less) : Actuarial gains/(losses)	-	-	-
Difference between actual return on plan assets and interest income	(0.10)	2.56	(0.63)
Add : Contribution by the employer	-	**0.00	4.31
Add/(less) : Contribution by plan participants	-	**0.00	8.24
Less : Benefits paid	(10.53)	(32.08)	(14.44)
Add: Assets acquired/(settled)*	0.51	(0.79)	(3.16)
Closing balance of plan assets	**15.82**	**24.27**	**51.83**

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(e) The fair value of major categories of plan assets are as follows:

₹ in crore

Sr. No.	Particulars	Provident Fund Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Government of India Securities	7.53	10.44	21.25
2	Corporate Bonds	3.51	4.13	7.77
3	Special Deposit Scheme	0.82	1.46	4.15
4	Public Sector Unit Bond	3.48	7.04	17.10
5	Others (unquoted)	0.48	1.20	1.56

(f) Principal actuarial assumptions at the valuation date:

Sr. No.	Particulars	Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Discount rate for the term of the obligation	6.90%	7.25%	7.20%
2	Average historic yield on the investment portfolio	8.78%	8.82%	8.80%
3	Discount rate for the remaining term to maturity of the investment portfolio	7.65%	7.80%	7.12%
4	Future derived return on assets	8.03%	8.27%	8.88%
5	Guaranteed rate of return	8.65%	8.55%	8.65%

(A) **Discount rate:**
The discount rate is based on the prevailing market yields of Indian government securities as at the valuation date for the estimated term of the obligations.

(B) **Average historic yield on the investment portfolio:**
The average rate of return earned on the investment portfolio of provident fund in the previous three years.

(C) **Expected investment return:**
Expected investment return is determined by adding the yield spread to the discount rate for a term of the obligation, where yield spread is the difference between the average historic yield on the investment portfolio & discount rate for the remaining term to maturity of the investment portfolio.

(D) **Guaranteed rate of return:**
The latest interest rate declared by the Regional Provident Fund Commissioner to its own subscribers.

*On account of business combination or inter group transfer
**Amount less than ₹ 1 lakh

Note: 33 Disclosure pursuant to Ind AS 17 "Leases"

(i) Operating lease:

(a) Company as Leases:

The Company has taken motor vehicles, furniture and fixtures and premises on operating leases. Lease payments recognized in the Statement of Profit and Loss during the year is ₹ 48.20 crore (previous year: ₹ 48.18 crore). The total of future minimum lease payments on non-cancellable operating lease as at March 31, 2019 are as follows:

₹ in crore

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Not later than 1 year	3.39	23.25	21.61
Later than 1 year and not later than 5 years	0.32	3.23	14.45
Later than 5 years	-	-	-
Total	**3.71**	**26.48**	**36.06**

(b) Company as Lessor:

The Company has given motor vehicles, furniture and fixtures, office equipments, plant and machineries and computers under non-cancellable operating lease. The total of future minimum lease payment receivables on non-cancellable operating lease as at March 31, 2019 are as follows:

₹ in crore

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Not later than 1 year	5.79	12.44	34.04
Later than 1 year and not later than 5 years	1.50	18.87	40.07
Later than 5 years	-	1.45	1.45
Total	**7.29**	**32.76**	**75.56**

(ii) Finance lease

(a) Company as Lessor:

The Company has given assets on finance lease to its customers with respective underlying assets/equipments as security. The details of gross investment, unearned finance income and present value of minimum lease payment receivable as at March 31, 2019 in respect of these assets are as under:

₹ in crore

Particulars	Minimum lease payment receivable			Present value of minimum lease payment receiavble		
	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Not Later than 1 year	29.20	25.89	28.27	22.37	18.44	21.77
Later than 1 year and not later than 5 years	50.98	87.28	50.40	44.72	72.19	41.76
Later than 5 years	-	0.01	-	-	-	-
Gross investment in lease	**80.18**	**113.18**	**78.67**	**67.09**	**90.63**	**63.53**
Less: Unearned finance income	(13.09)	(22.55)	(15.14)	-	-	-
Present value of minimum lease payment receivable	**67.09**	**90.63**	**63.53**	**67.09**	**90.63**	**63.53**

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note: 34 Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options have been granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts, recovery of the same and future period expense details are following:

₹ in crore

Particulars	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged to retained earning on transition date April 1, 2017	Expenses charged to Statement of Profit and Loss for the year	Remaining expenses to be recovered in future year
(A)	(B)	(C)	(D)	(E)	(E = B-C)
As at March 31, 2019	113.73	65.34	-	25.91	48.39
As at March 31, 2018	73.77	39.43	-	15.39	34.34
As at April 1, 2017	38.34	24.04	14.45	-	14.30

Note: 35 Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings Per Share"

Particulars		2018-19	2017-18
Basic Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	883.20	156.65
Weighted average number of equity shares outstanding during the year (Nos.)	B	1,59,91,38,199	1,44,92,00,469
Basic Earning Per Share (₹)	A/B	5.52	1.08
Diluted Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	883.20	156.65
Weighted average number of equity shares outstanding (Nos.)	B	1,59,91,38,199	1,44,92,00,469
Diluted Earning Per Share (₹)	A/B	5.52	1.08
Face value of shares (₹)		10.00	10.00

Note: 36 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Contingent Liabilities:			
a) Claim against the Company not acknowledged as debt:			
- Income Tax matter in dispute*	0.71	0.71	0.71
- Sales tax/ VAT / Service Tax matter in dispute*	56.14	65.41	23.80
- Legal matter in dispute*	1.20	1.31	1.06
b) Bank Guarantees;	22.27	39.52	21.20
c) Other money for which the Company is contingently liable Liability towards Letter of Credit(net of margin money)	1,537.36	922.48	52.59
Commitments			
a) Estimated amount of contracts remaining to be executed on capital	82.20	161.61	6.99
b) Undisbursed Commitment	32.00	-	41.00

*In respect of disputes, the company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

Note: 37 Frauds committed against the company:

₹ in crore

Particulars	2018-19	2017-2018
No. of cases of fraud which occurred during the year	44	12
Amount involved	0.64	0.63
Amount recovered	0.00	0.02
Amount provided/loss	0.49	0.61

Note: 38 Expenditure in foreign currency:

₹ in crore

Particulars	2018-2019	2017-2018
Professional Fees	1.48	0.37
License Fees	3.95	1.52

Note: 39 The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows :

₹ in crore

Particulars	Amount
Statutory Auditor	
Statutory audit fees	0.47
Tax audit fees	0.03
Other services*	1.06
Networking firm/Entity	
Professional fees	0.15
Total	**1.71**

* Other services include ₹ 0.74 Crore paid for certification by Statutotry Auditors with respect to public issue of redeemable non convertible debentures issued during the year and has been included in the amortised cost of such debentures.

Note: 40 Dues to micro enterprises and small enterprises:

₹ in crore

Sr. No.	Particulars	2018-2019	2017-2018
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii.	the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
iii.	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 MSMED Act, 2006;	-	-
iv.	the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

footnote: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

Note : 41 Disclosure pursuant to Ind AS 101 "First time adoption of Indian Accounting Standards"

The Group has prepared opening consolidated balance sheet as per Ind AS as at April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company are as follows:

(i) The Company has adopted the carrying value determined in accordance with Previous GAAP for all of its property plant and equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 "Share-based Payment" has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

(iii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017.

(iv) The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

(v) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.
Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition.

(vi) The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.

(vii) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with the Previous GAAP.

(A) Statement of reconciliation of equity under Ind AS and equity reported under Previous GAAP

₹ in crore

Sr. No.	Particulars	Note	April 01, 2017	March 31, 2018
	Equity as per Previous GAAP		6,902.70	8,648.84
(i)	Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual.	a	(70.78)	(79.49)
(ii)	Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	b	(14.45)	(25.57)
(iii)	Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	c	22.14	14.50
(iv)	Incremental provision on application of expected credit loss model	d	(210.30)	(514.49)
(v)	Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	e	10.70	5.36
(vi)	Interest income recognition on stage 3 loans	g	99.35	130.55
(vii)	Others		(1.43)	(0.82)
(viii)	Deferred tax impact on above adjustments	h	60.89	170.39
(ix)	Impact of share in associate company		4.82	5.34
	Equity as per Ind AS		**6,803.64**	**8,354.61**

(B) Statement of reconciliation of total comprehensive income for the year ended March 31, 2018:

₹ in crore

Sr. No.	Particulars	Note	2017-18
	Net profit after tax under the Previous GAAP		**332.25**
(i)	Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual.	a	(8.71)
(ii)	Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	b	(11.12)
(iii)	Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	c	(3.91)
(iv)	Incremental provision on application of expected credit loss model	d	(304.19)
(v)	Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	e	(8.00)
(vi)	Reversal of amortised loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings	f	23.08
(vii)	Interest income recognition on stage 3 loans	g	31.20
(viii)	Others		0.60
(ix)	Deferred tax impact on above adjustments	h	108.27
(x)	Reclassification of net actuarial loss on employee defined benefit obligations to OCI	i	0.20
(xi)	Impact of share in associate company		(3.02)
	Net profit after tax under Ind AS		**156.65**
	Other comprehensive income (net of tax)		
(xii)	Remeasurements of the defined benefit plans	i	(0.20)
(xiii)	Change in fair value of debt instruments measured at fair value through other comprehensive income		(4.07)
(xiv)	Impact of share in associate company		(0.01)
	Total comprehensive income for the year under Ind AS		**152.37**

Note : 41 Disclosure pursuant to Ind AS 101 "First time adoption of Indian Accounting Standards"

(C) Statement of reconciliation of cash flow statement under Ind AS and cash flow statement reported under Previous GAAP

₹ in crore

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash used in operating activities (A)	(9,001.93)	26.09	(9,028.02)
Net cash (used in)/generated from by investing activities (B)	727.33	(26.09)	753.42
Net cash generated from financing activities (C)	8328.44	-	8,328.44
Net increase in cash and cash equivalents (A+B+C)	**53.84**	-	**53.84**
Cash and cash equivalents at beginning of the year	**294.82**	-	**294.82**
Cash and cash equivalents at the end of the year	**348.66**	-	**348.66**

Note:

a. Under Previous GAAP, Processing fees charged to corporate loan was recognised as revenue in the period of accrual while under Ind AS, such processing fees are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

b. The cost of employee benefits under the Employee Stock Option Plan ("ESOP") is measured using fair value method. The portion of ESOP charge levied by the holding company viz L&T Finance Holding Limited is accordingly measured and recognised at fair value. Under the Previous GAAP, ESOP charge was calculated based on intrinsic value method.

c. All Investments except investments in associate companies have been fair valued in accordance with Ind AS 109. Investments in debt securities are fair valued through OCI and reclassified to profit or loss on their sale. Other investments are fair valued through profit or loss. Under Previous GAAP, the current investments were carried at cost net of diminution in their value as at the Balance Sheet date. The long term investments were carried at cost net of permanent diminution, if any.

d. The allowance for credit losses on loan assets is based on "expected credit loss" model as per Ind AS 109. Under the Previous GAAP, the provision was made based on the requirement of the RBI Master Directions.

e. Under Ind AS 23 borrowing cost is calculated using the effective rate interest method as described under Ind AS 109. Under the Previous GAAP, borrowing cost was computed by applying the coupon rate to the principal amount for the period. Borrowings are recognised at fair value at the inception and subsequently at amortised cost with interest expenses is calculated using the effective rate interest method.

f. Under the Previous GAAP, any shortfall of sale value over the net amortised value on sale of credit impaired assets to Reconstruction Company, was spread over period of four quarters in term of notification RBI/2015-16/423/DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016 to the Statement of Profit and loss. However under Ind AS same has been recognised upfront.

g. For credit impaired financial assets, the interest income is calculated by applying the effective rate interest to the amortised cost of the credit impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). However under Previous GAAP, interest income recognised on Stage 3 loan assets which met the definition of "non-performing asset" was reversed and the recognition was restricted to cash collection.

h. Deferred tax under Ind AS has been recognised for temporary differences between tax base and the book base of the relevant assets and liabilities. Under the Previous GAAP, the deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period.

i. Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to profit or loss.

Note: 42 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" and pursuant to Ind AS 1 "Presentation of financial statements"
Maturity profile of financial assets and financial liabilities

₹ in crore

Particular	March 31, 2019			March 31, 2018			April 1, 2017		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
ASSETS:									
Financial assets									
Cash and cash equivalents	1,530.51	-	1,530.51	348.66	-	348.66	294.82	-	294.82
Bank Balance other than (a) above	0.89	29.68	30.57	0.05	43.85	43.90	0.05	22.52	22.57
Derivative financial instruments	7.20	-	7.20	-	-	-	-	-	-
Receivables			-			-			-
Trade receivables	11.50	-	11.50	9.12	-	9.12	10.29	-	10.29
Other receivables	18.95	-	18.95	5.12	-	5.12	1.09	-	1.09
Loans	28,019.96	19,093.71	47,113.67	20,468.65	17,729.75	38,198.40	13,234.74	15,376.71	28,611.45
Investments	2,376.84	2,412.12	4,788.96	1,531.40	991.08	2,522.48	2,382.51	780.22	3,162.73
Other financial assets	102.97	4.57	107.54	2.62	72.05	74.67	1.50	58.18	59.68
Non-financial assets			-			-			-
Current tax assets (net)	-	77.78	77.78	-	186.09	186.09	-	104.73	104.73
Deferred tax assets (net)	-	727.21	727.21	-	695.33	695.33	-	433.43	433.43
Property, plant and equipment	-	49.34	49.34	-	74.53	74.53	-	160.25	160.25
Intangible assets under development	-	18.48	18.48	-	9.23	9.23	-	-	-
Goodwill	-	1,131.41	1,131.41	-	1,697.11	1,697.11	-	2,262.81	2,262.81
Other intangible assets	-	214.71	214.71	-	277.54	277.54	-	358.63	358.63
Other non-financial assets	59.81	53.74	113.55	48.28	51.72	100.00	47.56	8.28	55.84
Total Assets	**32,128.63**	**23,812.75**	**55,941.38**	**22,413.90**	**21,828.28**	**44,242.18**	**15,972.56**	**19,565.76**	**35,538.32**
LIABILITIES :									
Financial liabilities									
Derivative financial instruments	-	-	-	-	0.10	0.10	6.66	-	6.66
Payables									
Trade payables	86.03	-	86.03	109.09	-	109.09	79.76	-	79.76
Other payables	13.11	-	13.11	14.38	-	14.38	10.57	-	10.57
Debt securities	12,383.23	10,688.37	23,071.60	8,739.85	8,240.75	16,980.60	12,200.92	4,917.03	17,117.95
Borrowings (other than debt securities)	7,337.02	14,802.84	22,139.86	5,436.74	11,916.73	17,353.47	560.61	9,499.17	10,059.78
Subordinated liabilities	34.42	1,090.00	1,124.42	29.40	1,094.95	1,124.35	100.38	1,090.04	1,190.42
Other financial liabilities	406.66	-	406.66	235.81	3.33	239.14	200.54	18.02	218.56
Non-financial liabilities			-						
Current tax liabilities (net)	20.51	-	20.51	20.51	-	20.51	-	-	-
Provisions	21.74	-	21.74	11.83	-	11.83	11.50	-	11.50
Other non-financial liabilities	52.36	-	52.36	34.10	-	34.10	39.48	-	39.48
Total liabilities	**20,355.08**	**26,581.21**	**46,936.29**	**14,631.71**	**21,255.86**	**35,887.57**	**13,210.42**	**15,524.26**	**28,734.68**

L&T Finance Limited

Notes forming part of the consolidated financial statements

Note: 43 Disclosure persuant to Ind AS 7 "Statement of Cash Flows"

Change in liabilities arising from financing activities:

₹ in crore

Particulars	April 1, 2017	Net Cash flows	Non - cash changes			March 31, 2018
			Changes in fair values	Exchange Difference	Others	
Debt securities	17,117.95	(276.51)	-	-	139.16	16,980.60
Borrowings (other than debt securities)	10,059.78	7,280.96	-	(1.60)	14.33	17,353.47
Subordinated liabilities	1,190.42	(75.00)	-	-	8.93	1,124.35
Total liabilities from financing activities	**28,368.15**	**6,929.45**	-	**(1.60)**	**162.42**	**35,458.42**

₹ in crore

Particulars	April 1, 2018	Net Cash flows	Non - cash changes			March 31, 2019
			Changes in fair values	Exchange Difference	Others	
Debt securities	16,980.60	6,050.51	-	-	40.49	23,071.60
Borrowings (other than debt securities)	17,353.47	4,794.88	-	6.17	(14.66)	22,139.86
Subordinated liabilities	1,124.35	0.00	-	-	0.07	1,124.42
Total liabilities from financing activities	**35,458.42**	**10,845.39**	-	**6.17**	**25.90**	**46,335.88**

Note:44 Disclosure pursuant to Ind AS 108 "Operating Segment"

(i) The company has identified operating segments based on performance assessment and resource allocation by the management. 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. As the operations of the Company are carried out within India, there are no geographical segments.

(ii) Information about Business Segment composition :
Segment composition :
Rural Business comprises of Farm Equipments, Micro Loan and Two Wheeler Finance.
Housing Business comprises of Loan against Property and Real Estate Finance.
Wholesale Business comprises of Infrastructure Finance and Structured Corporate Loans.
Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.
Unallocated represents tax assets and tax liabilities

₹ in crore

Sr. No.	Particulars	Rural Business			Housing Business			Wholesale Business			Defocused Business			Total		
		For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017	For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017	For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017	For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017	For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017
1.	**Revenue**	4,066.35	2,304.23		1,086.92	684.88		1,924.32	1,859.75		105.22	222.22		7,182.81	5,071.08	
2.	Less : Inter segment revenue	-	-		-	-		-	-		-	-		-	-	
3.	Total revenue (1) - (2)	**4,066.35**	**2,304.23**		**1,086.92**	**684.88**		**1,924.32**	**1,859.75**		**105.22**	**222.22**		**7,182.81**	**5,071.08**	
4.	Segment result	1,127.33	711.34		478.18	335.75		605.01	154.47		(253.97)	(394.42)		1,956.55	807.14	
5.	Unallocable expenses[1]	-	-		-	-		-	-		-	-		653.47	653.46	
6.	Operating profit (4)-(5)	1,127.33	711.34		478.18	335.75		605.01	154.47		(253.97)	(394.42)		1,303.08	153.68	
7.	Income tax expenses (including deferred tax)													457.12	36.34	
8.	**Net profit (6)-(7)**	**1,127.33**	**711.34**		**478.18**	**335.75**		**605.01**	**154.47**		**(253.97)**	**(394.42)**		**845.96**	**117.34**	
	Add: Share of profits from associate company													37.24	39.31	
	Net profit													**883.20**	**156.65**	
9.	Segment assets	26,141.17	17,313.49	10,920.79	11,706.62	6,104.20	3,931.42	16,760.83	18,685.94	17,404.68	527.77	1,257.13	2,743.27	55,136.39	43,360.76	35,000.16
10.	Unallocable assets[2]													804.99	881.42	538.16
11.	**Total assets (9) + (10)**	**26,141.17**	**17,313.49**	**10,920.79**	**11,706.62**	**6,104.20**	**3,931.42**	**16,760.83**	**18,685.94**	**17,404.68**	**527.77**	**1,257.13**	**2,743.27**	**55,941.38**	**44,242.18**	**35,538.32**
12.	Segment liabilities	22,167.25	14,343.64	8,973.04	9,927.01	5,057.12	3,230.24	14,373.98	15,424.81	14,277.40	447.54	1,041.49	2,254.00	46,915.78	35,867.06	28,734.68
13.	Unallocable liabilities[3]	-	-	-	-	-	-	-	-	-	-	-	-	20.51	20.51	-
14.	**Total liabilities (12)+(13)**	**22,167.25**	**14,343.64**	**8,973.04**	**9,927.01**	**5,057.12**	**3,230.24**	**14,373.98**	**15,424.81**	**14,277.40**	**447.54**	**1,041.49**	**2,254.00**	**46,936.29**	**35,887.57**	**28,734.68**
15.	Capital Expenditure (tangible and intangible fixed assets)	34.82	17.70	31.27	15.14	6.10	10.72	22.00	19.21	48.48	0.99	45.78	7.88	72.95	88.79	98.35
16.	Depreciation & amortisation expenses (included in segment expense)	17.12	12.87	11.49	0.62	0.46	0.52	5.07	4.30	3.68	14.64	22.14	35.19	37.45	39.77	50.88

Note :
1. Relates to amortisation of Goodwill
2. Includes current tax assets (net) and deferred tax assets (net)
3. Includes current tax liabilities (net)

Note : 45 Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

₹ in crore

Sr. No.	Particulars	2018-19	2017-18
	Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current tax :		
	Current tax expense for the year	488.47	297.02
	Tax expense in respect of earlier years	-	-
		488.47	**297.02**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(31.35)	(255.38)
	Effect on deferred tax balances due to the change in income tax rate	-	(5.30)
		(31.35)	**(260.68)**
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	**457.12**	**36.34**
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items that will not be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of the defined benefit plans	(0.54)	-
		(0.54)	-
	(ii) Items that will be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	On gain/(loss) on fair value of debt securities	-	(2.15)
		-	**(2.15)**
	Income tax expenses reported in the other comprehensive income [i+ii]	**(0.54)**	**(2.15)**
(c)	**Other directly reported in balance sheet:**		
	Current tax expense	-	-
	Deferred tax assets/(liabilities)	-	(0.93)
	Income tax expense reported directly in balance sheet	-	**(0.93)**

(b) Reconciliation of income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

₹ in crore

Sr. No.	Particulars		2018-19	2017-18
(a)	Profit before tax		1,303.08	153.68
(b)	Corporate tax rate as per Income tax Act, 1961		34.944%	34.608%
(c)	Tax on accounting profit	(c)=(a)*(b)	455.35	53.19
(d)	(i) Tax on income exempt from tax :			
	(A) Deduction of Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961		(7.46)	(5.11)
	(ii) Tax on income which are taxed at different rates		(1.97)	-
	(iii) Tax on non deductible expenses:			
	(A) Corporate Social Responsibility (CSR) expenses		0.74	0.35
	(B) Provision for dimunition of investments		1.68	(10.61)
	(C) Others		-	3.85
	(iv) Tax effect of reversal of deferred tax asset (MTM investments) recognised in earlier year		9.79	-
	(v) Effect on deferred tax due to change in income tax rate		-	(5.30)
	(vi) Tax effect on various other items		(1.01)	(0.03)
	Total effect of tax adjustments [(i) to (vi)]		**1.77**	**(16.85)**
(e)	**Tax expense recognised during the year**	(e)=(c)+(d)	**457.12**	**36.34**
(f)	**Effective tax rate**	(f)=(e)/(a)	35.08%	23.64%

(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	₹ in crore	Expiry year	₹ in crore	Expiry year	₹ in crore	Expiry year
Tax losses (Business loss and unabsorbed depreciation)						
- Amount of losses having expiry	-	-	-	-	-	-
- Amount of losses having no expiry	-	-	-	-	-	-
Tax losses (Capital loss)	-	-	-	-	-	-
Unused tax credits [Minimum Alternate Tax (MAT) credit not recognised]	-	-	-	-	-	-
Total	-		-		-	

(c) (ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet

₹ in crore

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a)	Towards provision for diminution in value of investments	55.37	15.95	42.43
(b)	Arising out of upward revaluation of tax base of assets (on account of indexation benefit)	-	-	-
(c)	Other items	-	-	-
	Total	**55.37**	**15.95**	**42.43**

(d) Major components of deferred tax liabilities and deferred tax assets:

₹ in crore

Particulars	Deferred tax liabilities/(assets) as at April 01, 2017	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet	Deferred tax liabilities/(assets) as at March 31, 2018
Deferred tax liabilities:					
-Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	5.68	(22.06)	-	-	(16.38)
-Fair value of investments	7.14	(16.93)	(2.15)	-	(11.94)
-Interest income recognised on Stage 3 Loans	34.38	11.21	-	-	45.59
-Unamortised Borrowing Cost	2.85	(1.66)	-	0.93	2.12
-Other items giving rise to temporary differences	7.71	14.93	-	-	22.64
Net deferred tax liabilities	57.76	(14.51)	(2.15)	0.93	42.03
Deferred tax (assets):					
-Provision on loan assets based on expected credit loss	(440.95)	(250.74)	-	-	(691.69)
-Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(24.50)	(3.28)	-	-	(27.78)
-Defined benefit obligation (Gratuity and Leave encashment)	(3.98)	(0.15)	-	-	(4.13)
-Amortisation of expenditure incurred for amalgamation	(7.85)	1.91	-	-	(5.94)
-Provision for Expenses	(5.92)	(1.72)	-	-	(7.64)
- Unamortised loss on sale of NPA asset	(7.99)	7.99	-	-	-
-Other items giving rise to temporary differences	-	(0.18)	-	-	(0.18)
Net Deferred tax (assets)	(491.19)	(246.17)	-	-	(737.36)
Net deferred tax liability/(assets)	(433.43)	(260.68)	(2.15)	0.93	(695.33)

₹ in crore

Particulars	Deferred tax liabilities/(assets) as at March 31, 2018	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet	Deferred tax liabilities/(assets) as at March 31, 2019
Deferred tax liabilities:					
-Interest income recognised on Stage 3 Loans	45.59	(24.03)	-	-	21.56
-Unamortised borrowing cost	2.12	(1.31)	-	-	0.81
-Other items giving rise to temporary differences	22.64	0.39	-	-	23.03
Net deferred tax liabilities	70.35	(24.95)	-	-	45.40
Offsetting of deferred tax liabilities with deferred tax (assets)	-				-
Net Deferred tax liabilities	70.35				45.40
Deferred tax (assets):					
-Provision on loan assets based on expected credit loss	(691.69)	52.32	-	-	(639.37)
-Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(27.78)	11.15	-	-	(16.63)
-Fair value of investments	(11.94)	0.35	-	-	(11.59)
-Defined benefit obligation (Gratuity and Leave encashment)	(4.13)	(2.94)	(0.54)	-	(7.60)
-Amortisation of expenditure incurred for amalgamation	(5.94)	1.98	-	-	(3.96)
-Provision for expenses	(7.64)	(2.87)	-	-	(10.51)
-Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	(16.38)	(66.57)	-	-	(82.95)
-Other items giving rise to temporary differences	(0.18)	0.18	-	-	-
Net Deferred tax (assets)	(765.68)	(6.40)	(0.54)	-	(772.61)
Net deferred tax liability/(assets)	(695.33)	(31.35)	(0.54)	-	(727.21)

Note 46: Risk Management

Basis

Great importance is attached to the identification, measurement and control of risks. All employees of the Company are responsible for the management of risk, with the ultimate accountability residing with the Board of Directors. The Board of Directors and its Risk Management Committee ensure that Management takes in to consideration all the relevant risk factors which could lead to unexpected fluctuations in results or to a loss of capital employed. Recommendations for risk control measures are derived from the evaluation of the risk factors. Certain risks are also recognised as opportunities. The aim in such cases is to achieve an appropriate balance between the possible losses which might result and the potential gains. Risks which primarily represent loss potential are minimised. This helps in aligning the risk appetite to the Company's strategy to deliver sustainable, long term returns to its investors.

The risks are reviewed periodically every quarter.

Types of risk

As a lending non-banking financial company, the most important risks it is faced with are the following:

- Credit risk
- Market risk
- Capital risk

Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers or counterparties fail to fulfill their contractual obligations to the Company.

Credit risk arises mainly from wholesale and retail loans and advances and loan commitments arising from such lending activities; but could also arise from credit enhancement provided, such as financial guarantees and letters of credit. The Company is also exposed to other credit risks arising from investments in debt securities and exposures arising from its trading activities ("Trading Exposures") as well as settlement balances with market counterparties.

Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. A centralised risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time. Internal credit rating is used as an important tool to manage exposures of the "Wholesale" segment. Ratings provides a consistent and common scale

for measurement of components of credit risk of a loan asset including the Probability of Default (PD) across products and sectors. Credit rating model takes into account critical success parameters relevant for each industry, competitive forces within the industry as well as regulatory issues while capturing financial parameters, management strengths, project parameters etc. of the borrower. These ratings are reviewed at least once annually.

Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default ("PD") and Loss Given Default ("LGD"). This is similar to the approach used for the purposes of measuring Expected Credit Loss ("ECL") under Ind AS 109.

Wholesale and retail portfolios are managed separately to reflect the differing nature of the assets; wholesale balances tend to be larger and are managed on an individual basis, while retail balances are greater in number but lesser in value and are, therefore, managed in aggregated segments.

Wholesale (Infrastructure Finance and Structured Corporate Finance) and Housing (Real Estate)

The Company uses internal credit risk grading(17 levels for loans which are not credit impaired and 1 level for loans considered to be credit impaired) that reflect its assessment of the PD of individual counterparties in respect of its "Wholesale" segment. The Company use internal rating models tailored to the various categories of counterparties. Borrower and loan specific information collected at the time of application (such as turnover and industry type for wholesale exposures) and judgement based on market intelligence on the sector or the specific borrower is used in assigning the rating. The Company's own internal ratings were benchmarked against the last published cumulative default rates for 1 year and 3 year periods as published annually by CRISIL for Stage 1 and Stage 2 loan assets.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an AAA and A- rating grade is lower than the difference in the PD between a BBB and B- rating grade.

Management also assesses the impact of economic developments in key markets on specific customers, customer segments or portfolios. If changes in credit conditions are foreseen, mitigation action, including the revision of risk appetites or limits and tenors, as appropriate are taken.

Retail (Farm Equipment Finance, Two-Wheeler Loans, Micro Loans and Others) and Housing (Home Loans and Loans against Property)

The Company has deployed standardised credit decision rules, as approved by the designated officials for the specific product. The rules are regularly monitored to ensure that the changes in the economic environment have been factored into the credit decision rules.

Trading Exposures

For debt securities in the trading portfolio, external rating agency credit grades are used for evaluating the credit risk.

Expected Credit Loss ('ECL')

Prior to the implementation of Ind AS, the Board of Directors used the Non-Banking Financial Company Systemically Important Non-deposit taking Master Directions issued by the Reserve Bank of India, as the basis for setting up its provisioning policies.

Post the shift to Ind AS, and specifically to address the requirements of Ind AS 109, these were enhanced or supplemented, with reviews at levels regarded as appropriate.

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "most likely outcome" (the "Central" scenario) and two "less likely outcome" scenarios (the "Upside" and "Downside" scenarios). The Upside and Downside scenarios have been assigned a probability of 5% and 20% respectively while the Central Scenario has been assigned a probability of 75%. The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company's loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly. The Upside scenario reflects improvement in rural disposable income on account of good monsoons. The Downside scenario reflects rural stress caused by poor monsoons and drought.

Management oversees the estimation of ECL including:

i. setting requirements in policy, including key assumptions and the application of key judgements;
ii. the design and execution of models; and
iii. review of ECL results.

As required by Ind AS 109, a 'three-stage' model for impairment based on changes in credit quality since initial recognition was built as summarised below:

- A loan asset that is not credit-impaired, on initial recognition, is classified in 'Stage 1' and has its credit risk continuously monitored by Management.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the loan asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. (See note1.13 for a description of how the Company determines when a significant increase in credit risk has occurred).
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. (See note 1.13 for a description of how the Company defines credit-impaired and default).

The following are additional considerations for each type of portfolio held by the Group:

Wholesale (Infrastructure Finance and Structured Corporate Finance) and Housing (Real Estate)

For wholesale business, the PD was determined based on the internal credit rating assigned to the borrower as explained above. The EAD is determined and the LGD estimated, at the borrower level. Updated or new information/credit assessments for credit risk evaluation are incorporated on an ongoing basis. In addition, information about the creditworthiness of the borrower is updated every year from sources such as financial statements. This will determine the updated internal credit rating and PD. The internal ratings based PD has been benchmarked to the Cumulative Default Rates for 1 year and 3 year periods as published annually by CRISIL.

The Exposure at Default ("EAD") is measured at the amortised cost as at the reporting date, after considering repayments of principal and interest received in advance and expected drawdowns on committed facilities.

The Company, in determining its Loss Given Default ("LGD") estimates, for Stage 3 loan assets as of the reporting date, has used cash flow estimates based on inputs provided by assigned business managers and external corroborating information including amounts realised on resolution of cases referred to the National Company Law Tribunal ("NCLT") under the Insolvency and Bankruptcy Code, 2016.

The Company has carried out a historical analysis of loss experience for all closed and live defaulted (Stage 3) borrowers over the previous 4 years.

Retail (Farm Equipment Finance, Two-Wheeler Loans, Micro Loans and Others) and Housing (Home Loans and Loans against Property)

Retail lending credit quality is determined on a collective basis based on a 12-month point in time ("PIT") probability weighted PD.

A centralised impairment model summarises the historical payment behaviour of the borrowers within a retail portfolio which data is used to build the PD estimates. For estimating PD, information on the month-on-book (vintage) and the days-past-due form key differentiating characteristics. The weighted average is determined (using count of customers as the weight) from quarterly snapshots.

For credit impaired loan assets LGD is computed based on actual history of loss (on settlement/repossession and disposal of security/ enforcement action) from the same historical quarterly snapshots. The loss divided by the principal outstanding at the time of default is the loss ratio for a credit impaired loan asset in a specific snapshot. The weighted average of loss ratios (using the principal outstanding in respect of such credit impaired loan assets in the corresponding snapshot as the weight) was used to determine the LGD ratio for credit impaired loan assets.

By applying the LGD ratio to the EAD for the credit impaired loan asset portfolio, the ECL for Stage 3 loan assets was determined.

The EAD adjustment factor was used, along with the respective PD factors to arrive at the ECL for Stage 2 and Stage 1 loan assets.

Exposure at Default (EAD)

EAD is the amortised cost as at the period end, after considering repayments of principal and interest received in advance.

Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The Company's net exposure to credit risk, after taking into account credit risk mitigation, have been tabulated below:

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Financial assets									
Cash and cash equivalent and other bank balances	1,561.08	-		392.56	-		317.39	-	
Loans and advances at amortised cost	34,828.40	-	Refer foot note below	30,694.40	-	Refer foot note below	25,976.83	-	Refer foot note below
Trade receivables	11.50	-		9.12	-		10.29	-	
Debt instruments	1,643.54	-		-	-		-	-	
Other receivables	18.95	-		5.12	-		1.09	-	
Other financial assets	107.54	-		74.67	-		59.68	-	
Total financial assets at amortised cost	**38,171.00**	-		**31,175.87**	-		**26,365.28**	-	
Derivative financial instruments	7.20	-		-	-		-	-	
Financial assets at fair value through profit or loss	12,860.39	-		7,925.91	-		3,360.06	-	
Debt securities designated at fair value through profit or loss	-	-		-	-		-	-	
Total financial instruments at fair value through profit or loss	**12,867.59**	-		**7,925.91**	-		**3,360.06**	-	
Debt instruments at fair value through Other Comprehensive Income	2,289.14	-		1,856.63	-		2,252.47	-	
Total debt instruments at fair value through Other Comprehensive Income	**2,289.14**	-		**1,856.63**	-		**2,252.47**	-	-

L&T Finance Limited
Notes forming part of the consolidated financial statements

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Total on-balance sheet	**53,327.73**	-		**40,958.41**	-		**31,977.80**	-	
Off balance sheet									
Contingent liabilities	1,617.69			1,029.44			99.37		
Other commitments	114.20			161.61			47.99		
Total off-balance sheet	**1,731.89**	-		**1,191.05**	-		**147.36**	-	
Total	**55,059.62**	-		**42,149.46**	-		**32,125.16**	-	

Footnote

Retail loans, other than unsecured loans aggregating ₹ 12,911.95 crore as of March 31,2019, are generally secured by a charge on the asset financed (farm equipment loans, two-wheeler loans, loans against property, and home loans) (as of March 31,2018 : ₹ 9,098.37 crore ; as of April 1,2017 : ₹ 6,677.35 crore). Wholesale loans are secured with current assets as well as immovable property and property, plant and equipment in some cases. However, collateral securing each individual loan may not be adequate in relation to the value of the loan. If the customer fails to pay, the Company would, as applicable, liquidate collateral and/or set off accounts. For most products, the Company obtains direct debit instructions or post-dated cheques from the customer. It is a criminal offence in India to issue a bad cheque.

Of the unmitigated on balance sheet exposure, a significant portion relates to cash held with banks, settlement balances, and debt securities issued by governments all of which are considered to be lower risk.

Besides growth in the loan assets portfolio, increases in trading portfolio assets and financial assets at fair value through the Statement of Profit and Loss have also contributed to the increase in the Company's net exposure to credit risk. Investments in debt instruments are predominantly investment grade.

Where collateral has been obtained in the event of default, the Company does not, ordinarily, use such assets for its own operations and they are usually sold and off set against the outstanding loan assets.

The Company has invoked pledge of equity shares in the following companies, pledged with the Company 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.

Sr. No.	Name of Company	No. of shares held as bailee		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
i)	Saumya Mining Limited	5,13,012	5,13,012	5,13,012
ii)	SEW Vizag Coal Terminal Private Limited*	7,03,833	7,03,833	7,03,833
iii)	Bhushan Steel Limited	71,89,089	71,89,089	71,89,089
iv)	Sterling International Enterprises Limited	2,17,309	2,17,309	2,17,309
v)	Tulip Telecom Limited	14,01,762	14,01,762	14,01,762
vi)	Punj Lloyed Limited	5	5	5
vii)	Golden Tobacco Limited	10,000	10,000	10,000
viii)	Gujurat Highway Corporation Limited	70,000	70,000	70,000
ix)	Vakrangee Limited	-	81,524	-
x)	Hindusthan National Glass & Industries Limited	34,04,499	38,02,235	-

** Shares held on behalf of L&T Infrastructure Finance Company Limited.*

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company has established a diversified borrower base and as at March 31, 2019. The Company has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, group/borrower or revenue counterparty of the borrowers etc. as are relevant to the respective product.

Market Risk Management

Liquidity Risk:

The risk that the Company is unable to service its contractual or contingent liabilities or that it does not have the adequate amount of funding and liquidity to support its committed disbursements.

Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The liquidity risk is measured in terms of structural liquidity gaps across various time-buckets. Actual liquidity gaps against the Gap Limits are reported every month to the Asset Liability Management Committee ('ALCO') which provides oversight and strategic direction for the prudent asset liabilities management. As a prudent practice, the Company has been maintaining positive cumulative liquidity gaps in the current market scenario.

In the absence of any regulatory requirement, the Group of which the Company is a component, continues to maintain liquidity buffer under stress scenario by applying hair cut of 40% on undrawn lines and collection shortfall of 15% in the form of High Quality Liquidity Assets which provides adequate cushion for the survival period of minimum 30 days as on March 31, 2019.

Additionally, the Company has line of credit from the ultimate parent, Larsen & Toubro Limited.

Foreign Exchange Rate Risk:

In the normal course of its business, the Company does not deal in foreign exchange in a significant way. Any significant foreign exchange exposure on account of foreign exchange borrowings is hedged to safeguard against exchange rate risk.

Interest Rate Risk:

Interest rate risk is the risk where changes in market interest rates affect the Company's financial position due to change in its Net Interest Income (NII). Interest Rate Sensitivity Statement is prepared every month and placed before ALCO. The Statement captures the Rate Sensitive Gaps i.e. the mismatch between the Rate Sensitive Assets and Liabilities, in various time buckets. The impact of different types of changes in the yield curve on the earnings for the entire Group of which the Company is a component are also measured every month and captured in the Risk Dashboard.

Security Prices:

The Company manages investment portfolios comprising of government securities, corporate bonds and debentures. To safeguard against the credit risk and interest rate risk in the investment portfolios, risk limits in the form of portfolio size limits, concentration limits, stop loss limit and PV01 limits are stipulated. To provide early warning indicators, alarm limits have also been put in place. Reporting periodicity and escalation matrix upon the breach of alarm limits as well as risk limits have been clearly defined. The Company does not invest in Equity stocks and therefore is not exposure to equity price risk on this account.

Note: 46.1 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Expected credit loss - Loans:

₹ in crore

Particulars		As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
		Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	33,597.80	397.97	33,199.83	28,956.17	216.19	28,739.98	22,864.12	244.77	22,619.34
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	1,127.47	106.13	1,021.34	1,108.60	56.99	1,051.61	1,375.79	106.75	1,269.04
	Financial assets for which credit risk has increased significantly and credit-impaired	1,845.98	1,238.73	607.25	2,595.77	1,692.95	902.82	3,029.67	941.23	2,088.44
Total		36,571.25	1,742.83	34,828.42	32,660.54	1,966.13	30,694.41	27,269.58	1,292.75	25,976.82

Note: 46.2 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(b) Reconciliation of loss allowance provision - Loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on April 1, 2017	**244.77**	**106.75**	**941.23**	**1,292.75**
New assets originated or purchased	159.15	6.07	64.93	230.15
Amount written off	-	-	(51.94)	(51.94)
Transfers to Stage 1	31.79	(6.74)	(25.05)	-
Transfers to Stage 2	(3.50)	7.41	(3.91)	-
Transfers to Stage 3	(77.86)	(64.78)	142.64	-
Impact on ECL of Exposure transferred between stages during the year	(30.05)	36.19	281.38	287.52
Increase / (Decrease) in provision on existing financial assets (Net of recovery)	(108.11)	(27.90)	343.67	207.66
ECL as on March 31, 2018	**216.19**	**56.99**	**1,692.95**	**1,966.13**
New assets originated or purchased	306.85	32.22	122.11	461.18
Amount written off	-	-	(856.46)	(856.46)
Transfers to Stage 1	21.73	(13.50)	(8.23)	-
Transfers to Stage 2	(2.75)	5.06	(2.31)	-
Transfers to Stage 3	(4.41)	(4.32)	8.73	0.00
Impact on ECL of Exposure transferred between stages during the year	(16.22)	46.39	324.95	355.12
Increase/(decrease) in provision on existing financial assets (Net of recovery)	(123.42)	(16.71)	(42.99)	(183.12)
ECL as on March 31, 2019	**397.97**	**106.13**	**1,238.73**	**1,742.85**

(c) Reconciliation of Gross carrying amount - Loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on April 1, 2017	**22,864.12**	**1,375.79**	**3,029.67**	**27,269.58**
New assets originated or purchased	21,068.36	206.17	124.66	21,399.19
Amount written off	-	-	(51.94)	(51.94)
Transfers to Stage 1	267.10	(169.24)	(97.86)	-
Transfers to Stage 2	(484.76)	691.59	(206.83)	-
Transfers to Stage 3	(591.73)	(345.71)	937.44	-
Net recovery	(14,166.92)	(650.00)	(1,139.37)	(15,956.29)
Gross carrying amount as on March 31, 2018	**28,956.17**	**1,108.60**	**2,595.77**	**32,660.54**
New assets originated or purchased	22,253.29	351.72	179.82	22,784.83
Amount written off	-	-	(856.46)	(856.46)
Transfers to Stage 1	161.65	(142.02)	(19.63)	-
Transfers to Stage 2	(407.12)	412.00	(4.88)	-
Transfers to Stage 3	(482.58)	(134.58)	617.16	-
Net recovery	(16,883.61)	(468.25)	(665.80)	(18,017.66)
Gross carrying amount as on March 31, 2019	**33,597.80**	**1,127.47**	**1,845.98**	**36,571.25**

Note: 46.3 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

₹ in crore

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
I	**Measured at fair value through profit or loss (FVTPL):**			
	(i) Investment in equity instruments	7.73	9.54	42.54
	(ii) Investment in preference shares	4.56	5.98	9.90
	(iii) Investment in bonds/debentures	59.48	57.91	52.04
	(iv) Investment in mutual funds	40.09	-	440.06
	(v) Investment in security receipt	279.49	226.38	74.11
	(vi) Investment in units of fund	183.77	122.11	106.79
	(vii) Loans	12,285.27	7,504.00	2,634.62
	(viii) Derivative financial instruments	7.20	-	-
	Sub-total (I)	**12,867.59**	**7,925.92**	**3,360.06**
II	**Measured at amortised cost:**			
	(i) Loans	34,828.40	30,694.41	25,976.83
	(ii) Trade receivables	11.50	9.12	10.29
	(iii) Other receivables	18.95	5.12	1.09
	(iv) Other financial assets	107.54	74.67	59.68
	(v) Cash and cash equivalents and bank balances	1,561.08	392.56	317.39
	(vi) Investment in government securities	1,643.54	-	-
	Sub-total (II)	**38,171.01**	**31,175.88**	**26,365.28**
III	**Measured at fair value through other comprehensive income (FVTOCI):**			
	(i) Investment in bonds/Debentures	2,243.12	1,834.30	1,840.02
	(ii) Investment in government securities	37.62	-	245.89
	(iii) Investment in pass through certificates	8.40	22.33	166.56
	Sub-total (III)	**2,289.14**	**1,856.63**	**2,252.47**
	Total (I+II+III)	**53,327.74**	**40,958.43**	**31,977.81**

(b) Category-wise classification for applicable financial liabilities:

₹ in crore

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
I	**Measured at fair value through profit or loss (FVTPL):**			
	(i) Derivative instruments not designated as cash flow hedges	-	0.10	6.66
	Sub-total (I)	-	**0.10**	**6.66**
II	**Measured at amortised cost:**			
	(i) Debt securities	23,071.60	16,980.60	17,117.95
	(ii) Borrowings (other than debt securities)	22,139.86	17,353.47	10,059.78
	(iii) Subordinated liabilities	1,124.42	1,124.35	1,190.42
	(iv) Trade payables	86.03	109.09	79.76
	(iv) Other payables	13.11	14.38	10.57
	(iv) Other financial liabilities	406.66	239.14	218.56
	Sub-total (II)	**46,841.68**	**35,821.03**	**28,677.04**
III	**Measured at fair value through other comprehensive income (FVTOCI):**	-	-	-
	Sub-total (III)	-	-	-
	Total (I+II+III)	**46,841.68**	**35,821.13**	**28,683.70**

Note: 46.4 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(c) Fair value of financial assets and financial liabilities measured at amortised cost:

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:						
Loans*	34,828.40	34,828.40	30,694.40	30,694.40	25,976.83	25,976.83
Investment in government securities	1,643.54	1,710.43	-	-	-	-
Total	**36,471.93**	**36,538.83**	**30,694.40**	**30,694.40**	**25,976.83**	**25,976.83**
Financial liabilities:						
Debt securities	23,071.60	23,247.75	16,980.60	17,122.86	17,117.95	17,235.30
Borrowings (other than debt securities)	22,139.86	22,133.77	17,353.47	17,340.24	10,059.78	10,266.18
Subordinated liabilities	1,124.42	1,131.56	1,124.35	1,151.01	1,190.42	1,239.36
Total	**46,335.88**	**46,513.08**	**35,458.42**	**35,614.11**	**28,368.15**	**28,740.84**

***In the absence of an observable market for these loan assets, the fair values have been determined from the perspective of the Company after considering changes in performance and risk indicators (including delinquencies and interest rates)**

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

(d) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

₹ in crore

As at March 31, 2019	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	34,828.40	34,828.40	Discounted cashflow approach
Investment in government securities	-	1,710.43	-	1,710.43	
Total financial assets	**-**	**1,710.43**	**34,828.40**	**36,538.83**	
Financial liabilities:					
Debt securities	-	-	23,247.75	23,247.75	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	22,133.77	22,133.77	Discounted cashflow approach
Subordinated liabilities	-	-	1,131.56	1,131.56	Discounted cashflow approach
Total financial liabilities	**-**	**-**	**46,513.08**	**46,513.08**	

(d) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

₹ in crore

As at March 31, 2018	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	30,694.40	30,694.40	Discounted cashflow approach
Investment in government securities	-	-	-	-	
Total financial assets	**-**	**-**	**30,694.40**	**30,694.40**	
Financial liabilities:					
Debt securities	-	-	17,122.86	17,122.86	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	17,340.24	17,340.24	Discounted cashflow approach
Subordinated liabilities	-	-	1,151.01	1,151.01	Discounted cashflow approach
Total financial liabilities	**-**	**-**	**35,614.11**	**35,614.11**	

₹ in crore

As at April 1, 2017	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	25,976.83	25,976.83	Discounted cashflow approach
Investment in government securities	-	-	-	-	
Total financial assets	**-**	**-**	**25,976.83**	**25,976.83**	
Financial liabilities:					
Debt securities	-	-	17,235.30	17,235.30	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	10,266.18	10,266.18	Discounted cashflow approach
Subordinated liabilities	-	-	1,239.36	1,239.36	Discounted cashflow approach
				-	
Total financial liabilities	**-**	**-**	**28,740.84**	**28,740.84**	

Note: 46.5 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

₹ in crore

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:												
Financial assets at fair value through profit and loss:												
Investments												
- Equity instruments	5.61	-	2.13	7.74	7.41	-	2.13	9.54	26.60	-	15.94	42.54
- Preference shares	-	-	4.56	4.56	-	-	5.98	5.98	-	-	9.90	9.90
- Bonds and debentures	-	-	59.48	59.48	-	-	57.91	57.91	-	-	52.04	52.04
- Mutual funds	40.09	-	-	40.09	-	-	-	-	440.06	-	-	440.06
- Security receipts	-	-	279.49	279.49	-	-	226.38	226.38	-	-	74.11	74.11
- Units of fund	-	-	183.77	183.77	-	-	122.11	122.11	-	-	106.79	106.79
				-				-				-
Loans	-	-	12,285.27	12,285.27	-	-	7,504.00	7,504.00	-	-	2,634.62	2,634.62
Derivative not designated as hedges	-	7.20	-	7.20	-	-	-	-	-	-	-	-
Sub total	45.70	7.20	12,814.70	12,867.60	7.41	-	7,918.51	7,925.92	466.65	-	2,893.40	3,360.06
Financial assets at fair value through other comprehensive income:												
Investments												
- Bonds and debentures	-	2,243.12	-	2,243.12	-	1,834.30	-	1,834.30	-	1,840.02	-	1,840.02
- Government securities	-	37.62	-	37.62	-	-	-	-	-	245.89	-	245.89
- Pass through certificates	-	-	8.40	8.40	-	-	22.33	22.33	-	-	166.56	166.56
Sub total	-	2,280.74	8.40	2,289.14	-	1,834.30	22.33	1,856.63	-	2,085.91	166.56	2,252.47
Total Financial assets at fair value	45.70	2,287.94	12,823.10	15,156.74	7.41	1,834.30	7,940.84	9,782.55	466.65	2,085.91	3,059.96	5,612.53
Financial liabilities:												
Financial liabilities at fair value through profit and loss:												
Derivative not designated as hedges	-	-	-	-	-	0.10	-	0.10	-	6.66	-	6.66
Total Financial liabilities at fair value	-	-	-	-	-	0.10	-	0.10	-	6.66	-	6.66

Note: 46.6 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

The following table presents the changes in level 3 items for the year ended April 1, 2017 ; March 31, 2018 and March 31, 2019:

₹ in crore

Particulars	- Equity instruments	- Preference shares	- Bonds and debentures	- Pass Through Certificates	- Security Receipts	- Units of fund	Loans	Total
As at April 1, 2017	**15.94**	**9.90**	**52.04**	**166.56**	**74.11**	**106.79**	**2,634.62**	**3,059.96**
Acquisitions	-	-	14.57	-	155.19	25.00	6,113.78	**6,308.54**
Deletions	(11.00)	-	-	(144.23)	(0.44)	(8.21)	(1,244.40)	**(1,408.29)**
Gains/(losses) recognised in profit or loss	(2.81)	(3.92)	(8.70)	-	(2.48)	(1.47)	-	**(19.37)**
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-	-
As at March 31, 2018	**2.13**	**5.98**	**57.91**	**22.33**	**226.38**	**122.11**	**7,504.00**	**7,940.84**
Acquisitions	-	-	1.57	-	112.83	65.11	7,596.82	**7,776.33**
Deletions	-	-	-	(13.93)	(27.07)	(3.45)	(2,815.54)	**(2,859.99)**
Gains/(losses) recognised in profit or loss	-	(1.42)	-	-	(32.65)	-	-	**(34.07)**
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-	-
As at March 31, 2019	**2.13**	**4.56**	**59.48**	**8.40**	**279.49**	**183.77**	**12,285.27**	**12,823.10**
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period	-	-	-	-	-	-	-	-
As at April 1, 2017	-	-	-	-	-	-	-	-
As at March 31, 2018	2.16	(3.92)	(8.70)	-	(2.48)	(1.47)	-	**(14.40)**
As at March 31, 2019	-	(1.43)	-	-	(32.65)	-	-	**(34.08)**
Unrealised gains/(losses) recognised in Other Comprehensive Income related to assets and liabilities held at the end of the reporting period	-	-	-	-	-	-	-	-
As at April 1, 2017	-	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-	-	-	-

Note: 46.7 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

₹ in crore

Particulars	Fair value as at			Rates for Sensitivity	Impact of Increase in Rates on Total Comprehensive Income statement					
	March 31, 2019	March 31, 2018	April 1, 2017		March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018	April 1, 2017	April 1, 2017
					Favourable	Unfavourable	Favourable	Unfavourable	Favourable	Unfavourable
Investments										
- Equity instruments	2.13	2.13	15.94	5.00%	0.11	(0.11)	0.11	(0.11)	0.80	(0.80)
- Preference shares	4.56	5.98	9.90	5.00%	0.23	(0.23)	0.30	(0.30)	0.49	(0.49)
- Bonds and debentures	59.48	57.91	52.04	0.25%	0.15	(0.15)	0.14	(0.14)	0.13	(0.13)
- Pass Through Certificates	8.40	22.33	166.56	0.25%	0.02	(0.02)	0.06	(0.06)	0.42	(0.42)
- Security Receipts	279.49	226.38	74.11	5.00%	13.97	(13.97)	11.32	(11.32)	3.71	(3.71)
- Units of fund	183.77	122.11	106.79	5.00%	9.19	(9.19)	6.11	(6.11)	5.34	(5.34)
Loans	12,285.27	7,504.00	2,634.62	0.25%	30.71	(30.71)	18.76	(18.76)	6.59	(6.59)

Note: 46.8 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Liquidity risk management :

(a) Maturity profile of financial liabilities based on undiscounted cashflows

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total
A. Non-derivative liabilities:									
Borrowings*	20,980.56	30,442.56	51,423.12	14,866.85	24,146.17	39,013.02	13,757.13	17,311.10	31,068.23
Trade payables	86.03		86.03	109.09		109.09	79.76		79.76
Other payables	13.11		13.11	14.38		14.38	10.57		10.57
Other financial liabilities	406.66		406.66	239.14		239.14	218.56		218.56
Total	**21,486.36**	**30,442.56**	**51,928.92**	**15,229.46**	**24,146.17**	**39,375.63**	**14,066.02**	**17,311.10**	**31,377.12**
B. Derivative liabilities:									
Currency swap	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

* Borrowings include debt securities,borrowings (other than debt securities)and subordinated liabilities and are net off offsetting respective derivative gain/loss

(b) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Undrawn backup lines	3,580.94	3,312.00	3,460.00
Line of credit from Ultimate Holding Company	700.00	700.00	700.00

Note 46.9: Capital management

(i) Risk management

The Company's objectives when managing capital are to

(a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet, including non-controlling interests).

The Company's gearing ratios were as follows:

₹ in crore

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Net debt	44,805.37	35,109.76	28,073.33
Total equity	9,005.09	8,354.61	6,803.64
Net debt to equity ratio	**4.98**	**4.20**	**4.13**

(ii) Loan covenants

There are certain financial and non-financial convenants like security cover, debt-equity ratio, etc. attached to the borrowings availed by the Company. The Company has complied with the covenants throughout the reporting period.

(iii) Dividends

₹ in crore

Particulars	March 31, 2019	March 31, 2018
(a) Equity shares		
Final dividend for the year ended March 31, 2019 of ₹ Nil per fully paid share (Previous year : Nil)	-	-
Interim dividend for the year ended March 31, 2019 of ₹ 1.20 per fully paid share (Previous year : Nil)	191.90	-
(b) Dividends not recognised at the end of the reporting year	-	-

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Note: 46.10 **Market risk management :**

(a) Foreign currency risk :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Liability – External Commercial Borrowings	USD 1,55,06,280.04	USD 1,55,06,280.04	USD 2,00,00,000
Assets – Currency Swap Contracts	USD 1,55,06,280.04	USD 1,55,06,280.04	USD 2,00,00,000

(b) Interest rate risk :

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Variable rate borrowings	17,003.97	15,177.39	9,960.01
Fixed rate borrowings	28,797.02	19,757.54	18,072.44
Total borrowings	**45,800.99**	**34,934.93**	**28,032.45**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	8.56%	17,003.97	37.13%	8.43%	15,177.39	43.44%	9.50%	9,960.01	35.53%
Interest rate swap at variable rate	-	-	-	-	-	-	-	-	-
Net exposure to cash flow interest raterisk	**8.56%**	**17,003.97**	**37.13%**	**8.43%**	**15,177.39**	**43.44%**	**9.50%**	**9,960.01**	**35.53%**

(c) Sensitivity :

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

₹ in crore

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2018-19	FY 2017-18	March 31, 2019	March 31, 2018
Interest rates – increase by 25 basis points *	(21.19)	(20.35)	(21.19)	(20.35)
Interest rates – decrease by 25 basis points*	21.19	20.35	21.19	20.35

** Impact on P/L upto 1 year, holding all other variables constant*

Note: 46.11 **Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"**

(a) Transfer of financial assets

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securitisations			
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	-	139.18	-
Carrying amount of associated liabilities	-	109.05	-
Fair value of assets	-	137.02	-
Fair value of associated liabilities	-	109.05	-
Net position at FV	-	27.97	-

L&T Finance Limited
Notes forming part of the consolidated financial statements

Note: 47 The above financial statements have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 28, 2019.

Note: 48 Previous year Previous GAAP figures have been regrouped/ reclassified to make them comparable with Ind AS presentation.

For and on behalf of board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : April 28, 2019

L&T Finance Limited
Statement of dividend (consolidated basis) **Annexure 2**

Particulars		**For the year ended March 31, 2019**
Equity Share Capital (₹ in crore)		1,599.14
Face Value Per Equity Share (₹)	(a)	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	1.20
Total dividend on Equity Shares (₹ in crore)		191.90
Dividend Declared Rate (In %)	(c=b/a)	12.00%
Dividend tax (gross) on dividend (₹ in crore)		39.44

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)
Mumbai, November 25, 2019

Manish Jethwa
Head Accounts
(Chief Financial Officer)

In terms of our report of factual finding in connection with agreed upon procedures

Deloitte
Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To The Members of L&T Finance Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **L&T Finance Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

	Key Audit Matter	Auditor's Response
1	**Provision for Expected Credit Loss** The Company exercises significant judgement using subjective assumptions over both when and how much to record as loan impairment, and estimation of the amount of the impairment provision for loans and advances. Because loans form a major portion of the Company's assets, and due to the significance of the judgments used in classifying these loans into various stages stipulated in Ind AS 109 and determining related provision requirements, this audit area is considered a key audit risk.	Audit procedures performed: ▪ We gained understanding of the Company's key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes; ▪ We read the Company's Ind AS 109 based impairment provisioning policy and compared it with the requirements of Ind AS 109; ▪ We obtained an understanding of the Company's internal rating models for loans and advances and read the rating validation report prepared by the Company to gain comfort that the discrimination and calibration of the rating model is appropriate; ▪ We understood the theoretical soundness and tested the mathematical integrity of the Models. Where relevant, we used Information System specialists to gain comfort on data integrity; ▪ We checked consistency of various inputs and assumptions used by the Company's management to determine impairment provisions; ▪ We checked the appropriateness of the Company's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages; ▪ We checked and understood the key data sources and assumptions for data used in the Expected Credit Loss (ECL) models (the Models) used by the Company to determine impairment provisions; ▪ For forward looking assumptions used by the Company's management in its ECL calculations, we held discussions with management and corroborated the assumptions using publicly available information; ▪ For a sample of exposures, we checked the appropriateness of the Company's staging, appropriateness of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations; ▪ For Probability of Default (PD) used in the ECL calculations we checked the Through the Cycle (TTC) PDs calculation and checked the appropriateness of conversion of the TTC PDs to point in time (PIT) PDs;

	Key Audit Matter	Auditor's Response
		▪ We checked the calculation of the Loss Given Default (LGD) used by the Company in the ECL calculations, including the appropriateness of the use of collateral and the resultant arithmetical calculations; ▪ We checked the completeness of the loans, off balance sheet items, investment securities, placements and other financial assets included in the ECL calculations as at the period end; ▪ For provision against exposures classified as Stage 1 and Stage 2, we obtained an understanding of the Company's provisioning methodology, assessed the reasonableness of the underlying assumptions and the sufficiency of the data used by the management. ▪ For exposures determined to be individually impaired, we tested a sample of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations; and ▪ We checked the appropriateness of the opening balance adjustments.
2	**Multiple and discrete Information Technology (IT) Systems** The Company is highly dependent on technology due to the significant number of transactions that are processed daily and discrete IT Systems. The interest income is computed through various IT Systems and the interfacing of these system with the accounting system is critical aspect of audit. The audit approach relies on automated controls and controls around interface of different systems, therefore on the effectiveness of controls over IT systems. IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. Management has implemented preventive and detective controls	We have performed a range of audit procedures, which included of the following: a) Access rights were tested over applications, operating systems and databases relied upon for financial reporting. Specifically, the tests were designed to cover the following: ▪ New access requests for new recruits were properly reviewed and authorised; ▪ User access rights were removed on a timely basis when an individual left or moved role; ▪ Access rights to applications, operating systems and databases were periodically monitored for appropriateness; and ▪ Highly privileged access is restricted to appropriate personnel. b) Other procedures were performed: ▪ Where inappropriate access was identified, we understood the nature of the access, and, where possible, obtained additional evidence on the appropriateness of the activities performed; ▪ A list of users' access permissions was obtained and manually compared to

	Key Audit Matter	Auditor's Response
	across critical applications and infrastructure to reduce the risk over IT applications in the financial reporting process. Due to the pervasive nature, we assessed the risk of a material misstatement arising from technology as significant for the audit.	other access lists where segregation of duties was deemed to be of higher risk. c) Other areas that were independently assessed included password policies, security configurations, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. Testing of automated controls and interface testing was carried out.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report but does not include standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The comparative financial information of the Company for the year ended March 31, 2018 and the related transition date opening balance sheet as at April 1, 2017 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by us and the Audit Reports for the year ended 31st March 2018 and 31st March 2017 dated May 2, 2018 and May 2, 2017 respectively expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS have been audited by us.
Our opinion on the standalone financial statements is not modified in respect of this the above matters on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 and the reports of the other auditors.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, April 28, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **L&T Finance Limited** (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

MUMBAI, April 28, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(C) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed and other relevant document provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except the following:

Particulars of the land and building	**Carrying amount as at 31st March 2019 ₹ Crore**	**Remarks**
Building located at Baroda	0.36	The title deeds are in the name of erstwhile Company L&T Finance Limited, which was merged with the Company in terms of the approval of the Honourable High Courts of judicature.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of Custom Duty, Excise Duty and corresponding cess during the year.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ₹ lakh	Amount unpaid ₹ lakh
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Disallowance of exemption claimed for deemed sale in the course of interstate and import transactions	Joint Commissioner (Appeal)	2004-05	111.19	104.19
			2008-09	53.76	48.39
			2010-11	98.25	68.77
			2011-12	725.83	652.61
			2012-13	827.53	760.96
			2013-14	615.99	615.99
		Deputy Commissioner (Appeal)	1995-96	0.4	0.32
			1996-97	5.29	4
			1998-99	1.07	1.07
			2000-01	0.31	0.19
			2002-03	0.4	-
			2011-12	27.69	22.15
			2012-13	4.16	3.74
		Tribunal	2006-07	17.5	-
			2007-08	30.03	-
		Appellate Board	2007-08	210.19	210.19
		Sr. Joint Commissioner (Appeal)	2011-12	2.99	2.99
			2013-14	1.31	1.11
	Refusal of input tax credit (ITC)	Joint Commissioner (Appeal)	2012-13	5.82	5.52
			2013-14	179.51	167.42
			2014-15	5.95	5.95
	Local hire purchase turnover made taxable	High Court	1999-00	7.05	7.05
Service Tax under Finance Act, 1994	Service tax levied on receipt of interest on delayed payment	Appellate Board	2005-06 to 2011-12	90.14	90.14
	Refusal of input tax credit (ITC)	Appellate Board	2011-12 to 2013-14	1,131.34	1,131.34

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has raised funds by way of initial public offer/ further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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



Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)

Mumbai, April 28, 2019

L&T Finance Limited
Balance Sheet as at March 31, 2019

₹ in crore

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A.	**ASSETS:**				
1.	**Financial assets**				
	(a) Cash and cash equivalents	2	1,530.51	348.66	294.82
	(b) Bank balance other than (a) above	3	30.57	43.90	22.57
	(c) Derivative financial instruments	4	7.20	-	-
	(d) Receivables	5			
	(i) Trade receivables		11.50	9.12	10.29
	(ii) Other receivables		18.95	5.12	1.09
	(e) Loans	6	47,113.67	38,198.40	28,611.45
	(f) Investments	7	4,684.30	2,455.05	3,134.60
	(g) Other financial assets	8	107.54	74.67	59.68
			53,504.24	**41,134.92**	**32,134.50**
2.	**Non-financial assets**				
	(a) Current tax assets (net)		77.78	186.09	104.73
	(b) Deferred tax assets (net)		727.21	695.33	433.43
	(c) Property, plant and equipment	9	49.34	74.53	160.25
	(d) Intangible assets under development	10	18.48	9.23	-
	(e) Goodwill	10	1,131.41	1,697.11	2,262.81
	(f) Other Intangible assets	10	214.71	277.54	358.63
	(g) Other non-financial assets	11	113.55	100.00	55.84
			2,332.48	**3,039.83**	**3,375.69**
	Total ASSETS		**55,836.72**	**44,174.75**	**35,510.19**
B.	**LIABILITIES AND EQUITY :**				
1.	**LIABILITIES**				
a.	**Financial liabilities**				
	(a) Derivative financial instruments	4	-	0.10	6.66
	(b) Payables	12			
	(i) Trade payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		86.03	109.09	79.76
	(ii) Other payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		13.11	14.38	10.57
	(c) Debt securities	13	23,071.60	16,980.60	17,117.95
	(d) Borrowings (other than debt securities)	14	22,139.86	17,353.47	10,059.78
	(e) Subordinated liabilities	15	1,124.42	1,124.35	1,190.42
	(f) Other financial liabilities	16	406.66	239.14	218.56
			46,841.68	**35,821.13**	**28,683.70**
b.	**Non-financial liabilities**				
	(a) Current tax liabilities (net)		20.51	20.51	-
	(b) Provisions	17	21.74	11.83	11.50
	(c) Other non-financial liabilities	18	52.36	34.10	39.48
			94.61	**66.44**	**50.98**
2.	**Equity**				
	(a) Equity share capital	19	1,599.14	1,599.14	1,440.05
	(b) Other equity	20	7,301.29	6,688.04	5,335.46
			8,900.43	**8,287.18**	**6,775.51**
	Total Liabilities and Equity		**55,836.72**	**44,174.75**	**35,510.19**
	Significant accounting policies	1			
	See accompanying notes forming part of the financial statements	2 to 51			

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Place : Mumbai
Date : April 28, 2019

Gufran Ahmed Siddiqui
Company Secretary

L&T Finance Limited
Statement of Profit and Loss for the year ended March 31, 2019

₹ In crore

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
	Revenue from operations			
(i)	Interest income	21	7,011.72	4,968.14
(ii)	Rental income	22	18.84	37.23
(iii)	Fees and commission income	23	152.25	65.71
I	**Total revenue from operations**		7,182.81	5,071.08
II	**Other income**	25	199.78	0.35
III	**Total income (I + II)**		7,382.59	5,071.43
	Expenses			
(i)	Finance costs	26	3,327.92	2,505.55
(ii)	Net loss on fair value changes	24	8.62	0.69
(iii)	Net loss on derecognition of financial instruments under amortised cost category	27	324.97	419.13
(iv)	Impairment on financial instruments	28	637.06	730.69
(v)	Employee benefits expenses	29	548.31	205.87
(vi)	Depreciation, amortization and impairment	9 & 10	690.93	693.24
(vii)	Other expenses	30	541.70	362.58
IV	**Total expenses (IV)**		6,079.51	4,917.75
V	**Profit before tax (III - IV)**		1,303.08	153.68
	Tax expense			
	(1) Current tax		488.47	297.02
	(2) Deferred tax		(31.35)	(260.68)
VI	**Total tax expense**		457.12	36.34
VII	**Profit for the year (V - VI)**		845.96	117.34
VIII	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(1.54)	(0.20)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.54	-
	Subtotal (A)		(1.00)	(0.20)
B.	(i) Items that will be reclassified to profit or loss			
	a) Change in fair value of debt instruments measured at fair value through other comprehensive income		(0.37)	(6.22)
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	2.15
	Subtotal (B)		(0.37)	(4.07)
	Other comprehensive income (A+B)		(1.37)	(4.27)
IX	**Total comprehensive income for the year (VII+VIII)**		844.59	113.07
X	**Earnings per equity share**	36		
	Basic earnings per equity share (₹)		5.29	0.81
	Diluted earnings per equity share (₹)		5.29	0.81
	Significant accounting policies	1		
	See accompanying notes forming part of the financial statements	2 to 51		

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Place : Mumbai
Date : April 28, 2019

Gufran Ahmed Siddiqui
Company Secretary

L&T Finance Limited
Statement of Cash Flow for the year ended March 31, 2019

₹ in crore

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flows from operating activities :		
Profit before tax for the year	1,303.08	153.68
Adjustments for:		
Net loss on sale of property, plant and equipment	7.62	5.47
Net gain arising on financial assets (investments) measured at fair value through profit or loss	(47.91)	(18.55)
Net loss on derecognition of financial instruments under amortised cost category	324.97	419.13
Impairment on financial instruments	637.06	730.69
Fair value changes on loan assets	63.81	17.51
Depreciation, amortisation and impairment	690.93	693.24
(Gain)/loss on derivatives at fair value through profit or loss	(1.13)	(2.84)
Amortisation of borrowing issue costs included in finance cost	4.51	8.00
Operating profit before working capital changes	**2,982.94**	**2,006.33**
Changes in working capital		
Adjustments for increase/(decrease) in operating liabilities		
Other financial liabilities	(4.12)	173.39
Provisions	9.91	0.33
Trade and other payables	(24.33)	33.14
Other non-financial liabilities	(21.18)	(11.94)
Adjustments for (increase)/decrease in operating assets		
Other non-financial assets	(11.46)	(44.16)
Other financial assets	(109.46)	(49.79)
Trade and other receivables	(16.21)	(2.86)
Cash generated from operations	**2,806.09**	**2,104.44**
Direct taxes refund/(paid) (net)	(380.16)	(356.95)
Loans disbursed (net of repayments)	(9,943.66)	(10,775.51)
Net cash used in operating activities (A)	**(7,517.73)**	**(9,028.02)**
B. Cash flows from investing activities :		
Change in other bank balance not available for immediate use	13.33	(21.33)
Purchase of property, plant and equipment	(21.35)	(23.40)
Proceeds from sale of property, plant and equipment	11.30	65.09
Purchase of intangible assets	(46.15)	(23.05)
Purchase of investments	(2,761.95)	(1,568.89)
Proceeds on sale of investments	659.01	2,325.00
Net cash (used in)/generated from by investing activities (B)	**(2,145.81)**	**753.42**
C. Cash flows from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	1,400.00
Payment for share issue costs	-	(1.40)
Payment for issue costs	(42.97)	(2.67)
Proceeds from borrowings	17,822.06	13,992.73
Repayment of borrowings	(6,933.70)	(7,060.22)
Net cash generated from financing activities (C)	**10,845.39**	**8,328.44**
Net increase in cash and cash equivalents (A+B+C)	**1,181.85**	**53.84**
Cash and cash equivalents at beginning of the year	348.66	294.82
Cash and cash equivalents at the end of the year	1,530.51	348.66
Net increase in cash and cash equivalents	**1,181.85**	**53.84**

L&T Finance Limited
Statement of Cash Flow for the year ended March 31, 2019

Notes:

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2. Purchase of fixed assets represents additions to property, plant and equipment and other intangible assets adjusted for movement of (a) capital-work-in-progress for property, plant and equipment and (b) intangible assets under development during the year.

3. Net cash used in investing activity exclude investments aggregating to ₹ 2.25 crore (Previous year ₹21.99 crore) acquired against claims.

4. Net cash used in operating activity is determined after adjusting the following:

₹ in crore

	Year ended March 31, 2019	Year ended March 31, 2018
Interest received	6,760.36	4,838.64
Interest paid	3,286.92	2,322.82

Significant accounting policies	1
See accompanying notes forming part of the financial statements	2 to 51

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : April 28, 2019

L&T Finance Limited

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

₹ in crore

Particulars	Number of Shares	Equity share capital
Issued, subscribed and fully paid up equity shares outstanding at April 1, 2017	1,44,00,47,294	1,440.05
Changes in equity share capital during the year		
Issue of equity shares	15,90,90,905	159.09
Issued, subscribed and fully paid up equity shares outstanding at the end of the year March 31, 2018	1,59,91,38,199	1,599.14
Changes in equity share capital during the year		
Issue of equity shares	-	-
Issued, subscribed and fully paid up equity shares outstanding at the end of the year March 31, 2019	1,59,91,38,199	1,599.14

B. Other equity

₹ in crore

Particulars	Reserves and Surplus								Fair value changes of financial instrument measured at fair value through other comprehensive income	Total
	Capital redemption reserve	Debenture redemption reserve	Securities premium account	General reserve	Reserve u/s 45 IC of Reserve Bank of India Act , 1934	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Amalgamation adjustment account	Retained earnings		
Balance at April 1, 2017	3.20	75.22	5,664.21	-	526.42	8.81	(538.52)	(407.95)	4.07	5,335.46
Profit for the year	-	-	-	-	-	-	-	117.34	-	117.34
Actuarial loss on defined benefit plan (gratuity) net of income tax	-	-	-	-	-	-	-	(0.20)	(4.07)	(4.27)
Total comprehensive income for the year	-	-	-	-	-	-	-	**117.14**	**(4.07)**	**113.07**
Issue of equity shares	-	-	1,240.91	-	-	-	-	-	-	1,240.91
Share issue expenses	-	-	(1.40)	-	-	-	-	-	-	(1.40)
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	57.98	-	-	(57.98)	-	-
Transfer to debenture redemption reserve	-	23.09	-	-	-	-	-	(23.09)	-	-
Transfer to general reserve	-	(0.24)	-	0.24	-	-	-	-	-	-
Transfer to amalgamation adjustment account	-	(0.46)	-	-	-	-	0.46	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	-	14.76	-	(14.76)	-	-
Balance at March 31, 2018	**3.20**	**97.61**	**6,903.72**	**0.24**	**584.40**	**23.57**	**(538.06)**	**(386.64)**	**-**	**6,688.04**

FY 27

L&T Finance Limited

Statement of Changes in Equity for the year ended March 31, 2019

Particulars	Reserves and Surplus								Fair value changes of financial instrument measured at fair value through other comprehensive income	Total
	Capital redemption reserve	Debenture redemption reserve	Securities premium account	General reserve	Reserve u/s 45-IC of Reserve Bank of India Act , 1934	Reserve u/s 36(1)(viii) of Income tax Act, 1961	Amalgamation adjustment account	Retained earnings		
Balance at April 1, 2018	3.20	97.61	6,903.72	0.24	584.40	23.57	(538.06)	(386.64)	-	6,688.04
Profit for the year	-	-	-	-	-	-	-	845.96	-	845.96
Actuarial loss on defined benefit plan (gratuity) net of income tax	-	-	-	-	-	-	-	(1.00)	(0.37)	(1.37)
Total comprehensive income for the year	-	-	-	-	-	-	-	844.96	(0.37)	844.59
Payment of interim dividends (₹ 1.2 per share)	-	-	-	-	-	-	-	(191.90)	-	(191.90)
Tax on interim dividend	-	-	-	-	-	-	-	(39.44)	-	(39.44)
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	169.19	-	-	(169.19)	-	-
Transfer to debenture redemption reserve	-	16.58	-	-	-	-	-	(16.58)	-	-
Transfer to general reserve	-	(0.01)	-	0.01	-	-	-	-	-	-
Transfer to amalgamation adjustment account	-	*(0.00)	-	-	-	-	*0.00	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act	-	-	-	-	-	21.36	-	(21.36)	-	-
Balance at March 31, 2019	3.20	114.18	6,903.72	0.25	753.59	44.93	(538.06)	19.85	(0.37)	7,301.29

***Amount less than ₹ 1 lakh**

Significant accounting policies	1
See accompanying notes forming part of the financial statements	2 to 51

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sanjiv V. Pilgaonkar
Partner

Place : Mumbai
Date : April 28, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN : 03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : April 28, 2019

1. Significant Accounting Policies:

1.1. Statement of compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2019 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2017. The financial statements upto the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability. Refer Note 43 for the details of first-time adoption exemptions availed by the Company.

1.2. Basis of preparation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.3. Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Crore rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

1.4. Investments in associates:

The Company has elected to measure its investments in associates at the Previous GAAP carrying amount as its deemed cost on the transition date as per Ind AS 101.

1.5. Revenue recognition:

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. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(i) Interest and dividend income

Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

(ii) Fee and commission income:

Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in the Company statement of profit and loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees.

Fee and commission expenses with regards to services are accounted for as the services are received.

(iii) Net gain or fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

(iv) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.6. Property, plant and equipment (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2017. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

Land and buildings held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land)) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets held under finance leases are depreciated over the shorter of lease term and their useful life on the same basis as owned assets. However, when there is no reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

1.7. Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

1.8. Impairment of tangible and intangible assets other than goodwill

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (the smallest identifiable Company of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

1.9. Employee benefits:

(i) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(ii) Post-employment benefits:

(a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(b) Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

1.10. Leases:

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases:

A. Leases where the Company has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance lease are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

1.11. Financial instruments:

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(ii) Financial liabilities

(a) Financial liabilities, including derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

(b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

1.12. Write off:

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

1.13. Impairment:

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Significant increase in credit risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a corporate loans becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets. In respect of the corporate loan assets, shifting to Stage 2 has been rebutted using historical evidence from own portfolio to a threshold of 60 days past due, which is reviewed annually.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Company recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

1.14. Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI,
- Change in currency or change of counterparty,
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

(a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

(b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

1.15. Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

1.16. Derivative financial instruments :

The Company enters into a derivative financial instruments which are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk. Derivative held include foreign exchange forward contracts, cross currency and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations (net investment hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

1.17. Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

1.18. Securities premium account:

(i) Securities premium includes:
- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

(ii) The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

1.19. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.20. Share-based payment arrangements:

The stock options granted to employees by the holding company's (i.e. L&T Finance Holdings Limited) Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. The cost incurred by the holding company, in respect of options granted to employees of the Company, is being recovered by holding company and it is charged to the Statement of Profit and Loss of the Company over the period of vesting.

1.21. Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

1.22. Foreign currencies:

(i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

(iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.23. Taxation:

Current Tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.24. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

(i) an Company entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.25. Commitment

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid;

(c) funding related commitment to associate companies; and

(d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.26. Statement of cash flows

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

(i) changes during the period in operating receivables and payables transactions of a non-cash nature;

(ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.27. Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.28. Key source of estimation :

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.29. Operating cycle for current and non-current classification :

Based on the nature of products / activities of the Company entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.30. Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective) :

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

a. Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments
b. Ind AS 19— Employee benefits
c. Ind AS 23 – Borrowing costs
d. Ind AS 28— investment in associates and joint ventures
e. Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements
f. Ind AS 109 — Financial instruments

The Company is in the process of evaluating the impact of such amendments.

Note 2 : Cash and cash equivalents

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash on hand	28.46	58.22	59.91
Balances with banks in current accounts (of the nature of cash and cash equivalents)#	1,499.46	271.28	231.30
Cheques, drafts on hand	2.59	-	-
Bank deposit with original maturity less than three months	-	19.16	3.61
Total cash and cash equivalents	**1,530.51**	**348.66**	**294.82**

includes ₹4. 65 crore towards unutilised funds raised through public issue.

Note 3 : Bank balance other than note 2 above

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Earmarked balances with banks	0.89	-	-
Balances with banks to the extent held as margin money or security against borrowing, guarantees, other commitments	29.68	43.85	22.52
Banks deposit with maturity greater than three months and less than twelve months	-	0.05	0.05
Total bank balance other than note 2 above	**30.57**	**43.90**	**22.57**

Note 4 : Derivative financial instruments

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Part I			
(I) Currency derivatives:			
Notional Amounts			
-Currency swaps	100.00	100.00	132.36
Fair value assets			
-Currency swaps	7.20	-	-
Fair value liabilities			
-Currency swaps	-	(0.10)	(6.66)
Total derivative financial instruments	**7.20**	**(0.10)**	**(6.66)**

Note: The company has not designated any derivatives as hedging instruments

Note 5 : Receivables

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade receivables			
(a) Receivables considered good - secured	0.30	0.15	4.88
(b) Receivables considered good - unsecured	11.20	8.97	5.41
Total trade receivables	**11.50**	**9.12**	**10.29**
Other receivables			
(a) Receivables considered good - unsecured	7.34	0.61	-
(b) Receivables from related parties (refer note : 31)	11.61	4.51	1.09
Total other receivables	**18.95**	**5.12**	**1.09**
Total receivables	**30.45**	**14.24**	**11.38**

Note 6 : Loans

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(I) At amortised cost			
- Bills purchased and bills discounted	295.60	2,051.75	2,668.25
- Loans repayable on demand	238.08	97.85	115.80
- Term loans	34,572.26	28,831.05	22,926.56
- Leasing	72.61	91.41	74.05
- Debentures (refer note 6(i))	1,392.70	1,588.48	1,484.92
Total gross loans at amortised cost	**36,571.25**	**32,660.54**	**27,269.58**
Less: Impairment loss allowance	(1,742.85)	(1,966.13)	(1,292.75)
Total net loans at amortised cost (I)	**34,828.40**	**30,694.41**	**25,976.83**
(II) At fair value through profit or Loss			
- Loans repayable on demand	69.32	-	6.68
- Term loans	11,952.17	6,646.30	2,519.05
- Debentures (refer note 6(i))	350.62	880.72	114.42
Total gross loans at fair value through profit or loss	**12,372.11**	**7,527.02**	**2,640.14**
Less: Impact on fair value changes	(86.84)	(23.03)	(5.52)
Total net loans at fair value through profit or loss (II)	**12,285.27**	**7,503.99**	**2,634.62**
Total net loans (A) = (I)+(II)	**47,113.67**	**38,198.40**	**28,611.45**
(B)			
(I) At amortised cost			
-Secured by tangible assets	22,150.16	20,677.84	19,213.29
-Unsecured	14,421.09	11,982.70	8,056.29
Total gross loans at amortised cost	**36,571.25**	**32,660.54**	**27,269.58**
Less: Impairment loss allowance	(1,742.85)	(1,966.13)	(1,292.75)
Total net loans at amortised cost (I)	**34,828.40**	**30,694.41**	**25,976.83**
(II) At fair value through profit or loss:			
-Secured by tangible assets	12,372.11	7,527.02	2,640.14
-Unsecured	-	-	-
Total gross loans at fair value through profit or loss	**12,372.11**	**7,527.02**	**2,640.14**
Less: Impact on fair value changes	(86.84)	(23.03)	(5.52)
Total net loans at fair value through profit or loss (II)	**12,285.27**	**7,503.99**	**2,634.62**
Total net loans (B) = (I)+(II)	**47,113.67**	**38,198.40**	**28,611.45**

L&T Finance Limited
Notes forming part of the financial statements

Note 6 : Loans

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(C)			
(I) Loans in India			
(i) At amortised cost			
- Public sector	-	-	-
- Others	36,571.25	32,660.54	27,269.58
Total gross loans at amortised cost	36,571.25	32,660.54	27,269.58
Less: Impairment loss allowance	(1,742.85)	(1,966.13)	(1,292.75)
Total net loans in India at amortised cost (I)	34,828.40	30,694.41	25,976.83
(II) At fair value through profit or loss:			
- Public sector	-	-	-
- Others	12,372.11	7,527.02	2,640.14
Total gross loans at fair value through profit or loss	12,372.11	7,527.02	2,640.14
Less: Impact on fair value changes	(86.84)	(23.03)	(5.52)
Total net loans at fair value through profit or loss (II)	12,285.27	7,503.99	2,634.62
Total net loans in India (C)(I) = (I)+(II)	47,113.67	38,198.40	28,611.45
(II) Loans outside India			
(i) At amortised cost	-	-	-
Less: Impairment loss allowance	-	-	-
Total net loans outside India at amortised cost (i)	-	-	-
(b) At fair value through profit or loss:	-	-	-
Less: Impact on fair value changes	-	-	-
Total net loans at fair value through profit or loss (b)	-	-	-
Total net loans outside India (C)(I) = (I)+(II)	-	-	-
Total net loans (C) = (I)+(II)	47,113.67	38,198.40	28,611.45

L&T Finance Limited
Notes forming part of the financial statements

Note: 6(i) Following are the details of debentures in the nature of Loan:

Name of Company	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Nos.	Face Value	₹ in crore	Nos.	Face Value	₹ in crore	Nos.	Face Value	₹ in crore
Debenture - Secured									
Avantha Holding Limited	2,250	10,00,000	308.55	2,250	10,00,000	264.15	2,250	10,00,000	229.17
Citywood Builders Private Limited	-	-	-	300	8,57,011	45.30	300	9,40,000	40.65
Diamond Power Infrastructure Limited	3,000	83,441	27.89	3,000	83,441	26.94	3,000	83,441	25.62
Giraffe Developer Private Limited	-	-	-	640	8,68,750	88.04	640	9,34,375	77.18
Intrepid Finance And Leasing Privete Limited	-	-	-	200	2,91,667	5.87	200	7,91,667	15.97
M Power Microfinance Private Limited	-	-	-	150	2,91,667	4.41	150	7,91,667	11.98
Oriental Nagpur Betul Highway Limited	3,094	1,00,000	30.68	3,217	1,00,000	31.88	11,479	1,00,000	114.42
Pahal Financial Services Private Limited	-	-	-	150	2,91,667	4.41	150	7,91,667	11.98
PCR Investments Limited	-	-	-	1,500	10,00,000	213.25	-	-	-
Pudhuaaru Financial Services Private Limited	-	-	-	200	2,91,667	5.88	200	7,91,667	15.98
Regen Infrastructure And Services Private Limited	2,794	8,83,341	245.15	2,794	9,21,819	257.54	-	-	-
Renew Akshay Urja Private Limited	180	9,96,341	17.94	180	9,98,780	17.98	-	-	-
Sambandh Finserve Private Limited	-	-	-	100	2,91,667	2.94	100	7,91,667	7.99
Satin Creditcare Network Limited	-	-	-	260	2,91,667	7.64	260	7,91,667	20.75
SINTEX-BAPL Limited	27,000	1,00,000	282.46	27,000	1,00,000	270.11	-	-	-
SP Jammu Udhampur Highway Limited	2,950	10,00,000	312.17	4,678	10,00,000	498.41	-	-	-
U. P. Power Corporation Ltd	-	-	-	3,519	10,00,000	352.39	-	-	-
Mandhana Industries Limited	200	6,00,000	14.17	200	6,00,000	13.31	200	6,00,000	12.45
Bacchus Hospitality Services & Real Estate Private Limited	-	-	-	-	-	-	2,500	10,00,000	323.67
Bollineni Developers Limited	60	1,00,00,000	84.59	60	1,00,00,000	78.01	60	1,00,00,000	72.05
Integrated Spaces Limited	-	-	-	-	-	-	275	10,83,188	29.04
Valdel Projects Corporation Private Limited	-	-	-	-	-	-	2,968	72,540	37.29
Karvy Solar Power Limited	2,000	96,500	19.27	-	-	-	-	-	-
New Era Enviro Ventures (Mahabubnagar) Private Limited	1,600	95,700	15.31	-	-	-	-	-	-
Pennar Renewables Private Limited	3,800	95,700	36.34	-	-	-	-	-	-
Premier Photovoltiac Medak Private Limited	2,600	95,700	24.84	-	-	-	-	-	-
Debenture - Unsecured									
Avantha Holding Limited	2,250	10,00,000	309.22	2,250	10,00,000	266.52	2,250	10,00,000	224.97
Bhoruka Power Holdings Private Limited	1,00,000	1,000	14.74	1,00,000	1,000	14.22	1,00,000	1,000	12.26
Jindal Power Limited	-	-	-	-		-	105	6,00,000	6.38
Tata Tele Services (Maharashtra) Limited	-	-	-	-		-	1,000	10,00,000	109.72
High Point Properties Private Limited	-	-	-	-		-	200	1,00,00,000	199.82
Total Debenture			**1,743.32**			**2,469.20**			**1,599.34**

Note 7 : Investments

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
A. Investments in fully paid equity shares									
(a) Associates (at cost)									
(i) Unquoted									
L&T Infra Debt Fund Limited	10.00	13,86,52,953	176.50	10.00	13,86,52,953	176.50	10.00	13,31,33,329	156.70
(b) Other equity shares									
(i) Quoted									
(a) Investments carried at fair value through profit or loss									
Integrated Digital Info Services Limited	10.00	3,83,334	-	10.00	3,83,334	-	10.00	3,83,334	-
Elque Polyesters Limited	10.00	1,94,300	-	10.00	1,94,300	-	10.00	1,94,300	-
Monnet Industries Limited	10.00	5,640	-	10.00	5,640	-	10.00	5,640	-
Monnet Ispat And Energy Limited	10.00	992	-	10.00	3,008	-	10.00	3,008	-
Monnet Project Developers Limited	10.00	11,280	-	10.00	11,280	-	10.00	11,280	-
Jaypee Infratech Limited	-	-	-	-	-	-	10.00	37,85,221	3.97
Bhushan Steel Limited	2.00	3,67,119	1.08	2.00	2,12,471	0.86	2.00	10,23,392	5.87
Jaihind Projects Limited	10.00	24,797	-	10.00	24,797	0.01	10.00	1,50,000	0.09
Diamond Power Infrastructure Limited	10.00	28,89,921	-	10.00	28,89,921	2.15	10.00	28,89,921	11.45
3I Infotech Limited	10.00	24,26,383	0.93	10.00	24,26,383	0.85	10.00	24,26,383	1.23
Gol Offshore Limited	10.00	15,52,907	-	10.00	15,52,907	1.57	10.00	15,52,907	3.49
SVOGL Oil Gas and Exploration Services Limited	10.00	19,40,514	-	10.00	19,40,514	-	10.00	19,40,514	0.49
Glodyne Technoserve Limited	6.00	3,19,262	-	6.00	3,19,262	-	6.00	3,19,262	-
MIC Electronics Limited	2.00	53,84,616	-	2.00	53,84,616	-	-	-	-
Usher Agro Limited	10.00	3,35,344	-	10.00	3,35,344	0.13	-	-	-
Amara Raja Batteries Limited	1.00	2,728	0.20	1.00	3,293	0.26	-	-	-
Hindusthan National Glass & Industries Ltd	2.00	4,12,808	3.40	2.00	1,47,765	1.57	-	-	-
(ii) Unquoted									
(a) Investments carried at fair value through profit or loss									
Invent Assets Securitisation & Reconstruction Private Limited	-	-	-	-	-	-	10.00	71,00,000	10.67
Grameen Capital India Private Limited	10.00	21,26,000	2.13	10.00	21,26,000	2.13	10.00	21,26,000	2.13
Alpha Micro Finance Consultants Private Limited	10.00	2,00,000	-	10.00	2,00,000	-	10.00	2,00,000	0.20
Metropoli Overseas Limited	10.00	99,400	-	10.00	99,400	-	10.00	99,400	-
Anil Chemicals and Industries Limited	10.00	40,000	-	10.00	40,000	-	10.00	40,000	-
VMC Systems Limited	10.00	7,33,611	-	10.00	7,33,611	-	10.00	7,33,611	-
Saumya Mining Limited	10.00	10,77,986	-	10.00	10,77,986	-	10.00	10,77,986	2.95
Total investment in equity shares (A)			**184.24**			**186.03**			**199.24**

L&T Finance Limited
Notes forming part of the financial statements

Note 7 : Investments

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
B. Investments in debt securities									
(a) Investment carried at fair value through profit or loss									
Bhoruka Power Corporation Limited	1,00,000.00	3,800	52.50	1,00,000.00	3,800	52.50	1,00,000.00	3,800	52.04
Soma Enterprises Limited	10.00	1,45,53,210	6.98	10.00	1,45,53,210	5.41	-	-	-
(b) Investment carried at fair value through other comprehensive income									
Punjab National Bank	-	-	-	-	-	-	10,00,000.00	5,000	500.31
Indian Overseas Bank	-	-	-	10,00,000.00	3,399	344.68	10,00,000.00	3,399	344.86
IDFC Bank Limited	-	-	-	-	-	-	10,00,000.00	400	41.36
Bajaj Finance Limited	-	-	-	-	-	-	10,00,000.00	1,000	113.30
Piramal Finance Limited	-	-	-	-	-	-	10,00,000.00	3,900	392.45
TATA AIG General Insurance Company Limited	10,00,000.00	310	31.50	10,00,000.00	379	38.00	10,00,000.00	1,530	153.39
U. P. Power Corporation Limited	10,00,000.00	301	30.61	10,00,000.00	301	30.22	10,00,000.00	2,940	294.34
Axis Bank	10,00,000.00	500	50.83	10,00,000.00	500	50.96	-	-	-
Union Bank of India	10,00,000.00	780	77.92	10,00,000.00	800	79.94	-	-	-
Cholamandlam MS General Insurance Company Limited	10,00,000.00	418	43.91	10,00,000.00	428	44.10	-	-	-
Dewan Housing Finance Corporation Limited	10,00,000.00	2,746	272.26	10,00,000.00	2,500	266.26	-	-	-
Dewan Housing Finance Corporation Limited	1,000.00	27,50,000	286.62	-	-	-	-	-	-
State Bank of India	10,00,000.00	4,100	418.65	10,00,000.00	4,100	426.12	-	-	-
Corporation Bank Limited	-	-	-	10,00,000.00	500	51.13	-	-	-
UCO Bank	-	-	-	10,00,000.00	400	42.67	-	-	-
Allahabad Bank	-	-	-	10,00,000.00	311	32.21	-	-	-
The South Indian Bank Limited	1,00,000.00	38,759	407.19	1,00,000.00	40,000	412.91	-	-	-
Bank of Baroda	-	-	-	10,00,000.00	150	15.09	-	-	-
Kotak Mahindra Bank Limited	5.00	5,00,00,000	27.59	-	-	-	-	-	-
Power Finance Corporation Limited	10,00,000.00	1,213	163.19	-	-	-	-	-	-
Power Finance Corporation Limited	1,000.00	1,00,000	12.89	-	-	-	-	-	-
ECL Finance Limited	10,00,000.00	900	96.49	-	-	-	-	-	-
ECL Finance Limited	1,000.00	30,00,000	323.47	-	-	-	-	-	-
Total investment in debt securities (B)			**2,302.60**			**1,892.20**			**1,892.05**
C. Investments in mutual funds									
(a) Investment carried at fair value through profit or loss									
L & T Liquid Fund - Growth	-	-	-	-	-	-	1,000.00	11,23,998	250.00
Kotak Liquid Scheme Plan - Growth	-	-	-	-	-	-	1,000.00	2,73,581	90.03
ICICI Prudential Liquid Plan - Growth	-	-	-	-	-	-	100.00	41,65,195	100.03
L&T banking and PSU debt fund DP - Growth	10.00	2,38,50,695	40.09	-	-	-	-	-	-
Total investment in mutual funds (C)			**40.09**			**-**			**440.06**

Note 7 : Investments

₹ In crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
D. Investments in fully paid preference shares (Unquoted)									
(a) Investment carried at fair value through profit or loss									
Grameen Capital India Private Limited	10.00	38,74,000	3.87	10.00	38,74,000	3.87	10.00	38,74,000	3.87
3I Infotech Limited	5.00	38,96,954	0.68	5.00	38,96,954	0.68	5.00	38,96,954	1.95
10% SEW Vizag Coal Terminal Private Limited	10.00	40,91,423	-	10.00	40,91,423	1.43	10.00	40,91,423	4.08
Total investment in preference shares (D)			**4.55**			**5.98**			**9.90**
E. Investments in government securities									
(a) Investment carried at amortised cost									
12% National Saving Certificate 2002	-	-	*0.00	-	-	*0.00	-	-	*0.00
Government of India	100.00	16,55,00,000	1,643.54	-	-	-	-	-	-
(b) Investment carried at fair value through other comprehensive income									
Madhya Pradesh Uday Bond	-	-	-	-	-	-	100.00	14,13,000	14.16
Tamil Nadu Uday Bond	-	-	-	-	-	-	100.00	1,00,00,000	101.12
Telangana Uday Bond	-	-	-	-	-	-	100.00	1,30,19,000	130.61
Rural Electrification Corporation Limited	10,00,000.00	240	32.29	-	-	-	-	-	-
National Highways Authority Of India	10,00,000.00	50	5.33	-	-	-	-	-	-
Total investment in government securities (E)			**1,681.16**			-			**245.89**
F. Investment in other securities									
(a) Investment carried at fair value through profit or loss									
KKR India debt Opportunities Fund II	1,000.00	17,76,074	177.61	1,000.00	11,25,000	112.50	1,000.00	8,75,000	87.50
KKR India debt Opportunities Fund III	1,000.00	61,640	6.16	1,000.00	96,117	9.61	1,000.00	1,78,249	19.29
Total investment in other securities (F)			**183.77**			**122.11**			**106.79**
G. Investment in pass through certificates									
(a) Investment carried at fair value through other comprehensive income									
IFMR Capital Mosec Azeroth	-	-	-	0.12	59,86,64,559	6.95	0.49	59,86,64,559	31.96
Zlatan IFMR Capital 2016	-	-	-	-	-	-	0.68	1,23,39,58,721	83.76
Frey IFMR Capital	-	-	-	-	-	-	1.03	1,66,74,322	1.81
Zion IFMR Capital	-	-	-	-	-	-	3.12	1,92,37,467	6.30
Goldstein IFMR Capital	43.00	8,57,170	2.91	43.00	8,57,170	3.69	44.80	8,57,170	4.04
Libertas IFMR Capital	-	-	-	-	-	-	1.02	35,19,752	0.38
Martell IFMR Capital	-	-	-	-	-	-	2.04	3,55,04,403	7.63

Note 7 : Investments

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value	Face value (₹)	Quantity (No.)	Net carrying value
Mjolnir IFMR Capital	-	-	-	-	-	-	2.08	73,30,422	1.60
Napoleon IFMR Capital	-	-	-	1.00	5,21,18,415	5.21	1.04	5,21,18,415	5.71
Smith IFMR Capital	4.00	1,20,96,782	3.85	4.00	1,20,96,782	4.84	4.20	1,20,96,782	5.33
Syme IFMR Capital	1.00	1,42,10,515	1.42	1.00	1,42,10,515	1.42	1.04	1,42,10,515	1.56
Fubelt IFMR Capital	-	-	-	-	-	-	1.04	8,08,78,031	8.85
Moses IFMR Capital	1.00	22,50,000	0.23	1.00	22,50,000	0.23	1.06	22,50,000	0.25
Oracle IFMR Capital	-	-	-	-	-	-	202.00	2,61,793	5.55
Sentinel IFMR capital	-	-	-	-	-	-	19.69	8,87,538	1.83
Total investment in pass through certificate (G)			**8.41**			**22.34**			**166.56**
H. Investment in security receipts									
(a) Investment carried at fair value through profit or loss									
Phoenix ARF Scheme 6	1,000.00	9,843	0.25	1,000.00	9,843	0.49	1,000.00	9,843	0.98
Phoenix ARF Scheme 9	1.00	6,612	-	27.09	6,612	0.02	62.01	6,612	0.04
Phoenix ARF Scheme 10	-	-	-	922.00	18,889	1.29	982.00	18,889	1.85
Phoenix ARF Scheme 11	1.00	44,208	-	1.00	44,208	-	1.00	44,208	0.01
Phoenix ARF Scheme 13	5.00	27,404	0.01	1,000.00	27,404	2.06	1,000.00	27,404	2.06
Phoenix ARF Scheme 14	1,000.00	34,882	2.61	1,000.00	34,882	2.97	1,000.00	34,882	3.49
Phoenix Trust FY19-6	903.00	12,49,500	112.83	-	-	-	-	-	-
JM Financial Asset Reconstruction Company Private Limited (Series I - JMFARC-IRIS December 2016 - Trust)	1,000.00	6,885	-	1,000.00	6,885	-	1,000.00	6,885	1.03
EARC Trust SC - 258 - Series I	932.90	6,46,510	27.14	995.66	6,46,510	64.37	1,000.00	6,46,510	64.65
JMFARC LTF June 2017 Trust	748.14	2,97,500	22.21	984.76	2,97,500	29.30	-	-	-
JMFARC LTF June 2017 Trust	748.14	4,80,849	35.89	984.76	4,80,849	47.35	-	-	-
Suraksha ARC - 024 Trust	1,000.00	7,85,400	78.54	1,000.00	7,85,400	78.54	-	-	-
Total investment in security receipts (H)			**279.48**			**226.39**			**74.11**
Total investments (I)			**4,684.30**			**2,455.05**			**3,134.60**
(i) Investments outside India			-			-			-
(ii) Investments in India			4,684.30			2,455.05			3,134.60
Total Investments (II)			**4,684.30**			**2,455.05**			**3,134.60**
Less: Allowance for Impairment loss (III)			-			-			-
Net total investment (IV)= (I)-(III)			**4,684.30**			**2,455.05**			**3,134.60**

*Amount less than ₹ 1 lakh

Note 8 : Other financials assets

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposit	76.97	72.05	58.18
Other advances	3.26	2.06	1.37
Receivable on sale of Investment	14.92	-	-
Margin money deposits	12.15	-	-
Accrued interest on fixed deposit	0.24	0.56	0.13
Total other financials assets	**107.54**	**74.67**	**59.68**

L&T Finance Limited
Notes forming part of the financial statements

Note 9 : Property, plant and equipment

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Buildings : Owned	0.38	-	-	0.38	0.01	0.01	-	0.02	**0.36**	**0.37**
Lease hold renovation : Owned	12.53	1.64	-	14.17	4.33	4.20	-	8.53	**5.64**	**8.20**
Plant and equipments : Lease out	25.81	-	13.97	11.84	5.06	4.93	5.07	4.92	**6.92**	**20.75**
Computers										
Owned	19.76	14.01	0.80	32.97	6.10	7.14	0.62	12.62	20.35	13.66
Leased out	0.74	-	0.74	-	0.55	0.10	0.65	-	-	0.19
Sub total - Computers	**20.50**	**14.01**	**1.54**	**32.97**	**6.65**	**7.24**	**1.27**	**12.62**	**20.35**	**13.85**
Furniture and fixtures										
Owned	6.40	1.81	0.05	8.16	2.15	2.41	0.02	4.54	3.62	4.25
Leased out	7.95	-	3.21	4.74	2.08	1.51	0.59	3.00	1.74	5.87
Sub total - Furniture and fittings	**14.35**	**1.81**	**3.26**	**12.90**	**4.23**	**3.92**	**0.61**	**7.54**	**5.36**	**10.12**
Office equipment										
Owned	4.26	1.80	0.13	5.93	1.44	1.75	0.08	3.11	2.82	2.82
Leased out	0.45	-	0.44	0.01	0.31	0.05	0.36	-	0.01	0.14
Sub total - Office equipment	**4.71**	**1.80**	**0.57**	**5.94**	**1.75**	**1.80**	**0.44**	**3.11**	**2.83**	**2.96**
Vehicles										
Owned	1.20	-	-	1.20	0.21	0.29	-	0.50	0.70	0.99
Leased out	21.65	-	10.59	11.06	4.36	3.14	3.62	3.88	7.18	17.29
Sub total - Vehicles	**22.85**	-	**10.59**	**12.26**	**4.57**	**3.43**	**3.62**	**4.38**	**7.88**	**18.28**
Total	**101.13**	**19.26**	**29.93**	**90.46**	**26.60**	**25.53**	**11.01**	**41.12**	**49.34**	**74.53**

L&T Finance Limited
Notes forming part of the financial statements

Note 9 : Property, plant and equipment

₹ in crore

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	As at April 01, 2017	For the year	Disposals	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
Buildings : Owned	26.11	-	25.73	0.38	-	0.50	0.49	0.01	**0.37**	**26.11**
Lease hold renovation : Owned	12.01	0.62	0.10	12.53	-	4.37	0.04	4.33	**8.20**	**12.01**
Plant and equipments : Leased out	32.56	-	6.75	25.81	-	5.96	0.90	5.06	**20.75**	**32.56**
Computers										
Owned	11.19	9.87	1.30	19.76	-	6.71	0.61	6.10	13.66	11.19
Leased out	1.49	-	0.75	0.74	-	0.55	-	0.55	0.19	1.49
Sub total - Computers	**12.68**	**9.87**	**2.05**	**20.50**	-	**7.26**	**0.61**	**6.65**	**13.85**	**12.68**
Furniture and fixtures										
Owned	5.66	1.06	0.32	6.40	-	2.24	0.09	2.15	4.25	5.66
Leased out	7.95	-	-	7.95	-	2.08	-	2.08	5.87	7.95
Sub total - Furniture and fittings	**13.61**	**1.06**	**0.32**	**14.35**	-	**4.32**	**0.09**	**4.23**	**10.12**	**13.61**
Office equipment										
Owned	3.92	0.47	0.13	4.26	-	1.50	0.06	1.44	2.82	3.92
Leased out	0.45	-	-	0.45	-	0.31	-	0.31	0.14	0.45
Sub total - Office equipment	**4.37**	**0.47**	**0.13**	**4.71**	-	**1.81**	**0.06**	**1.75**	**2.96**	**4.37**
Motor cars										
Owned	-	1.20	-	1.20	-	0.21		0.21	0.99	-
Leased out	58.91	4.25	41.51	21.65	-	8.20	3.84	4.36	17.29	58.91
Sub total - Vehicles	**58.91**	**5.45**	**41.51**	**22.85**	-	**8.41**	**3.84**	**4.57**	**18.28**	**58.91**
Total	**160.25**	**17.47**	**76.59**	**101.13**	-	**32.63**	**6.03**	**26.60**	**74.53**	**160.25**

L&T Finance Limited
Notes forming part of the financial statements

Note 10 : Other intangible assets, Goodwill and Intangible assets under development

₹ in crore

Particulars	Gross carrying value				Accumulated Amortization				Net carrying value	
	As at April 01, 2018	Additions	Disposals	As at March 31, 2019	As at April 01, 2018	For the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Other intangible assets										
Specialised software	40.35	36.90	0.03	77.22	26.09	11.94	0.00	38.03	39.19	14.26
Distribution and customer network rights (refer footnote)	438.80	-	-	438.80	175.52	87.76	-	263.28	175.52	263.28
(a) Total other intangible assets	479.15	36.90	0.03	516.02	201.61	99.70	-	301.31	214.71	277.54
(b) Goodwill (refer footnote)	2,828.51	-	-	2,828.51	1,131.40	565.70	-	1,697.10	1,131.41	1,697.11
(c) Intangible assets under development									18.48	9.23

₹ in crore

Particulars	Gross carrying value				Accumulated Amortization				Net carrying value	
	As at April 01, 2017	Additions	Disposals	As at March 31, 2018	As at April 01, 2017	For the year	Disposals	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Other intangible assets										
Specialised software	26.53	13.82	-	40.35	18.94	7.15	-	26.09	14.26	7.59
Distribution and customer network rights (refer footnote)	438.80	-	-	438.80	87.76	87.76	-	175.52	263.28	351.04
(a) Total other intangible assets	465.33	13.82	-	479.15	106.70	94.91	-	201.61	277.54	358.63
(b) Goodwill (refer footnote)	2,828.51	-	-	2,828.51	565.70	565.70	-	1,131.40	1,697.11	2,262.81
(c) Intangible assets under development									9.23	-

Footnote:

Pursuant to the Orders of Honorable Calcutta High Court and the National Company Law Tribunal, Mumbai Bench (the" Honorable Courts"), the erstwhile L&T Finance Limited (U65990MH1994PLC083147) and L&T FinCorp Limited (U65910MH1997PLC108179) have been merged with Family Credit Limited (now known as L&T Finance Limited - U65910WB1993PLC060810) (the "Amalgamated Company"), effective from February 13, 2017 with the Appointed Date being April 1, 2016.

Consequent to the scheme becoming effective, net assets of Transferor Company amounting to ₹ 3,157.29 crore as on the Appointed Date have been transferred to the Transferee Company at their respective fair values and the fair value of Distribution and Customer Network Rights ("DCNR") as determined by an Independent Valuer, have been recognised as a part of Other Intangible Asset at a valuation of ₹438.80 crore. The balance amount of ₹ 2,828.51 crore has been recorded as Goodwill on amalgamation. These intangible assets, i.e. the DCNR and Goodwill on amalgamation, are being amortised on a straight line basis over a period of 5 years with effect from April 01, 2016 in terms of the Scheme of Arrangement of the Honorable Courts.

Note 11 : Other non-financials assets

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	9.59	6.43	6.93
Advances to others	25.75	17.38	35.85
Amount paid under protest	41.96	42.03	4.52
Capital advances	11.78	9.69	3.76
Assets acquired in settlement of claims	24.47	24.47	4.78
Total other non-financials Assets	**113.55**	**100.00**	**55.84**

Note 12 : Payables

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Trade payables			
Micro enterprises and small enterprises (refer note: 42)	-	-	-
Due to others	34.69	65.36	65.31
Due to related parties (refer note: 31)	51.34	43.73	14.45
Total trade payables	**86.03**	**109.09**	**79.76**
Other payables			
Micro enterprises and small enterprises (refer note: 42)	-	-	-
Due to others	12.71	13.94	9.87
Due to related parties (refer note: 31)	0.40	0.44	0.70
Total other payables	**13.11**	**14.38**	**10.57**
Total payables	**99.14**	**123.47**	**90.33**

Note 13 : Debt securities

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(i) At amortised cost			
- Commercial papers (net) (refer note 13 (b))	7,064.36	6,525.82	9,650.42
- Redeemable non convertible debentures (refer note 13 (a))	16,007.24	10,454.78	7,467.53
Total debt securities (A)	**23,071.60**	**16,980.60**	**17,117.95**
(B)			
(I) Debt securities in India			
(i) At amortised cost	23,071.60	16,980.60	17,117.95
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total debt securities in India (I = i+ii+iii)	**23,071.60**	**16,980.60**	**17,117.95**
(II) Debt securities in outside India			
(i) At amortised cost	-	-	-
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total debt securities in outside India (I = i+ii+iii)	-	-	-
Total debt securities (B) = (I)+(II)	**23,071.60**	**16,980.60**	**17,117.95**

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2019

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series P FY 2014-15 opt 4	₹ 25 lakh each	24-Feb-15	25.22	9.25%	24-Feb-20	Redeemable at par at the end of 1826 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	20-May-15	27.99	8.87%	20-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series D FY 2015-16 opt 3	₹ 25 lakh each	27-May-15	56.20	8.88%	27-May-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 opt 7	₹ 25 lakh each	04-Jun-15	34.63	8.88%	04-Jun-19	Redeemable at par at the end of 1461 days from the date of allotment
Series N FY 2015-16	₹ 25 lakh each	29-Mar-16	185.14	8.90%	29-Apr-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 opt 3	₹ 25 lakh each	13-Apr-16	10.84	8.70%	12-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 opt 4	₹ 25 lakh each	13-Apr-16	27.10	8.69%	31-May-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 opt 5	₹ 25 lakh each	13-Apr-16	298.11	8.69%	13-Jun-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 opt 6	₹ 25 lakh each	13-Apr-16	81.29	8.68%	12-Sep-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 opt 7	₹ 25 lakh each	13-Apr-16	4.34	8.68%	30-Sep-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	20-Apr-16	10.83	8.80%	19-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 lakh each	20-Apr-16	324.60	8.65%	20-Aug-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	20-May-16	21.52	8.80%	20-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	24-May-16	53.70	8.65%	24-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	24-May-16	3.80	8.64%	28-Jun-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	13-Jun-16	10.70	8.80%	13-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-Jun-16	10.70	8.80%	11-Jun-21	Redeemable at par at the end of 1824 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	14-Jun-16	53.48	8.72%	14-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	29-Jun-16	138.57	8.72%	28-Jun-19	Redeemable at par at the end of 1094 days from the date of allotment
Series E FY 2016-17 opt 2	₹ 25 lakh each	29-Jun-16	3.15	8.71%	22-Jul-19	Redeemable at par at the end of 1118 days from the date of allotment
Series G FY 2016-17 opt 2	₹ 25 lakh each	03-Aug-16	79.18	8.45%	02-Aug-19	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	75.96	7.37%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	05-Aug-16	5.28	8.65%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2016-17	₹ 25 lakh each	09-Aug-16	52.70	8.40%	09-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	18-Aug-16	3.10	8.55%	05-Aug-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	23-Aug-16	14.56	8.54%	30-Sep-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	08-Sep-16	52.31	8.31%	06-Sep-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G FY 2016-17	₹ 25 lakh each	12-Sep-16	209.15	8.31%	12-Sep-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 2016-17 opt 2	₹ 25 lakh each	19-Jan-17	152.25	7.83%	20-Jan-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2016-17 opt 2	₹ 25 lakh each	27-Mar-17	25.03	7.90%	27-Mar-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2016-17	₹ 25 lakh each	29-Mar-17	100.06	7.90%	29-Jun-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	31-Mar-17	324.21	8.07%	29-May-20	Redeemable at par at the end of 1155 days from the date of allotment
Series A FY 2017-18 opt I	₹ 25 lakh each	10-Apr-17	161.28	7.71%	10-Apr-19	Redeemable at par at the end of 730 days from the date of allotment
Series A FY 2017-18 opt II	₹ 25 lakh each	10-Apr-17	107.60	7.80%	08-May-20	Redeemable at par at the end of 1124 days from the date of allotment
Series C FY 2017-18	₹ 25 lakh each	25-May-17	26.67	7.85%	25-May-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 lakh each	09-Jun-17	223.34	7.85%	09-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2019

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series E FY 2017-18	₹ 25 lakh each	16-Jun-17	265.34	7.75%	16-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 lakh each	19-Jun-17	212.28	7.85%	19-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2017-18	₹ 25 lakh each	20-Jun-17	397.98	7.85%	20-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2017-18 opt 1	₹ 25 lakh each	21-Jun-17	53.02	7.76%	10-Aug-20	Redeemable at par at the end of 1146 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 lakh each	21-Jun-17	26.51	7.81%	21-Jul-22	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 2017-18	₹ 25 lakh each	23-Jun-17	132.48	7.75%	23-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 2017-18	₹ 25 lakh each	28-Jun-17	132.35	7.75%	26-Jun-20	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2017-18	₹ 25 lakh each	19-Jul-17	421.45	7.65%	19-Jul-19	Redeemable at par at the end of 730 days from the date of allotment
Series L FY 2017-18	₹ 25 lakh each	25-Jul-17	328.51	7.65%	20-Aug-20	Redeemable at par at the end of 1122 days from the date of allotment
Series M FY 2017-18	₹ 25 lakh each	08-Aug-17	488.03	7.71%	08-Aug-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 lakh each	06-Oct-17	321.57	7.70%	06-Oct-22	Redeemable at par at the end of 1826 days from the date of allotment
Series O FY 2017-18	₹ 25 lakh each	13-Oct-17	517.56	7.65%	13-Nov-20	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2017-18	₹ 25 lakh each	17-Oct-17	155.24	7.68%	18-Dec-20	Redeemable at par at the end of 1158 days from the date of allotment
Series Q FY 2017-18	₹ 25 lakh each	24-Nov-17	313.35	7.85%	11-Dec-20	Redeemable at par at the end of 1113 days from the date of allotment
Series R FY 2017-18	₹ 25 lakh each	04-Dec-17	768.89	7.90%	04-Dec-20	Redeemable at par at the end of 1096 days from the date of allotment
Series S FY 2017-18	₹ 25 lakh each	06-Dec-17	218.74	7.84%	06-Jan-21	Redeemable at par at the end of 1127 days from the date of allotment
Series T FY 2017-18	₹ 25 lakh each	12-Dec-17	86.94	7.95%	12-Dec-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 2017-18	₹ 25 lakh each	29-Dec-17	102.04	8.00%	27-Nov-20	Redeemable at par at the end of 1064 days from the date of allotment
Series V FY 2017-18	₹ 25 lakh each	27-Mar-18	89.40	8.25%	08-Apr-21	Redeemable at par at the end of 1108 days from the date of allotment
Series W FY 2017-18	₹ 25 lakh each	28-Mar-18	95.06	8.25%	21-Jun-21	Redeemable at par at the end of 1181 days from the date of allotment
Series A FY 2018-19	₹ 10 lakh each	06-Jun-18	58.88	8.65%	28-Apr-22	Redeemable at par at the end of 1422 days from the date of allotment
Series B FY 2018-19	₹ 10 lakh each	29-Jun-18	1,065.79	8.70%	29-Jun-21	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2018-19 opt 1	₹ 10 lakh each	06-Jul-18	37.30	8.95%	10-Jun-22	Redeemable at par at the end of 1435 days from the date of allotment
Series C FY 2018-19 opt 2	₹ 10 lakh each	06-Jul-18	132.46	8.92%	06-Oct-21	Redeemable at par at the end of 1188 days from the date of allotment
Series D FY 2018-19 opt 1	₹ 10 lakh each	20-Jul-18	26.56	8.92%	30-Jul-21	Redeemable at par at the end of 1106 days from the date of allotment
Series D FY 2018-19 opt 2	₹ 10 lakh each	20-Jul-18	382.41	8.95%	16-Aug-21	Redeemable at par at the end of 1123 days from the date of allotment
Reissuance - Series "W"1-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 10 lakh each	27-Jul-18	79.21	8.25%	21-Jun-21	Redeemable at par at the end of 1060 days from the date of allotment
Series E FY 2018-19	₹ 10 lakh each	02-Aug-18	37.04	8.86%	02-Aug-23	Redeemable at par at the end of 1826 days from the date of allotment
Reissuance - Series "W"2-FY 2017-18 (Original issuance series W FY 2017-18)	₹ 10 lakh each	09-Aug-18	54.43	8.25%	21-Jun-21	Redeemable at par at the end of 1047 days from the date of allotment
Reissuance - Series D1 FY 2018-19 Opt 1 (Original issuance series D FY 2018-19 Opt 1)	₹ 10 lakh each	20-Aug-18	11.49	8.92%	30-Jul-21	Redeemable at par at the end of 1075 days from the date of allotment

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2019

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Reissuance - Series D1 FY 2018-19 Opt 2 (Original issuance series D FY 2018-19 Opt 2)	₹ 10 lakh each	20-Aug-18	54.32	8.95%	16-Aug-21	Redeemable at par at the end of 1092 days from the date of allotment
Series D1 FY 2018-19 Opt 3	₹ 10 lakh each	20-Aug-18	26.32	8.60%	19-Dec-19	Redeemable at par at the end of 486 days from the date of allotment
Series D1 FY 2018-19 Opt 4	₹ 10 lakh each	20-Aug-18	84.28	8.75%	19-Aug-20	Redeemable at par at the end of 730 days from the date of allotment
Reissuance - Series D2 FY 2018-19 Opt 4 (Original issuance series D FY 2018-19 Opt 4)	₹ 10 lakh each	27-Aug-18	358.11	8.75%	19-Aug-20	Redeemable at par at the end of 723 days from the date of allotment
Reissuance - Series D3 FY 2018-19 Opt 1 (Original issuance series D1 FY 2018-19 Opt 3)	₹ 10 lakh each	31-Aug-18	52.63	8.60%	19-Dec-19	Redeemable at par at the end of 475 days from the date of allotment
Series D3 FY 2018-19 Opt 2	₹ 10 lakh each	31-Aug-18	26.26	8.62%	30-Jan-20	Redeemable at par at the end of 517 days from the date of allotment
Reissuance - Series D3 FY 2018-19 Opt 3 (Original issuance series C FY 2018-19)	₹ 10 lakh each	31-Aug-18	52.27	8.92%	06-Oct-21	Redeemable at par at the end of 1132 days from the date of allotment
Series F FY 2018-19	₹ 10 lakh each	12-Sep-18	61.86	8.82%	03-Sep-21	Redeemable at par at the end of 1087 days from the date of allotment
Reissuance - Series G FY 2018-19 Opt 1 (Original issuance series F FY 2018-19)	₹ 10 lakh each	31-Oct-18	5.16	8.82%	03-Sep-21	Redeemable at par at the end of 1038 days from the date of allotment
Series G FY 2018-19 Opt 2	₹ 10 lakh each	31-Oct-18	78.77	9.48%	14-Mar-22	Redeemable at par at the end of 1230 days from the date of allotment
Reissuance-Series G FY 2018-19 Opt 3 (Original issuance series T FY 2017-18)	₹ 10 lakh each	31-Oct-18	16.13	7.95%	12-Dec-22	Redeemable at par at the end of 1503 days from the date of allotment
Reissuance- Series A1 FY 2018-19 (Original issuance series A FY 2018-19)	₹ 10 lakh each	14-Nov-18	31.36	8.65%	28-Apr-22	Redeemable at par at the end of 1261 days from the date of allotment
Reissuance- Series H FY 2018-19 Opt 1 (Original issuance series D3 FY 2018-19 Opt 2)	₹ 10 lakh each	20-Nov-18	54.21	8.62%	30-Jan-20	Redeemable at par at the end of 436 days from the date of allotment
Reissuance- Series H FY 2018-19 Opt 2 (Original issuance series N FY 2017-18)	₹ 10 lakh each	20-Nov-18	64.05	7.70%	06-Oct-22	Redeemable at par at the end of 1416 days from the date of allotment
Series I FY 2018-19	₹ 10 lakh each	05-Dec-18	1,233.76	9.36%	20-Dec-19	Redeemable at par at the end of 380 days from the date of allotment
Series J FY 2018-19	₹ 10 lakh each	04-Jan-19	817.16	9.00%	04-Jan-24	Redeemable at par at the end of 1826 days from the date of allotment
Series K FY 2018-19 option 1	₹ 10 lakh each	11-Jan-19	305.76	8.81%	11-Mar-20	Redeemable at par at the end of 425 days from the date of allotment
Series K FY 2018-19 option 2	₹ 10 lakh each	11-Jan-19	25.43	9.00%	09-Feb-24	Redeemable at par at the end of 1855 days from the date of allotment
Series M FY 2018-19 option 1- MLD	₹ 10 lakh each	18-Jan-19	44.32	8.45%	17-Jul-20	Redeemable at par at the end of 546 days from the date of allotment
Series M FY 2018-19 option 2- MLD	₹ 10 lakh each	18-Jan-19	53.79	8.65%	10-Aug-20	Redeemable at par at the end of 570 days from the date of allotment
Series M FY 2018-19 option 3- MLD	₹ 10 lakh each	18-Jan-19	29.86	8.61%	18-Jan-21	Redeemable at par at the end of 731 days from the date of allotment
Series L FY 2018-19 option 1	₹ 10 lakh each	24-Jan-19	203.21	8.81%	13-Mar-20	Redeemable at par at the end of 414 days from the date of allotment
Series L FY 2018-19 option 2	₹ 10 lakh each	24-Jan-19	50.80	8.93%	08-Aug-22	Redeemable at par at the end of 1292 days from the date of allotment
Series N FY 2018-19 option 2	₹ 10 lakh each	01-Feb-19	25.36	9.02%	11-Mar-24	Redeemable at par at the end of 1865 days from the date of allotment
Series O FY 2018-19	₹ 10 lakh each	01-Mar-19	276.53	8.75%	22-May-20	Redeemable at par at the end of 448 days from the date of allotment

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2019

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2019 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
NCD 2009 series 4 (Public issue)	₹ 1000 each	17-Sep-09	479.60	10.24%	17-Sep-19	Redeemable at par at the end of 3652 days from the date of allotment
Series I option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	175.64	9.00%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series I option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	683.40	9.10%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	5.04	9.00%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series II option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	79.85	9.10%	13-Apr-22	Redeemable at par at the end of 1127 days from the date of allotment
Series III option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	30.09	9.10%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series III option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	233.90	9.25%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	1.75	8.75%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series IV option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	59.62	8.89%	13-Mar-24	Redeemable at par at the end of 1827 days from the date of allotment
Series V option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	7.95	9.20%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series V option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	110.11	9.35%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 1 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	0.70	8.84%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
Series VI option 2 FY 2018-19 (Public issue)	₹ 1000 each	13-Mar-19	100.98	8.98%	13-Mar-29	Redeemable at par at the end of 3653 days from the date of allotment
			16,007.24			

Nature of Security :

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

Secured redeemable non convertible debentures public issue :

The Company has raised ₹1,500 crore from the public issue. The Company has utilised ₹ 1,495.35 crore for the purpose of onward lending, financing, refinancing the existing indebtedness of the Company (payment of interest and/or repayment/prepayment of principal of borrowings) and general corporate purpose. The unutilised balance amount of ₹4.65 crore is in current account.

Note 13 (b)

Commercial papers (net) as on March 31,2019

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹ crore)
Bullet	Up to 1 years	7.01% to 8.00%	4,424.26
		8.01% to 9.00%	1,110.06
		9.01% to 10.00%	1,530.04
Total			**7,064.36**

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2018

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2018 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2013-14	₹ 10 lakh each	03-Jan-14	408.53	9.05%	05-Apr-18	Redeemable at par at the end of 1553 days from the date of allotment
Series P FY 2014-15 opt 3	₹ 25 lakh each	24-Feb-15	25.22	9.22%	15-Jun-18	Redeemable at par at the end of 1207 days from the date of allotment
Series P FY 2014-15 opt 4	₹ 25 lakh each	24-Feb-15	197.21	9.25%	24-Feb-20	Redeemable at par at the end of 1826 days from the date of allotment
Series A FY 2015-16 opt 4	₹ 25 lakh each	29-Apr-15	10.91	8.92%	23-Apr-18	Redeemable at par at the end of 1090 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 lakh each	17-Apr-15	2.25	8.86%	12-Apr-18	Redeemable at par at the end of 1091 days from the date of allotment
Series A FY 2015-16 opt 6	₹ 25 lakh each	17-Apr-15	77.12	8.86%	16-Apr-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 opt 7	₹ 25 lakh each	17-Apr-15	119.31	8.85%	17-Apr-18	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 8	₹ 25 lakh each	17-Apr-15	28.60	8.86%	19-Apr-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 opt 9	₹ 25 lakh each	17-Apr-15	23.14	8.86%	24-Apr-18	Redeemable at par at the end of 1103 days from the date of allotment
Series B FY 2015-16 opt 4	₹ 25 lakh each	11-May-15	7.67	8.85%	30-Apr-18	Redeemable at par at the end of 1085 days from the date of allotment
Series B FY 2015-16 opt 5	₹ 25 lakh each	11-May-15	2.56	8.86%	07-May-18	Redeemable at par at the end of 1092 days from the date of allotment
Series C FY 2015-16 opt 1	₹ 25 lakh each	20-May-15	7.98	8.91%	14-May-18	Redeemable at par at the end of 1090 days from the date of allotment
Series C FY 2015-16 opt 2	₹ 25 lakh each	20-May-15	38.33	8.91%	15-May-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 opt 3	₹ 25 lakh each	20-May-15	16.15	8.91%	18-May-18	Redeemable at par at the end of 1094 days from the date of allotment
Series C FY 2015-16 opt 4	₹ 25 lakh each	20-May-15	60.03	8.90%	11-Jun-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	20-May-15	27.98	8.87%	20-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 opt 8	₹ 25 lakh each	20-May-15	40.88	8.91%	22-May-18	Redeemable at par at the end of 1098 days from the date of allotment
Series D FY 2015-16 opt 3	₹ 25 lakh each	27-May-15	51.62	8.88%	27-May-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 opt 3	₹ 25 lakh each	04-Jun-15	47.04	8.85%	04-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 opt 4	₹ 25 lakh each	04-Jun-15	5.36	8.85%	04-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 opt 5	₹ 25 lakh each	04-Jun-15	21.61	8.85%	22-Nov-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 opt 6	₹ 25 lakh each	04-Jun-15	25.43	8.85%	24-Dec-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 opt 7	₹ 25 lakh each	04-Jun-15	31.80	8.88%	04-Jun-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 opt 3	₹ 25 lakh each	23-Jun-15	6.35	8.95%	07-Jan-19	Redeemable at par at the end of 1294 days from the date of allotment
Series G FY 2015-16 opt 3	₹ 25 lakh each	26-Jun-15	12.67	8.91%	20-Jun-18	Redeemable at par at the end of 1090 days from the date of allotment
Series G FY 2015-16 opt 4	₹ 25 lakh each	26-Jun-15	5.34	8.90%	26-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2015-16 opt 1	₹ 25 lakh each	08-Jul-15	44.24	8.93%	02-Jul-18	Redeemable at par at the end of 1090 days from the date of allotment
Series H FY 2015-16 opt 2	₹ 25 lakh each	08-Jul-15	44.24	8.93%	05-Jul-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 opt 3	₹ 25 lakh each	08-Jul-15	63.89	8.92%	06-Jul-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 opt 4	₹ 25 lakh each	08-Jul-15	32.86	8.93%	17-Jul-18	Redeemable at par at the end of 1105 days from the date of allotment
Series I FY 2015-16 opt 1	₹ 25 lakh each	19-Aug-15	37.44	8.80%	16-Aug-18	Redeemable at par at the end of 1093 days from the date of allotment
Series I FY 2015-16 opt 2	₹ 25 lakh each	19-Aug-15	26.34	8.80%	17-Aug-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 opt 3	₹ 25 lakh each	19-Aug-15	22.46	8.80%	03-Sep-18	Redeemable at par at the end of 1111 days from the date of allotment
Series J FY 2015-16 opt 1	₹ 25 lakh each	27-Aug-15	37.38	8.81%	20-Aug-18	Redeemable at par at the end of 1089 days from the date of allotment
Series N FY 2015-16	₹ 25 lakh each	29-Mar-16	201.60	8.90%	29-Apr-19	Redeemable at par at the end of 1126 days from the date of allotment

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2018

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2018 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2016-17 opt 2	₹ 25 lakh each	13-Apr-16	184.29	8.69%	12-Mar-19	Redeemable at par at the end of 1063 days from the date of allotment
Series A FY 2016-17 opt 3	₹ 25 lakh each	13-Apr-16	10.84	8.70%	12-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 opt 4	₹ 25 lakh each	13-Apr-16	27.10	8.69%	31-May-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 opt 5	₹ 25 lakh each	13-Apr-16	298.11	8.69%	13-Jun-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 opt 6	₹ 25 lakh each	13-Apr-16	81.29	8.68%	12-Sep-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 opt 7	₹ 25 lakh each	13-Apr-16	4.34	8.68%	30-Sep-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	20-Apr-16	10.83	8.80%	19-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 lakh each	20-Apr-16	324.60	8.65%	20-Aug-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	20-May-16	21.51	8.80%	20-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	24-May-16	53.70	8.65%	24-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	24-May-16	3.50	8.64%	28-Jun-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	13-Jun-16	10.70	8.80%	13-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-Jun-16	10.70	8.80%	11-Jun-21	Redeemable at par at the end of 1824 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	14-Jun-16	53.48	8.72%	14-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	29-Jun-16	138.57	8.72%	28-Jun-19	Redeemable at par at the end of 1094 days from the date of allotment
Series E FY 2016-17 opt 2	₹ 25 lakh each	29-Jun-16	2.90	8.71%	22-Jul-19	Redeemable at par at the end of 1118 days from the date of allotment
Series G FY 2016-17 opt 1	₹ 25 lakh each	03-Aug-16	52.77	8.40%	03-Aug-18	Redeemable at par at the end of 730 days from the date of allotment
Series G FY 2016-17 opt 2	₹ 25 lakh each	03-Aug-16	79.18	8.45%	02-Aug-19	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	75.94	7.37%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	10.56	8.65%	03-Aug-18	Redeemable at par at the end of 728 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	05-Aug-16	5.28	8.65%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2016-17	₹ 25 lakh each	09-Aug-16	52.70	8.40%	09-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	18-Aug-16	2.86	8.55%	05-Aug-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	23-Aug-16	13.41	8.54%	30-Sep-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	08-Sep-16	52.33	8.31%	06-Sep-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G FY 2016-17	₹ 25 lakh each	12-Sep-16	209.15	8.31%	12-Sep-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 2016-17 opt 1	₹ 25 lakh each	19-Jan-17	50.76	7.66%	18-Jan-19	Redeemable at par at the end of 729 days from the date of allotment
Series J FY 2016-17 opt 2	₹ 25 lakh each	19-Jan-17	152.32	7.83%	20-Jan-20	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	22-Mar-17	50.11	7.71%	22-Jun-18	Redeemable at par at the end of 457 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	27-Mar-17	50.05	7.75%	26-Apr-19	Redeemable at par at the end of 760 days from the date of allotment
Series D FY 2016-17 opt 2	₹ 25 lakh each	27-Mar-17	25.03	7.90%	27-Mar-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2016-17	₹ 25 lakh each	29-Mar-17	107.96	7.90%	29-Jun-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	31-Mar-17	324.28	8.07%	29-May-20	Redeemable at par at the end of 1155 days from the date of allotment
Series A FY 2017-18 opt 1	₹ 25 lakh each	10-Apr-17	161.26	7.71%	10-Apr-19	Redeemable at par at the end of 730 days from the date of allotment
Series A FY 2017-18 opt 2	₹ 25 lakh each	10-Apr-17	107.59	7.80%	08-May-20	Redeemable at par at the end of 1124 days from the date of allotment

Note 13 (a)

Secured redeemable non convertible debentures as on March 31, 2018

Series details	Face value per debenture	Date of allotment	Balance as at March 31,2018 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series C FY 2017-18	₹ 25 lakh each	25-May-17	26.67	7.85%	25-May-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 lakh each	09-Jun-17	223.32	7.85%	09-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2017-18	₹ 25 lakh each	16-Jun-17	265.34	7.75%	16-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 lakh each	19-Jun-17	212.26	7.85%	19-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2017-18	₹ 25 lakh each	20-Jun-17	397.98	7.85%	20-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2017-18 opt 1	₹ 25 lakh each	21-Jun-17	53.02	7.76%	10-Aug-20	Redeemable at par at the end of 1146 days from the date of allotment
Series H FY 2017-18 opt 2	₹ 25 lakh each	21-Jun-17	26.51	7.81%	21-Jul-22	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 2017-18	₹ 25 lakh each	23-Jun-17	132.48	7.75%	23-Jun-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 2017-18	₹ 25 lakh each	28-Jun-17	132.35	7.75%	26-Jun-20	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2017-18	₹ 25 lakh each	19-Jul-17	421.41	7.65%	19-Jul-19	Redeemable at par at the end of 730 days from the date of allotment
Series L FY 2017-18	₹ 25 lakh each	25-Jul-17	305.13	7.65%	20-Aug-20	Redeemable at par at the end of 1122 days from the date of allotment
Series M FY 2017-18	₹ 25 lakh each	08-Aug-17	487.99	7.71%	08-Aug-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 lakh each	06-Oct-17	321.57	7.70%	06-Oct-22	Redeemable at par at the end of 1826 days from the date of allotment
Series O FY 2017-18	₹ 25 lakh each	13-Oct-17	517.40	7.65%	13-Nov-20	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2017-18	₹ 25 lakh each	17-Oct-17	155.24	7.68%	18-Dec-20	Redeemable at par at the end of 1158 days from the date of allotment
Series Q FY 2017-18	₹ 25 lakh each	24-Nov-17	313.32	7.85%	11-Dec-20	Redeemable at par at the end of 1113 days from the date of allotment
Series R FY 2017-18	₹ 25 lakh each	04-Dec-17	768.71	7.90%	04-Dec-20	Redeemable at par at the end of 1096 days from the date of allotment
Series S FY 2017-18	₹ 25 lakh each	06-Dec-17	218.63	7.84%	06-Jan-21	Redeemable at par at the end of 1127 days from the date of allotment
Series T FY 2017-18	₹ 25 lakh each	12-Dec-17	86.91	7.95%	12-Dec-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 2017-18	₹ 25 lakh each	29-Dec-17	102.04	8.00%	27-Nov-20	Redeemable at par at the end of 1064 days from the date of allotment
Series V FY 2017-18	₹ 25 lakh each	27-Mar-18	82.58	8.25%	08-Apr-21	Redeemable at par at the end of 1108 days from the date of allotment
Series W FY 2017-18	₹ 25 lakh each	28-Mar-18	95.05	8.25%	21-Jun-21	Redeemable at par at the end of 1181 days from the date of allotment
NCD 2009 series 4 (Public issue)	₹ 1000 each	17-Sep-09	477.33	10.24%	17-Sep-19	Redeemable at par at the end of 3652 days from the date of allotment
			10,454.78			

Nature of Security :

The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

Note 13 (b)

Commercial papers (net) as on March 31,2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ crore)
Bullet	Up to 1 years	upto 7.00%	29.40
		7.01% to 8.00%	5,079.93
		8.01% to 9.00%	1,416.49
Total			**6,525.82**

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)
Secured redeemable non convertible debentures as on April 1,2017

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series A FY 2013-14	₹ 10 lakh each	03-Jan-14	408.53	9.05%	05-Apr-18	Redeemable at par at the end of 1553 days from the date of allotment
Series C FY 2014-15 opt 3	₹ 25 lakh each	25-Jun-14	31.08	9.76%	19-Jun-17	Redeemable at par at the end of 1090 days from the date of allotment
Series I FY 2014-15 opt 2	₹ 25 lakh each	28-Oct-14	10.41	9.57%	27-Oct-17	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2014-15 opt 3	₹ 25 lakh each	07-Nov-14	11.15	9.31%	07-Nov-17	Redeemable at par at the end of 1096 days from the date of allotment
Series L FY 2014-15 opt 3	₹ 25 lakh each	26-Dec-14	10.94	9.06%	06-Dec-17	Redeemable at par at the end of 1076 days from the date of allotment
Series N FY 2014-15 opt 2	₹ 25 lakh each	21-Jan-15	122.06	9.20%	19-Jan-18	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2014-15 opt 2	₹ 25 lakh each	30-Jan-15	126.53	8.62%	28-Jul-17	Redeemable at par at the end of 910 days from the date of allotment
Series L FY 2014-15 opt 3	₹ 25 lakh each	13-Feb-15	6.01	9.03%	04-Apr-17	Redeemable at par at the end of 781 days from the date of allotment
Series L FY 2014-15 opt 4	₹ 25 lakh each	13-Feb-15	12.33	9.02%	17-Apr-17	Redeemable at par at the end of 794 days from the date of allotment
Series P FY 2014-15 opt 1	₹ 25 lakh each	24-Feb-15	5.65	9.15%	07-Feb-18	Redeemable at par at the end of 1079 days from the date of allotment
Series P FY 2014-15 opt 2	₹ 25 lakh each	24-Feb-15	4.77	9.24%	23-Feb-18	Redeemable at par at the end of 1095 days from the date of allotment
Series P FY 2014-15 opt 3	₹ 25 lakh each	24-Feb-15	180.56	9.22%	15-Jun-18	Redeemable at par at the end of 1207 days from the date of allotment
Series P FY 2014-15 opt 4	₹ 25 lakh each	24-Feb-15	25.23	9.25%	24-Feb-20	Redeemable at par at the end of 1826 days from the date of allotment
Series P FY 2014-15 opt 5	₹ 25 lakh each	24-Feb-15	26.08	9.24%	06-Mar-18	Redeemable at par at the end of 1106 days from the date of allotment
Series L FY 2014-15	₹ 100 lakh each	13-Mar-15	119.32	9.10%	28-Mar-18	Redeemable at par at the end of 1111 days from the date of allotment
Series Q FY 2014-15	₹ 100 lakh each	13-Mar-15	179.26	9.10%	28-Mar-18	Redeemable at par at the end of 1111 days from the date of allotment
Series A FY 2015-16 opt 1	₹ 25 lakh each	17-Apr-15	5.60	8.81%	04-Apr-17	Redeemable at par at the end of 718 days from the date of allotment
Series A FY 2015-16 opt 2	₹ 25 lakh each	17-Apr-15	42.17	8.81%	06-Apr-17	Redeemable at par at the end of 720 days from the date of allotment
Series A FY 2015-16 opt 3	₹ 25 lakh each	17-Apr-15	59.61	8.80%	17-Apr-17	Redeemable at par at the end of 731 days from the date of allotment
Series A FY 2015-16 opt 4	₹ 25 lakh each	17-Apr-15	25.95	8.81%	27-Apr-17	Redeemable at par at the end of 741 days from the date of allotment
Series A FY 2015-16 opt 5	₹ 25 lakh each	17-Apr-15	2.07	8.86%	12-Apr-18	Redeemable at par at the end of 1091 days from the date of allotment
Series A FY 2015-16 opt 6	₹ 25 lakh each	17-Apr-15	70.83	8.86%	16-Apr-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 opt 7	₹ 25 lakh each	17-Apr-15	119.26	8.85%	17-Apr-18	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 opt 8	₹ 25 lakh each	17-Apr-15	26.27	8.86%	19-Apr-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 opt 9	₹ 25 lakh each	17-Apr-15	21.25	8.86%	24-Apr-18	Redeemable at par at the end of 1103 days from the date of allotment
Series A FY 2015-16 opt 1	₹ 25 lakh each	29-Apr-15	20.01	8.87%	26-Apr-17	Redeemable at par at the end of 728 days from the date of allotment
Series A FY 2015-16 opt 1	₹ 25 lakh each	29-Apr-15	28.86	8.87%	25-Apr-17	Redeemable at par at the end of 727 days from the date of allotment
Series A FY 2015-16 opt 3	₹ 25 lakh each	29-Apr-15	21.50	8.87%	04-May-17	Redeemable at par at the end of 736 days from the date of allotment
Series A FY 2015-16 opt 4	₹ 25 lakh each	29-Apr-15	10.02	8.92%	23-Apr-18	Redeemable at par at the end of 1090 days from the date of allotment
Series B FY 2015-16 opt 2	₹ 25 lakh each	11-May-15	57.48	8.80%	02-May-17	Redeemable at par at the end of 722 days from the date of allotment
Series B FY 2015-16 opt 3	₹ 25 lakh each	11-May-15	12.33	8.86%	15-May-17	Redeemable at par at the end of 735 days from the date of allotment
Series B FY 2015-16 opt 4	₹ 25 lakh each	11-May-15	7.05	8.85%	30-Apr-18	Redeemable at par at the end of 1085 days from the date of allotment
Series B FY 2015-16 opt 5	₹ 25 lakh each	11-May-15	2.35	8.86%	07-May-18	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2015-16 opt 6	₹ 25 lakh each	11-May-15	46.97	8.85%	04-Apr-17	Redeemable at par at the end of 694 days from the date of allotment
Series C FY 2015-16 opt 1	₹ 25 lakh each	20-May-15	7.32	8.91%	14-May-18	Redeemable at par at the end of 1090 days from the date of allotment
Series C FY 2015-16 opt 2	₹ 25 lakh each	20-May-15	35.18	8.91%	15-May-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 opt 3	₹ 25 lakh each	20-May-15	16.16	8.91%	18-May-18	Redeemable at par at the end of 1094 days from the date of allotment

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)
Secured redeemable non convertible debentures as on April 1,2017

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series G FY 2015-16 opt 1	₹ 25 lakh each	13-Jul-15	58.01	8.99%	06-Jul-17	Redeemable at par at the end of 724 days from the date of allotment
Series G FY 2015-16 opt 2	₹ 25 lakh each	13-Jul-15	10.18	8.98%	13-Jul-17	Redeemable at par at the end of 731 days from the date of allotment
Series H FY 2015-16 opt 1	₹ 25 lakh each	21-Jul-15	17.65	8.92%	12-Jul-17	Redeemable at par at the end of 722 days from the date of allotment
Series H FY 2015-16 opt 2	₹ 25 lakh each	21-Jul-15	52.93	8.91%	21-Jul-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 opt 1	₹ 25 lakh each	07-Aug-15	105.80	8.97%	07-Aug-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 opt 2	₹ 25 lakh each	07-Aug-15	46.13	8.98%	04-Aug-17	Redeemable at par at the end of 728 days from the date of allotment
Series I FY 2015-16 opt 1	₹ 25 lakh each	19-Aug-15	34.41	8.80%	16-Aug-18	Redeemable at par at the end of 1093 days from the date of allotment
Series I FY 2015-16 opt 2	₹ 25 lakh each	19-Aug-15	26.36	8.80%	17-Aug-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 opt 3	₹ 25 lakh each	19-Aug-15	20.64	8.80%	03-Sep-18	Redeemable at par at the end of 1111 days from the date of allotment
Series J FY 2015-16 opt 1	₹ 25 lakh each	27-Aug-15	34.34	8.81%	20-Aug-18	Redeemable at par at the end of 1089 days from the date of allotment
Series D FY 2015-16 opt 1	₹ 25 lakh each	31-Aug-15	131.51	8.93%	31-Aug-17	Redeemable at par at the end of 731 days from the date of allotment
Series K FY 2015-16	₹ 25 lakh each	26-Oct-15	103.68	8.61%	25-Sep-17	Redeemable at par at the end of 700 days from the date of allotment
Series L FY 2015-16 opt 1	₹ 25 lakh each	29-Oct-15	129.42	8.61%	29-Sep-17	Redeemable at par at the end of 701 days from the date of allotment
Series L FY 2015-16 opt 2	₹ 25 lakh each	29-Oct-15	103.54	8.61%	25-Sep-17	Redeemable at par at the end of 697 days from the date of allotment
Series N FY 2015-16	₹ 25 lakh each	29-Mar-16	185.14	8.90%	29-Apr-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 opt 1	₹ 25 lakh each	13-Apr-16	157.10	8.64%	28-Mar-18	Redeemable at par at the end of 714 days from the date of allotment
Series A FY 2016-17 opt 2	₹ 25 lakh each	13-Apr-16	184.25	8.69%	12-Mar-19	Redeemable at par at the end of 1063 days from the date of allotment
Series A FY 2016-17 opt 3	₹ 25 lakh each	13-Apr-16	10.84	8.70%	12-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 opt 4	₹ 25 lakh each	13-Apr-16	27.09	8.69%	31-May-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 opt 5	₹ 25 lakh each	13-Apr-16	298.06	8.69%	13-Jun-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 opt 6	₹ 25 lakh each	13-Apr-16	81.26	8.68%	12-Sep-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 opt 7	₹ 25 lakh each	13-Apr-16	4.33	8.68%	30-Sep-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17	₹ 25 lakh each	20-Apr-16	10.83	8.80%	19-Apr-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 lakh each	20-Apr-16	324.26	8.65%	20-Aug-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 2015-16 opt 1	₹ 25 lakh each	11-May-15	35.19	8.78%	03-Apr-17	Redeemable at par at the end of 693 days from the date of allotment
Series B FY 2016-17 opt 1	₹ 25 lakh each	20-May-16	53.81	8.80%	18-May-18	Redeemable at par at the end of 728 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	20-May-16	21.52	8.80%	20-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2016-17 opt 1	₹ 25 lakh each	20-May-16	134.60	8.80%	21-Jun-19	Redeemable at par at the end of 1127 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	24-May-16	53.69	8.65%	24-May-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	24-May-16	3.22	8.64%	28-Jun-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	13-Jun-16	10.70	8.80%	13-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 2016-17 opt 2	₹ 25 lakh each	13-Jun-16	10.70	8.80%	11-Jun-21	Redeemable at par at the end of 1824 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	14-Jun-16	50.05	8.72%	14-Jun-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	29-Jun-16	138.54	8.72%	28-Jun-19	Redeemable at par at the end of 1094 days from the date of allotment
Series E FY 2016-17 opt 2	₹ 25 lakh each	29-Jun-16	2.66	8.71%	22-Jul-19	Redeemable at par at the end of 1118 days from the date of allotment
Series F FY 2016-17 opt 1	₹ 25 lakh each	22-Jul-16	211.99	8.70%	20-Jul-18	Redeemable at par at the end of 728 days from the date of allotment
Series G FY 2016-17 opt I	₹ 25 lakh each	03-Aug-16	52.77	8.40%	03-Aug-18	Redeemable at par at the end of 730 days from the date of allotment

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)
Secured redeemable non convertible debentures as on April 1,2017

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series C FY 2015-16 opt 4	₹ 25 lakh each	20-May-15	55.10	8.90%	11-Jun-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 opt 5	₹ 25 lakh each	20-May-15	28.00	8.87%	20-May-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 opt 7	₹ 25 lakh each	20-May-15	14.35	8.81%	15-May-17	Redeemable at par at the end of 726 days from the date of allotment
Series C FY 2015-16 opt 8	₹ 25 lakh each	20-May-15	37.53	8.91%	22-May-18	Redeemable at par at the end of 1098 days from the date of allotment
Series C FY 2015-16 opt 1	₹ 25 lakh each	27-May-15	2.93	8.90%	09-May-17	Redeemable at par at the end of 713 days from the date of allotment
Series C FY 2015-16 opt 2	₹ 25 lakh each	27-May-15	5.86	8.91%	24-May-17	Redeemable at par at the end of 728 days from the date of allotment
Series C FY 2015-16 opt 3	₹ 25 lakh each	27-May-15	19.33	8.91%	22-May-17	Redeemable at par at the end of 726 days from the date of allotment
Series C FY 2015-16 opt 4	₹ 25 lakh each	27-May-15	17.57	8.91%	29-May-17	Redeemable at par at the end of 733 days from the date of allotment
Series D FY 2015-16 opt 1	₹ 25 lakh each	27-May-15	17.54	8.80%	27-Apr-17	Redeemable at par at the end of 701 days from the date of allotment
Series D FY 2015-16 opt 2	₹ 25 lakh each	27-May-15	5.37	8.80%	26-May-17	Redeemable at par at the end of 730 days from the date of allotment
Series D FY 2015-16 opt 3	₹ 25 lakh each	27-May-15	47.40	8.88%	27-May-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 opt 2	₹ 25 lakh each	04-Jun-15	3.50	8.80%	20-Jun-17	Redeemable at par at the end of 747 days from the date of allotment
Series E FY 2015-16 opt 3	₹ 25 lakh each	04-Jun-15	43.20	8.85%	04-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 opt 4	₹ 25 lakh each	04-Jun-15	5.36	8.85%	04-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 opt 5	₹ 25 lakh each	04-Jun-15	19.85	8.85%	22-Nov-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 opt 6	₹ 25 lakh each	04-Jun-15	23.35	8.85%	24-Dec-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 opt 7	₹ 25 lakh each	04-Jun-15	29.21	8.88%	04-Jun-19	Redeemable at par at the end of 1461 days from the date of allotment
Series D FY 2015-16 opt 2	₹ 25 lakh each	12-Jun-15	4.67	8.91%	05-Jun-17	Redeemable at par at the end of 724 days from the date of allotment
Series D FY 2015-16 opt 3	₹ 25 lakh each	12-Jun-15	29.18	8.91%	07-Jun-17	Redeemable at par at the end of 726 days from the date of allotment
Series D FY 2015-16 opt 4	₹ 25 lakh each	12-Jun-15	7.00	8.91%	12-Jun-17	Redeemable at par at the end of 731 days from the date of allotment
Series F FY 2015-16 opt 2	₹ 25 lakh each	12-Jun-15	2.91	8.82%	31-May-17	Redeemable at par at the end of 719 days from the date of allotment
Series F FY 2015-16 opt 3	₹ 25 lakh each	12-Jun-15	3.50	8.82%	12-Jun-17	Redeemable at par at the end of 731 days from the date of allotment
Series F FY 2015-16 opt 4	₹ 25 lakh each	12-Jun-15	2.62	8.82%	19-Jun-17	Redeemable at par at the end of 738 days from the date of allotment
Series F FY 2015-16 opt 5	₹ 25 lakh each	12-Jun-15	1.75	8.80%	24-Jul-17	Redeemable at par at the end of 773 days from the date of allotment
Series F FY 2015-16 opt 6	₹ 25 lakh each	12-Jun-15	25.35	8.80%	01-Aug-17	Redeemable at par at the end of 781 days from the date of allotment
Series E FY 2015-16 opt 1	₹ 25 lakh each	23-Jun-15	2.33	8.95%	06-Jun-17	Redeemable at par at the end of 714 days from the date of allotment
Series E FY 2015-16 opt 2	₹ 25 lakh each	23-Jun-15	32.62	8.96%	19-Jun-17	Redeemable at par at the end of 727 days from the date of allotment
Series E FY 2015-16 opt 3	₹ 25 lakh each	23-Jun-15	5.82	8.95%	07-Jan-19	Redeemable at par at the end of 1294 days from the date of allotment
Series G FY 2015-16 opt 1	₹ 25 lakh each	26-Jun-15	186.82	8.90%	26-Jun-17	Redeemable at par at the end of 731 days from the date of allotment
Series G FY 2015-16 opt 2	₹ 25 lakh each	26-Jun-15	34.02	8.90%	27-Jul-17	Redeemable at par at the end of 762 days from the date of allotment
Series G FY 2015-16 opt 3	₹ 25 lakh each	26-Jun-15	11.63	8.91%	20-Jun-18	Redeemable at par at the end of 1090 days from the date of allotment
Series G FY 2015-16 opt 4	₹ 25 lakh each	26-Jun-15	5.34	8.90%	26-Jun-18	Redeemable at par at the end of 1096 days from the date of allotment
Series F 2015-16	₹ 25 lakh each	30-Jun-15	20.94	8.96%	26-Jun-17	Redeemable at par at the end of 727 days from the date of allotment
Series H FY 2015-16 opt 1	₹ 25 lakh each	08-Jul-15	40.60	8.93%	02-Jul-18	Redeemable at par at the end of 1090 days from the date of allotment
Series H FY 2015-16 opt 2	₹ 25 lakh each	08-Jul-15	40.61	8.93%	05-Jul-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 opt 3	₹ 25 lakh each	08-Jul-15	63.89	8.92%	06-Jul-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 opt 4	₹ 25 lakh each	08-Jul-15	30.16	8.93%	17-Jul-18	Redeemable at par at the end of 1105 days from the date of allotment

L&T Finance Limited
Notes forming part of the financial statements

Note 13 (a)
Secured redeemable non convertible debentures as on April 1,2017

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate % p.a.	Date of redemption	Redeemable terms
Series G FY 2016-17 opt II	₹ 25 lakh each	03-Aug-16	79.17	8.45%	02-Aug-19	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	75.89	7.37%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 2016-17 opt 1	₹ 25 lakh each	05-Aug-16	10.57	8.65%	03-Aug-18	Redeemable at par at the end of 728 days from the date of allotment
Series B FY 2016-17 opt 2	₹ 25 lakh each	05-Aug-16	5.28	8.65%	05-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series I FY 2016-17	₹ 25 lakh each	09-Aug-16	52.69	8.40%	09-Aug-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	18-Aug-16	2.62	8.55%	05-Aug-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E FY 2016-17 opt 1	₹ 25 lakh each	23-Aug-16	12.33	8.54%	30-Sep-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	08-Sep-16	52.14	8.31%	06-Sep-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G 2016-17	₹ 25 lakh each	12-Sep-16	209.15	8.31%	12-Sep-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 2016-17 opt I	₹ 25 lakh each	19-Jan-17	50.75	7.66%	18-Jan-19	Redeemable at par at the end of 729 days from the date of allotment
Series J FY 2016-17 opt II	₹ 25 lakh each	19-Jan-17	152.28	7.83%	20-Jan-20	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2016-17 opt 1	₹ 25 lakh each	22-Mar-17	49.83	7.71%	22-Jun-18	Redeemable at par at the end of 457 days from the date of allotment
Series D FY 2016-17 opt 1	₹ 25 lakh each	27-Mar-17	53.48	7.75%	26-Apr-19	Redeemable at par at the end of 760 days from the date of allotment
Series D FY 2016-17 opt 2	₹ 25 lakh each	27-Mar-17	25.03	7.90%	27-Mar-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2016-17	₹ 25 lakh each	29-Mar-17	99.79	7.90%	29-Jun-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 2016-17	₹ 25 lakh each	31-Mar-17	300.07	8.07%	29-May-20	Redeemable at par at the end of 1155 days from the date of allotment
NCD 2009 series 4 (Public issue)	₹ 1000 each	17-Sep-09	453.90	10.24%	17-Sep-19	Redeemable at par at the end of 3652 days from the date of allotment
			7,467.53			

Nature of Security :
The Debentures are secured by way of first/second charges, having pari passu right, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

Note 13 (b)
Commercial papers (net) as on April 1,2017

Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹ crore)
Bullet	Up to 1 years	upto 7.00%	3,333.41
		7.01% to 8.00%	4,444.53
		8.01% to 9.00%	1,380.11
		9.01% to 10.00%	492.37
Total			**9,650.42**

L&T Finance Limited
Notes forming part of the financial statements

Note 14 : Borrowings (other than debt securities)

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(I) At amortised cost			
(a) Term loans			
(i) from banks (refer note 14 (a))	9,661.43	7,387.93	4,234.71
(ii) from financial institutions (refer note 14 (b))	1,477.13	1,475.78	-
(b) Term loans from bank - FCNR (refer note 14 (c))	107.32	101.16	129.70
(b) Loan from related parties (refer note 14 (d))	169.36	667.13	243.79
(c) Loan repayable on demand			
(i) from banks (refer note 14 (e))	8,781.30	7,721.47	5,451.58
(d) Corporate bond repo (refer note 14 (f))	323.62	-	-
(e) Collateralized borrowing and lending obligation (refer note 14 (g))	1,619.70	-	-
Total borrowings (other than debt securities) (A)	**22,139.86**	**17,353.47**	**10,059.78**
(B)			
(I) Borrowings (other than debt securities) in India			
(i) At amortised cost	22,139.86	17,353.47	10,059.78
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total borrowings (other than debt securities) in India (I = I+II+III)	22,139.86	17,353.47	10,059.78
(II) Borrowings (other than debt securities) in outside India			
(i) At amortised Cost	-	-	-
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total borrowings (other than debt securities) in outside India (II = I+II+III)	-	-	-
Total borrowings (other than debt securities) (B) = (I)+(II)	**22,139.86**	**17,353.47**	**10,059.78**

Note 14 (a)
Term loans from bank as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹crore)
Bullet	Up to 5 Years	8.01% - 9.00%	1,390.00
	Up to 5 Years	9.01% - 10.00%	250.00
	Above 5 Years	8.01% - 9.00%	700.00
Annually	Up to 5 Years	9.01% - 10.00%	750.00
	Above 5 Years	9.01% - 10.00%	185.00
Half Yearly	Up to 5 Years	8.01% - 9.00%	1,706.08
	Up to 5 Years	9.01% - 10.00%	3,180.35
	Above 5 Years	8.01% - 9.00%	1,500.00
Total			**9,661.43**

Nature of Security :
Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (b)
Term loans from financial institutions as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹crore)
Half Yearly	Up to 5 Years	8.01% - 9.00%	271.35
Quarterly	Up to 5 Years	7.01% - 8.00%	805.78
	Above 5 Years	7.01% - 8.00%	400.00
Total			**1,477.13**

Nature of Security :
Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (c)
Term loans from bank- FCNR as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹crore)
Bullet	Up to 5 Years	8.01%-9.00%	107.32
Total			**107.32**

Nature of Security :
Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (d)
Loan from related parties as on March 31, 2019 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹crore)
Bullet	Up to 1 Year	7.01% to 8.00%	3.25
		9.01% to 10.00%	166.11
Total			**169.36**

Note 14 (e)
Loan repayable on demand from bank as on March 31, 2019 : Secured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	1,299.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	848.00
Working Capital Demand	Bullet	Up to 5 Years	9.01% - 10.00%	1,085.00
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	279.85
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	9.01% - 10.00%	29.45
Total				**3,541.30**

Nature of Security :
Loan repayable on demand from bank is secured by hypothecation of specified lease/term loan receivables.

Loan repayable on demand as on March 31, 2019 : Unsecured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	2,390.00
Line of credit	Bullet	Up to 5 Years	9.01% - 10.00%	2,050.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	800.00
Total				**5,240.00**

Note 14 (f)

Corporate bond repo as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹crore)
Bullet	Up to 1 month	8.01% to 9.00%	323.62
Total			**323.62**

Nature of Security :

Secured by hypothecation of any Corporate Bonds of investment held by the Company.

Note 14 (g)

Collateralized borrowing and lending obligation as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2019 (₹crore)
Bullet	4 days	upto 7.00%	1,525.57
		7.01% to 8.00%	94.13
Total			**1,619.70**

Nature of Security :

Collateralized borrowing and lending obligation is secured by hypothecation of eligible Government Bonds as approved by The Clearing Corporation of India Limited.

Note 14 (a)
Term loans from bank as on March 31, 2018 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹crore)
Bullet	Up to 5 Years	7.01% - 8.00%	500.00
	Up to 5 Years	8.01% - 9.00%	4,435.03
	Above 5 Years	8.01% - 9.00%	740.00
Annually	Up to 5 Years	8.01% - 9.00%	50.00
Half Yearly	Up to 5 Years	8.01% - 9.00%	1,052.47
	Above 5 Years	8.01% - 9.00%	500.00
Quarterly	Up to 5 Years	8.01% - 9.00%	110.43
Total			**7,387.93**

Nature of Security :
Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (b)
Term loans from financial institutions as on March 31, 2018 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹crore)
Half Yearly	Up to 5 Years	8.01% - 9.00%	270.00
Quarterly	Up to 5 Years	7.01% - 8.00%	805.78
	Above 5 Years	7.01% - 8.00%	400.00
Total			**1,475.78**

Nature of Security :
Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (c)
Term loans from bank- FCNR as on March 31, 2018 : Secured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹crore)
Bullet	Up to 5 Years	8.01%-9.00%	101.16
Total			**101.16**

Nature of Security :
Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (d)
Loan from related parties as on March 31, 2018 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹crore)
Bullet	Up to 1 Year	upto 7.00%	2.67
		7.01% to 8.00%	3.92
		8.01% to 9.00%	660.54
Total			**667.13**

Note 14 (e)
Loan repayable on demand from bank as on March 31, 2018 : Secured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	1,700.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	390.00
Working Capital Demand	Bullet	Up to 5 Years	9.01% - 10.00%	146.00
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	58.47
Total				**2,294.47**

Nature of Security :
Loan repayable on demand from bank is secured by hypothecation of specified lease/term loan receivables.

Loan repayable on demand as on March 31, 2018 : Unsecured

Nature	Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	4,797.00
Working Capital Demand	Bullet	Up to 5 Years	8.01% - 9.00%	630.00
Total				**5,427.00**

Note 14 (a)
Term loans from bank as on April 1, 2017 : Secured

Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹crore)
Bullet	Up to 5 Years	8.01% - 9.00%	2,425.00
	Up to 5 Years	9.01% - 10.00%	400.00
Half Yearly	Up to 5 Years	8.01% - 9.00%	585.50
	Up to 5 Years	9.01% - 10.00%	626.30
Quarterly	Up to 5 Years	8.01% - 9.00%	16.67
	Up to 5 Years	9.01% - 10.00%	181.24
Total			**4,234.71**

Nature of Security :
Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (c)
Term loans from bank- FCNR as on April 1, 2017 : Secured

Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹crore)
Bullet	Up to 5 Years	8.01%-9.00%	129.70
Total			**129.70**

Nature of Security :
Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

Note 14 (d)
Loan from related parties as on April 1, 2017 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹crore)
Bullet	Up to 1 Year	7.01% to 8.00%	4.78
		9.01% to 10.00%	239.01
Total			**243.79**

Note 14 (e)
Loan repayable on demand from bank as on April 1, 2017 : Secured

Nature	Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	1,900.00
Working capital demand	Bullet	Up to 5 Years	8.01% - 9.00%	20.00
Bank overdraft/Cash Credit	Bullet	Up to 5 Years	8.01% - 9.00%	76.58
Total				**1,996.58**

Nature of Security :
Loan repayable on demand from bank is secured by hypothecation of specified lease/term loan receivables.

Loan repayable on demand as on April 1, 2017 : Unsecured

Nature	Repayment Term	Tenure	Interest Range	Balance as at April 1, 2017 (₹crore)
Line of credit	Bullet	Up to 5 Years	8.01% - 9.00%	2,955.00
			9.01% - 10.00%	500.00
Total				**3,455.00**

L&T Finance Limited
Notes forming part of the financial statements

Note 15 : Subordinated liabilities

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
(i) At amortised cost			
(a) Perpetual debt instruments to the extent that do not qualify as equity (Refer note 15 (a))	260.81	260.75	255.82
(b) Subordinate debt instruments (Refer note 15 (b))	863.61	863.60	934.60
Total subordinated liabilities (A)	**1,124.42**	**1,124.35**	**1,190.42**
(B)			
(I) Subordinated liabilities in India			
(i) At amortised cost	1,124.42	1,124.35	1,190.42
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total subordinated liabilities in India (I = I+II+III)	**1,124.42**	**1,124.35**	**1,190.42**
(II) Subordinated liabilities in outside India			
(i) At amortised cost	-	-	-
(ii) At fair value through profit or loss	-	-	-
(iii) Designated at fair value through profit or loss	-	-	-
Total subordinated liabilities in outside India (II = I+II+III)	-	-	-
Total subordinated liabilities (B) = (I)+(II)	**1,124.42**	**1,124.35**	**1,190.42**

Note 15 (a)
Unsecured redeemable non convertible debentures as on March 31,2019 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2019 (₹ crore)	Interest rate %p.a.	Date of redemption	Redeemable terms
Series F FY 2011-12	₹ 10 lakh each	30-Dec-11	205.73	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30-Mar-16	55.08	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			260.81			

Note 15 (b)
Unsecured redeemable non convertible debentures as on March 31,2019 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2019 (₹ crore)	Interest rate %p.a.	Date of redemption	Redeemable terms
Series J FY 2012-13	₹ 10 lakh each	21-Dec-12	282.46	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28-Feb-14	25.24	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27-Mar-14	50.07	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	27-Mar-14	50.07	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30-Jun-14	43.11	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31-Dec-14	51.24	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30-Mar-15	55.00	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	09-Sep-15	105.14	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 lakh each	29-Jan-16	32.51	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	09-Feb-16	18.23	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	04-Mar-16	50.36	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23-Mar-16	100.18	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			863.61			

Note 15 (a)
Unsecured redeemable non convertible debentures as on March 31,2018 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2018 (₹ crore)	Interest rate %p.a.	Date of redemption	Redeemable terms
Series F FY 2011-12	₹ 10 lakh each	30-12-11	205.67	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30-03-16	55.08	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			260.75			

Note 15 (b)
Unsecured redeemable non convertible debentures as on March 31,2018 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at March 31, 2018 (₹ crore)	Interest rate %p.a.	Date of redemption	Redeemable terms
Series J FY 2012-13	₹ 10 lakh each	21-12-12	282.46	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28-02-14	25.24	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27-03-14	50.07	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	27-03-14	50.07	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30-06-14	43.19	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31-12-14	51.23	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30-03-15	54.95	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	09-09-15	105.12	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 lakh each	29-01-16	32.51	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	09-02-16	18.24	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	04-03-16	50.35	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23-03-16	100.23	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			863.60			

Note 15 (a)
Unsecured redeemable non convertible debentures as on April 1, 2017 : Perpetual debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate %p.a.	Date of redemption	Redeemable terms
Series F FY 2011-12	₹ 10 lakh each	30-12-11	205.78	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2015-16	₹ 10 lakh each	30-03-16	50.04	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			255.82			

Note 15 (b)
Unsecured redeemable non convertible debentures as on April 1, 2017 : Subordinate debt instruments

Series details	Face value per debenture	Date of allotment	Balance as at April 1, 2017 (₹ crore)	Interest rate %p.a.	Date of redemption	Redeemable terms
Series H FY 2007-08	₹ 10 lakh each	20-02-08	75.86	10.50%	20-02-18	Redeemable at par at the end of 3653 days from the date of allotment
Series J FY 2012-13	₹ 10 lakh each	21-12-12	282.44	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C FY 2013-14	₹ 10 lakh each	28-02-14	25.24	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F FY 2013-14	₹ 10 lakh each	27-03-14	50.07	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I FY 2013-14	₹ 10 lakh each	27-03-14	50.03	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E FY 2014-15	₹ 10 lakh each	30-06-14	43.19	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M FY 2014-15	₹ 10 lakh each	31-12-14	51.24	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S FY 2014-15	₹ 10 lakh each	30-03-15	50.07	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J FY 2015-16	₹ 10 lakh each	09-09-15	105.17	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F FY 2015-16	₹ 10 lakh each	29-01-16	32.50	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G FY 2015-16	₹ 10 lakh each	09-02-16	18.23	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H FY 2015-16	₹ 10 lakh each	04-03-16	50.34	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M FY 2015-16	₹ 10 lakh each	23-03-16	100.22	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			934.60			

Note 16 : Other financial liabilities

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposit and margin money received	14.91	18.82	24.55
Unclaimed interest on debentures	0.89	-	-
Liability for capital goods	0.12	0.12	0.12
Bank book credit balance	0.59	0.07	18.52
Liability for expenses	143.49	77.96	111.58
Short term obligation	19.58	10.38	16.98
Interim dividend payable	191.90	-	-
Payable on re-recognition of financial assets	-	109.05	-
Other payables	35.18	22.74	46.81
Total other financial liabilities	**406.66**	**239.14**	**218.56**

Note 17 : Provisions

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for employee benefits			
Compensated absences	17.01	10.20	8.31
Gratuity	4.73	1.63	3.19
Total provisions	**21.74**	**11.83**	**11.50**

Note 18 : Other non-financial liabilities

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Revenue received in advance	0.58	2.30	5.43
Statutory dues payable	12.34	31.80	34.05
Dividend distribution tax payable	39.44	-	-
Total other non-financial liabilities	**52.36**	**34.10**	**39.48**

L&T Finance Limited
Notes forming part of the financial statements

Note 19: Equity share capital

(a) Share capital authorised, issued, subscribed and paid up:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	₹ in crore	No. of shares	₹ in crore	No. of shares	₹ in crore
Authorised						
Equity shares of ₹10 each	2,65,43,09,610	2,654.31	2,65,43,09,610	2,654.31	2,65,43,09,610	2,654.31
Preference shares of ₹ 100 each	10,00,000	10.00	10,00,000	10.00	10,00,000	10.00
Issued, subscribed and paid up						
Equity shares of ₹ 10 each fully paid up	1,59,91,38,199	1,599.14	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05
		1,599.14		1,599.14		1,440.05

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	₹ in crore	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05	20,43,09,610	204.31
Add: Issued during the year	-	-	15,90,90,905	159.09	1,23,57,37,684	1,235.74
At the end of the year	1,59,91,38,199	1,599.14	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05

(c) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	No. of shares	No. of shares	No. of shares
Fully paid up pursuant to contract(s) without payment being received in cash	1,23,57,37,684	1,23,57,37,684	1,23,57,37,684

(d) 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. During the year, the company has declared Interim dividend of ₹ 1.20 per equity share (previous year : ₹ Nil per equity share).

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.

(e) Shares held by holding company:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	₹ in crore	No. of shares	₹ in crore	No. of shares	₹ in crore
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity shares of ₹ 10 each fully paid up)	1,59,91,38,199	1,599.14	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05

(f) Shareholder holding more than 5% of equity shares as at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity shares of ₹ 10 each fully paid up)	1,59,91,38,199	100%	1,59,91,38,199	100%	1,44,00,47,294	100%

Note 20 : Other equity

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Capital redemption reserve	3.20	3.20	3.20
Debenture redemption reserve[1]	114.18	97.61	75.22
Securities premium account	6,903.72	6,903.72	5,664.21
General reserve[2]	0.25	0.24	-
Reserve u/s 45 IC of Reserve Bank of India Act, 1934[3]	753.59	584.40	526.42
Reserve u/s 36(1)(viii) of Income tax Act, 1961[4]	44.93	23.57	8.81
Amalgamation adjustment account[5]	(538.06)	(538.06)	(538.52)
Retained earnings	19.85	(386.64)	(407.95)
Change in fair value of debt instruments classified at fair value through other comprehensive income	(0.37)	-	4.07
Total other equity	**7,301.29**	**6,688.04**	**5,335.46**

Notes:

1. **Debenture redemption reserve:** As the Company has issued redeemable non-convertible debentures, it has created Debenture Redemption Reserve out of its profits available for payment of dividend in accordance with the provisions of section 71(4) of the Companies Act, 2013 to be utilised for the redemption of debentures.

2. **General Reserve:** The Companies (Transfer of Profits to Reserves) Rules, 1975 read with Section 205(2A) of the Companies Act, 1956, prohibited declaration of dividend for any financial year out of profits of the company for that year except after the transfer of a specified percentage of the profits not exceeding 10%, to its reserves. Amounts were transferred to General Reserve to comply with these provisions. The Companies Act, 2013, does not mandate such a transfer.

3. **Reserve u/s 45 IC of Reserve Bank of India Act, 1934:** The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

4. **Reserve u/s 36(1)(viii) of Income tax Act, 1961:** In respect of any special reserve created and maintained by a specified entity, an amount not exceeding twenty percent of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) carried to such reserve account.

5. **Amalgamation Adjustment Account:** Upon amalgamation of the erstwhile L&T Finance Limited and the erstwhile L&T Fincorp Limited (the "Transferor Companies") with Family Credit Limited (the "Transferee Company" which was renamed as L&T Finance Limited") the statutory reserves (i.e. Debenture Redemption Reserve, Reserve under section 45 IC of the Reserve Bank of India Act, 1934 and Reserve under section 36(1)(viii) of the Income tax Act, 1961) of the Transferor Companies as on April 01, 2016 (the Appointed Date") with a corresponding debit to Amalgamation Adjustment Account. As the corresponding statutory reserve unwind, the Amalgamation Adjustment Account is also reversed.

Note 21 : Interest income

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) On financial assets measured at amortised cost		
- Interest on loans	5,589.91	4,081.51
- Interest income from investments	74.24	-
- Interest on deposits with banks	13.02	3.63
- Other interest income	5.68	4.71
Total interest income on financial assets measured at amortised cost (i)	**5,682.85**	**4,089.85**
(ii) On financial assets measured at fair value through other comprehensive income		
- Interest income from investments	189.81	202.47
Total interest income on financial assets measured at fair value through other comprehensive income (ii)	**189.81**	**202.47**
(iii) On financial assets classified at fair value through profit or loss		
- Interest on loans	1,129.88	673.06
- Interest income from investments	9.18	2.76
Total interest income on financial assets classified at fair value through profit or loss (iii)	**1,139.06**	**675.82**
Total interest income (i+ii+iii)	**7,011.72**	**4,968.14**

Note 22 : Rental income

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Lease rental income	16.15	35.95
Other rental income	2.69	1.28
Total rental income	**18.84**	**37.23**

Note 23 : Fees and commission income

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy fees and financial advisory fee	71.70	26.82
Other financial activities	80.55	38.89
Total fees and commission income	**152.25**	**65.71**

Note 24 : Net gain/(loss) on fair value changes

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(A) Net gain/(loss) on financial instruments classified at fair value through profit or loss		
On trading portfolio		
- Gain on sale of investments	76.46	2.96
- Gain/(loss) on sale of loan assets	7.28	(1.73)
- Fair value changes on loan assets	(63.81)	(17.51)
- Fair value changes on investments	(37.99)	(22.15)
(B) Net gain on disposal of financial instruments classified at fair value through other comprehensive income		
- Gain on sale of investments	9.44	37.74
Total net gain/(loss) on fair value changes (A+B)	**(8.62)**	**(0.69)**
(C) Fair value changes:		
-Realised	93.18	38.97
-Unrealised	(101.80)	(39.66)
Total net gain/(loss) on fair value changes (D)	**(8.62)**	**(0.69)**

Note 25 : Other income

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income on cross sell	199.43	-
Other income	0.35	0.35
Total other income	**199.78**	**0.35**

Note 26 : Finance costs

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
On financial liabilities measured at amortised cost		
Interest on debt securities	1,778.02	1,582.82
Interest on borrowings	1,422.12	808.57
Interest on subordinated liabilities	110.42	89.41
Other interest expense	17.36	24.75
Total finance costs	**3,327.92**	**2,505.55**

Note 27 : Net loss on derecognition of financial instruments under amortised cost category

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss on foreclosure and writeoff of loan	1,181.43	471.07
Less: Provision held reversed on derecognition of financial instruments	(856.46)	(51.94)
Total net loss on derecognition of financial instruments under amortised cost category	**324.97**	**419.13**

Note 28 : Impairment on financial instruments

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
On financial instruments measured at amortised cost:		
Loans	637.06	730.69
Total impairment on financial instruments	**637.06**	**730.69**

Note 29 : Employee benefits expenses

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries	467.18	159.68
Contribution provident and pension fund (refer note: 32)	16.19	11.20
Contribution to gratuity fund (refer note: 32)	2.93	2.80
Share based payments to employees (refer note: 35)	25.91	15.39
Staff welfare expenses	36.10	16.80
Total employee benefits expenses	**548.31**	**205.87**

Note 30 : Other expenses

₹ in crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	48.20	48.18
Rates and taxes	3.24	1.76
Repairs and maintenance	56.96	50.36
Advertisement and publicity	11.69	3.82
Printing and stationery	10.00	6.59
Telephone and postage	9.87	11.37
Directors sitting fees	0.28	0.32
Auditor's remuneration (refer footnote)	0.82	1.09
Legal and professional charges	99.44	58.18
Insurance	5.13	1.39
Electricity charges	5.94	5.30
Travelling and conveyance	29.02	20.32
Stamping charges	2.57	2.30
Collection charges	152.93	106.33
Loan processing charges	12.68	6.34
Corporate social responsibility expenses (refer note: 34)	4.01	1.81
Corporate support charges	8.02	2.85
Bank charges	22.25	8.51
Non executive directors remunerations	0.62	0.34
Loss on sale of property, plant and equipment (net)	7.62	5.47
Brand license fees	46.53	16.03
Miscellaneous expenses	3.88	3.92
Total administration and other expenses	**541.70**	**362.58**
footnote: Auditor's remuneration comprises the following		
Statutory audit fees	0.34	0.42
Limited review fees	0.13	0.12
Tax audit Fees	0.03	0.03
Certification and other service	0.27	0.43
Expenses reimbursed	0.02	0.05
GST/Service tax (net of input credit)	0.03	0.04
	0.82	**1.09**

Note: 31 Disclosure pursuant to Ind AS 24 "Related Party Disclosures"

(a) List of Related Parties (with whom transactions were carried out during current or previous year)

A. Ultimate Holding Company

1. Larsen & Toubro Limited

B. Holding Company

2. L&T Finance Holdings Limited

C. Fellow Subsidiary Companies

3. L&T Infrastructure Finance Company Limited
4. L&T Infotech Limited
5. L&T Capital Company Limited
6. L&T Capital Markets Limited
7. L&T Housing Finance Limited
8. L&T Investment Management Limited
9. L&T Financial Consultants Limited
10. L&T Infra Investment Partners Advisory Private Limited

D. Associates

11. L&T Infra Debt Fund Limited

E. Key Management Personnel

12. Mr. Dinanath Dubhashi
13. Mr. Sunil Prabhune
14. Mr. P. V. Bhide
15. Mr. D. R. Dongra *(Appointed as Director with effect from July 24, 2017 and Ceased to be a Director with effect from June 06, 2018)*
16. Mr. Mannil Venugopalan *(Ceased to be a Director with effect from June 11, 2018)*
17. Dr (Mrs). Rajni R Gupte
18. Mr. Prabhakar B. *(Ceased to be a Director with effect from May 30, 2018)*
19. Mr. Ashish Kotecha *(Appointed as Director with effect from July 14, 2017)*
20. Mr. Pavninder Singh *(Ceased to be a Director with effect from July 24, 2017)*

(b) Disclosure of related party transactions :

₹ In crore

Sr. No.	Nature of transaction*	2018-19	2017-18
1	**Inter corporate deposits borrowed**		
	Larsen & Tourbo Limited	2,000.00	-
	L&T Finance Holdings Limited	8,036.51	7,421.03
	L&T Infrastructure Finance Company Limited	410.00	1,370.00
	L&T Housing Finance Limited	100.00	636.00
	L&T Capital Company Limited	5.97	8.37
	L&T Investment Management Limited	133.25	967.94
	L&T Capital Markets Limited	155.82	134.46
	L&T Infra Investment Partners Advisory Private Limited	61.26	159.95
2	**Inter corporate deposits repaid (including interest)**		
	Larsen & Tourbo Limited	2,016.57	-
	L&T Finance Holdings Limited	8,626.02	6,992.97
	L&T Infrastructure Finance Company Limited	410.35	1,407.13
	L&T Housing Finance Limited	100.02	636.51
	L&T Capital Company Limited	9.67	10.02
	L&T Investment Management Limited	133.51	969.91
	L&T Capital Markets Limited	156.49	134.84
	L&T Infra Investment Partners Advisory Private Limited	61.53	160.70
3	**Interest expense on inter corporate deposits**		
	Larsen & Tourbo Limited	16.57	-
	L&T Finance Holdings Limited	95.08	31.29
	L&T Infrastructure Finance Company Limited	0.35	2.12
	L&T Housing Finance Limited	0.02	0.51
	L&T Capital Company Limited	0.36	0.64
	L&T Investment Management Limited	0.26	1.97
	L&T Capital Markets Limited	0.67	0.38
	L&T Infra Investment Partners Advisory Private Limited	0.27	0.75
4	**Inter corporate deposits given**		
	L&T Infrastructure Finance Company Limited	75.00	100.00
	L&T Housing Finance Limited	12.57	5.65

(b) Disclosure of related party transactions :

₹ In crore

Sr. No.	Nature of transaction*	2018-19	2017-18
5	**Inter corporate deposits received back (inculding interest)**		
	L&T Infrastructure Finance Company Limited	75.04	100.02
	L&T Housing Finance Limited	12.59	5.66
6	**Interest received on inter corporate deposits**		
	L&T Infrastructure Finance Company Limited	0.04	0.02
	L&T Housing Finance Limited	0.02	0.01
7	**Advisory fees received from**		
	Larsen & Tourbo Limited	-	0.13
8	**Portfolio related transaction**		
	L&T Housing Finance Limited	0.57	0.58
9	**Investment in equity shares of**		
	L&T Infra Debt Fund Limited	-	19.80
10	**Purchase of assets from**		
	L&T Capital Company Limited	-	0.02
11	**Corporate support charges paid to**		
	L&T Finance Holdings Limited	7.36	2.62
12	**Branch sharing cost paid to**		
	Larsen & Toubro Limited	0.00	0.11
	L&T Financial Consultants Limited	24.28	23.36
	L&T Investment Management Limited	0.05	-
	L&T Housing Finance Limited	0.08	-
13	**Branch sharing cost recovered from**		
	L&T Infrastructure Finance Company Limited	0.23	0.17
	Larsen & Toubro Limited	0.05	0.05
	L&T Investment Management Limited	2.38	1.77
	L&T Capital Markets Limited	0.74	0.64
	L&T Housing Finance Limited	3.06	3.04
14	**IT/Professional fees paid to**		
	Larsen & Toubro Limited	7.63	6.13
	L&T Infotech Limited	1.19	2.15
	L&T Finance Holdings Limited	-	0.08
15	**Sale/Assignment of loan portfolio to**		
	L&T Infra Debt Fund Limited	248.03	418.21
	L&T Infrastructure Finance Company Limited	1,514.86	662.12
	L&T Housing Finance Limited	-	735.85
16	**Purchase of loan portfolio from**		
	L&T Housing Finance Limited	1,769.38	-
	L&T Infrastructure Finance Company Limited	120.02	963.00
17	**Purchase of investment from**		
	L&T Infrastructure Finance Company Limited	-	330.00
18	**Brand license fees paid to**		
	Larsen & Toubro Limited	45.16	14.73
19	**Expenses on employee stock option plan**		
	L&T Finance Holdings Limited	25.91	15.39
20	**Equity capital infused (including share premium)**		
	L&T Finance Holdings Limited	-	1,400.00
21	**Service cost for loan portfolio**		
	L&T Housing Finance Limited	0.30	-
22	**Reimbursement of expenses to**		
	Larsen & Toubro Limited	0.11	-

(b) Disclosure of related party transactions :

₹ In crore

Sr. No.	Nature of transaction*	2018-19	2017-18
23	**Interest on security deposit**		
	L&T Financial Consultants Limited	0.43	0.40
24	**Interim dividend**		
	L&T Finance Holdings Limited	191.90	-

25 Compensation Paid to Key Managerial Personnel

₹ In crore

Name of Key Management Personnel	2018-19				2017-18			
	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total	Short-Term employee benefits	Post Employment Benefits	Other Long Term Benefits	Total
Mr. Sunil Prabhune	2.32	-	-	2.32	8.13	-	-	8.13
Mr. P. V. Bhide	0.19	-	-	0.19	0.18	-	-	0.18
Mr. D. R. Dongra	0.02	-	-	0.02	0.08	-	-	0.08
Mr. Mannil Venugopalan	0.05	-	-	0.05	0.15	-	-	0.15
Dr (Mrs). Rajni R Gupte	0.20	-	-	0.20	0.21	-	-	0.21
Mr. Prabhakar B.	0.02	-	-	0.02	0.11	-	-	0.11
Mr. Ashish Kotecha	0.11	-	-	0.11	0.09	-	-	0.09
Mr. Pavninder Singh	-	-	-	-	0.02	-	-	0.02

(c) Amount due to/from related parties:

₹ In crore

S. No.	Nature of transactions	As at March 31,2019	As at March 31,2018	As at April 1,2017
1	**Inter corporate borrowings**			
	L&T Finance Holdings Limited	166.11	660.54	201.18
	L&T Infrastructure Finance Company Limited	-	-	35.01
	L&T Capital Company Limited	3.25	6.59	7.60
2	**Investment in equity share**			
	L&T Infra Debt Fund Limited	176.50	176.50	156.70
3	**Rent deposit**			
	L&T Financial Consultants Limited	7.89	3.81	3.81
4	**Account payable**			
	L&T Finance Holdings Limited	3.47	27.56	14.45
	L&T Infrastructure Finance Company Limited	0.02	0.14	-
	L&T Investment Management Limited	-	0.03	-
	L&T Capital Company Limited	***0.00	***0.00	-
	L&T Capital Markets Limited	-	0.07	0.70
	L&T Housing Finance Limited	-	0.19	-
	L&T Financial Consultants Limited	0.03	0.12	-
	L&T Infra Debt Fund Limited	0.35	-	-
5	**Account receivable**			
	Larsen & Toubro Limited	3.03	2.29	0.28
	L&T Finance Holdings Limited	-	-	0.03
	L&T Infrastructure Finance Company Limited	-	0.67	0.44
	L&T Investment Management Limited	0.40	0.56	0.10
	L&T Capital Markets Limited	2.44	0.16	-
	L&T Housing Finance Limited	5.76	0.83	0.24
	L&T Financial Consultants Limited	-	0.00	-
6	**Security deposit payable**			
	L&T Investment Management Limited	0.22	0.22	0.22
7	**Interim dividend payable**			
	L&T Finance Holdings Limited	191.90	-	-
8	**Brand license fees payable**			
	Larsen & Tourbo Limited	47.87	16.06	-

* Transactions shown above are excluding of GST, if any.

** Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole.

*** Amount less than ₹ 1 lakh.

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(i) Defined Contribution plan:

The Company's state governed provident fund scheme are defined contribution plan for its employees and for a certain categories of employees made to a trust viz. The Larsen & Toubro Officers & Supervisory Staff Provident Fund constituted by the ultimate parent company, which is permitted under The employee's Provident Funds and Miscellaneous Provisions Act, 1952. The Contribution by the employer and employee together with interest accumulated there on are payable to the employee at the time of separation from company or retirement whichever is earlier. The benefit vets immediately on rendering of services by the employee. In addition to the above, information relating to the scheme operated by the trust constituted by the holding company is given in the note (iii) below.

The Company has recognised charges of ₹ 16.19 crore (previous year: ₹ 11.20 crore) for provident fund contribution contribution is included in "Note 29 Employee Benefits Expenses" in the Statement of Profit and Loss.

(ii) Defined Benefits Gratuity Plan :

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days last salary 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 as compared to the obligation under Payment of Gratuity Act, 1972.

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

₹ in crore

Particulars		Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A]	Present Value of Defined Benefit Obligation			
	- Wholly funded	12.92	9.55	9.09
	- Wholly unfunded	-	-	-
		12.92	**9.55**	**9.09**
	Less : Fair Value of plan assets	(8.19)	(7.91)	(5.89)
	Amount to be recognised as liability or (asset)	**4.73**	**1.63**	**3.19**
B)	Amounts reflected in Balance Sheet			
	Liabilities	4.73	1.63	3.19
	Assets	-	-	-
	Net liability/(asset)	**4.73**	**1.63**	**3.19**

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

₹ in crore

Sr. No.	Particulars	Gratuity Plan	
		As at March 31, 2019	As at March 31, 2018
1	Current Service Cost	2.93	2.80
2	Interest Cost	0.01	0.12
3	Actuarial losses/(gains):		
	i) Actuarial (gains)/losses arising from changes in financial assumptions	0.23	1.25
	ii) Actuarial (gains)/losses arising from changes in demographic assumptions	**0.00	(0.50)
	iii) Actuarial (gains)/losses arising from changes in experience adjustments	1.81	(0.56)
	iv) Actuarial losses/(gains) - difference between actuarial return on plan assets	(0.50)	0.01
4	Past Service Cost	-	-
	Total (1 to 4)	**4.48**	**3.12**
i	Amount included in "employee benefits expenses"	2.93	2.80
ii	Amount included in as part of "finance cost'	0.01	0.12
iii	Amount included as part of "Other Comprehensive Income"	1.54	0.20
	Total (i + ii + iii)	**4.48**	**3.12**

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

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

₹ In crore

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the present value of defined benefit obligation	9.55	9.09	1.35
Add : Current Service Cost	2.93	2.80	3.07
Add : Interest Cost	0.63	0.63	0.76
Add : Actuarial losses/(gains)			
i) Actuarial (gains)/losses arising from changes in financial assumptions	0.23	1.25	0.89
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	**0.00	(0.50)	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	1.81	(0.56)	(1.18)
Less : Benefits paid	(2.48)	(3.15)	(3.72)
Add : Past service cost	-	-	-
Add : Liability assumed/(settled)*	0.25	(0.01)	7.92
Closing balance of the present value of defined benefit obligation	**12.92**	**9.55**	**9.09**

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

₹ In crore

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the fair value of the plan assets	7.91	5.89	0.78
Add : interest income of plan assets	0.62	0.51	0.52
Add/(less) : Actuarial gains/(losses)			
Difference between actual return on plan assets and interest income	0.50	(0.01)	0.14
Add : Contribution by the employer	1.63	4.67	2.58
Less : Benefits paid	(2.48)	(3.15)	(3.72)
Add: Assets acquired/(settled)*	-	-	5.59
Closing balance of the fair value of the plan assets	**8.19**	**7.91**	**5.89**

(e) The fair value of major categories of plan assets are as follows:

₹ In crore

Sr. No	Particulars	Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Government of India Securities	1.84	1.83	1.90
2	Insurer managed funds - unquoted	3.10	0.59	0.37
3	Others debt instruments	2.55	2.38	2.36
4	Others - unquoted	0.70	3.11	1.26

(f) Principal actuarial assumptions at the valuation date:

Sr. No.	Particulars	Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Discount rate	6.90%	7.25%	7.20%
2	Salary escalation rate	9.00%	9.00%	6.00%

(A) **Discount rate:**
The discount rate based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

(B) **Salary escalation rate:**
The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

(g) Attrition Rate:
The attrition rate varies from 15% to 25% (previous year: 15% to 25%) for various age groups.

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(h) Mortality:

Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

(i) Sensitivity Analysis:

One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation:

₹ In crore

Sr. No.	Particulars	Gratuity Plan			
		Effect of 1% increase		Effect of 1% decrease	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
1	Impact of change in discount rate	(0.63)	(0.44)	0.69	0.48
2	Impact of change salary escalation rate	0.67	0.47	(0.63)	(0.44)

(iii) Defined Benefits Provident Fund Plan

In respect of the contribution by the employer and employee to the provident fund trust constituted by the ultimate parent company, in terms of the guidance note issued by the Institution of Actuarial of India for the measurement of provident fund liabilities, the actuary engaged by the Company has provide the following information in this regards:

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

₹ In crore

	Particulars	Provident Fund Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
A)	Present Value of Defined Benefit Obligation			
	- Wholly funded	15.72	24.07	-
	- Wholly unfunded	-	-	-
		15.72	**24.07**	-
	Assets acquired on acquisition	-	-	51.52
	Less : Fair Value of plan assets	(15.82)	(24.27)	(51.83)
	Add : Amount not recognised as an asset	-	-	-
	Amount to be recognised as liability or (asset)	**(0.10)**	**(0.20)**	**(0.31)**
B)	Amounts reflected in Balance Sheet			
	Liabilities	-	-	-
	Assets	(0.10)	(0.20)	(0.31)
	Net liability/(asset)	**(0.10)**	**(0.20)**	**(0.31)**

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

₹ In crore

Sr. No.	Particulars	Provident Fund Plan	
		As at March 31, 2019	As at March 31, 2018
1	Current Service Cost	-	0.00
2	Interest Cost	1.67	2.75
3	Interest Income on Plan Assets	-	-
4	Expected return on Plan Assets	(1.67)	(2.75)
5	Actuarial losses/(gains)	0.10	(2.56)
6	Actuarial gain/(loss) not recognised in Books	(0.10)	2.56
	Total (1 to 6)	-	-
i	Amount included in "employee benefits expenses"	-	-
ii	Amount included in as part of "finance cost'	-	-
iii	Amount included as part of "Other Comprehensive Income"	-	-
	Total (i + ii + iii)	-	-

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

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

₹ In crore

Particulars	Provident Fund Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the present value of defined benefit obligation	24.07	51.52	-
Add : Assets acquired on acquisition	-	-	53.11
Add : Current Service Cost	-	**0.00	3.95
Add : Interest Cost	1.67	2.75	4.26
Add : Actuarial (gains)/losses			
i) Actuarial (gains)/losses arising from changes in financial assumptions	-	-	-
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	-	-	-
Less : Benefits paid	(10.53)	(32.08)	(14.44)
Add : Contribution by the employer	-	1.95	7.81
Add : Liability assumed/(settled)*	0.51	(0.07)	(3.16)
Closing balance of the present value of defined benefit obligation	**15.73**	**24.07**	**51.52**

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

₹ In crore

Particulars	Provident Fund Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Opening balance of the fair value of the plan assets	24.27	51.83	-
Add : Assets acquired on acquisition	-	-	53.25
Add : interest income of plan assets	1.67	2.75	4.26
Add/(less) : Actuarial gains/(losses)	-	-	-
Difference between actual return on plan assets and interest income	(0.10)	2.56	(0.63)
Add : Contribution by the employer	-	**0.00	4.31
Add/(less) : Contribution by plan participants	-	**0.00	8.24
Less : Benefits paid	(10.53)	(32.08)	(14.44)
Add: Assets acquired/(settled)*	0.51	(0.79)	(3.16)
Closing balance of plan assets	**15.82**	**24.27**	**51.83**

(e) The fair value of major categories of plan assets are as follows:

₹ In crore

Sr. No.	Particulars	Provident Fund Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Government of India Securities	7.53	10.44	21.25
2	Corporate Bonds	3.51	4.13	7.77
3	Special Deposit Scheme	0.82	1.46	4.15
4	Public Sector Unit Bond	3.48	7.04	17.10
5	Others (unquoted)	0.48	1.20	1.56

(f) Principal actuarial assumptions at the valuation date:

Sr. No.	Particulars	Gratuity Plan		
		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Discount rate for the term of the obligation	6.90%	7.25%	7.20%
2	Average historic yield on the investment portfolio	8.78%	8.82%	8.80%
3	Discount rate for the remaining term to maturity of the investment portfolio	7.65%	7.80%	7.12%
4	Future derived return on assets	8.03%	8.27%	8.88%
5	Guaranteed rate of return	8.65%	8.55%	8.65%

(A) **Discount rate:**
The discount rate is based on the prevailing market yields of Indian government securities as at the valuation date for the estimated term of the obligations.

Note: 32 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(B) **Average historic yield on the investment portfolio:**
The average rate of return earned on the investment portfolio of provident fund in the previous three years.

(C) **Expected investment return:**
Expected investment return is determined by adding the yield spread to the discount rate for a term of the obligation, where yield spread is the difference between the average historic yield on the investment portfolio & discount rate for the remaining term to maturity of the investment portfolio.

(D) **Guaranteed rate of return:**
The latest interest rate declared by the Regional Provident Fund Commissioner to its own subscribers.

*On account of business combination or inter group transfer
**Amount less than ₹ 1 lakh

Note: 33 Disclosure pursuant to Ind AS 17 "Leases"

(i) Operating lease:

(a) Company as Leases:

The Company has taken motor vehicles, furniture and fixtures and premises on operating leases. Lease payments recognized in the Statement of Profit and Loss during the year is ₹ 48.20 crore (previous year: ₹48.18 crore). The total of future minimum lease payments on non-cancellable operating lease as at March 31, 2019 are as follows:

₹ in crore

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Not later than 1 year	3.39	23.25	21.61
Later than 1 year and not later than 5 years	0.32	3.23	14.45
Later than 5 years	-	-	-
Total	3.71	26.48	36.06

(b) Company as Lessor:

The Company has given motor vehicles, furniture and fixtures, office equipments, plant and machineries and computers under non-cancellable operating lease. The total of future minimum lease payment receivables on non-cancellable operating lease as at March 31, 2019 are as follows:

₹ in crore

Particulars	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Not later than 1 year	5.79	12.44	34.04
Later than 1 year and not later than 5 years	1.50	18.87	40.07
Later than 5 years	-	1.45	1.45
Total	7.29	32.76	75.56

(ii) Finance lease

(a) Company as Lessor:

The Company has given assets on finance lease to its customers with respective underlying assets/equipments as security. The details of gross investment, unearned finance income and present value of minimum lease payment receivable as at March 31, 2019 in respect of these assets are as under:

₹ in crore

Particulars	Minimum lease payment receivable			Present value of minimum lease payment receivable		
	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Not Later than 1 year	29.20	25.89	28.27	22.37	18.44	21.77
Later than 1 year and not later than 5 years	50.98	87.28	50.40	44.72	72.19	41.76
Later than 5 years	-	0.01	-	-	-	-
Gross investment in lease	80.18	113.18	78.67	67.09	90.63	63.53
Less: Unearned finance income	(13.09)	(22.55)	(15.14)	-	-	-
Present value of minimum lease payment receivable	67.09	90.63	63.53	67.09	90.63	63.53

Note: 34 Corporate Social Responsibility (CSR)

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 4.01 crore (previous year: ₹ 1.76 crore).

(a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 4.01 crore (previous year: ₹ 1.81 crore) (Refer note no. 30 of financial statements), which comprises of:

₹ in crore

Particulars	2018-19			2017-18		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(a) Amount spent during the year on:						
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	4.01	-	4.01	1.81	-	1.81

Note: 35 Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options have been granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts, recovery of the same and future period expense details are following:

₹ in crore

Particulars	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged to retained earning on transition date April 1, 2017	Expenses charged to Statement of Profit and Loss for the year	Remaining expenses to be recovered in future year
(A)	(B)	(C)	(D)	(E)	(E = B-C)
As at March 31, 2019	113.73	65.34	-	25.91	48.39
As at March 31, 2018	73.77	39.43	-	15.39	34.34
As at April 1, 2017	38.34	24.04	14.45	-	14.30

Note: 36 Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings Per Share"

Particulars		2018-19	2017-18
Basic Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	845.96	117.34
Weighted average number of equity shares outstanding during the year (Nos.)	B	1,59,91,38,199	1,44,92,00,469
Basic Earning Per Share (₹)	A/B	**5.29**	**0.81**
Diluted Earning Per Share			
Profit after tax as per statement of profit and loss (₹ in crore)	A	845.96	117.34
Weighted average number of equity shares outstanding (Nos.)	B	1,59,91,38,199	1,44,92,00,469
Diluted Earning Per Share (₹)	A/B	**5.29**	**0.81**
Face value of shares (₹)		**10.00**	**10.00**

Note: 37 Disclosures pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Contingent Liabilities:			
a) Claim against the Company not acknowledged as debt:			
- Income Tax matter in dispute*	0.71	0.71	0.71
- Sales tax/ VAT / Service Tax matter in dispute*	56.14	65.41	23.80
- Legal matter in dispute*	1.20	1.31	1.06
b) Bank Guarantees;	22.27	39.52	21.20
c) Other money for which the Company is contingently liable Liability towards Letter of Credit(net of margin money)	1,537.36	922.48	52.59
Commitments			
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	82.20	161.61	6.99
b) Undisbursed Commitment	32.00	-	41.00

*In respect of disputes, the company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

Note: 38 Frauds committed against the company:

₹ in crore

Particulars	2018-19	2017-2018
No. of cases of fraud which occurred during the year	44	12
Amount involved	0.64	0.63
Amount recovered	0.00	0.02
Amount provided/loss	0.49	0.61

Note: 39 The Company has invoked pledge of equity shares in the following companies, pledged with the Company 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.

Sr. No.	Name of Company	No. of shares held as bailee		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
i)	Saumya Mining Limited	5,13,012	5,13,012	5,13,012
ii)	SEW Vizag Coal Terminal Private Limited*	7,03,833	7,03,833	7,03,833
iii)	Bhushan Steel Limited	71,89,089	71,89,089	71,89,089
iv)	Sterling International Enterprises Limited	2,17,309	2,17,309	2,17,309
v)	Tulip Telecom Limited	14,01,762	14,01,762	14,01,762
vi)	Punj Lloyed Limited	5	5	5
vii)	Golden Tobacco Limited	10,000	10,000	10,000
viii)	Gujurat Highway Corporation Limited	70,000	70,000	70,000
ix)	Vakrangee Limited	-	81,524	-
x)	Hindusthan National Glass & Industries Limited	34,04,499	38,02,235	-

**Shares held on behalf of L&T Infrastructure Finance Company Limited.*

Note: 40 **Expenditure in foreign currency:**

₹ In crore

Particulars	2018-2019	2017-2018
Professional Fees	1.48	0.37
License Fees	3.95	1.52

Note: 41 The details of total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditors is a part, are as follows :

₹ In crore

Particulars	Amount
Statutory Auditor	
Statutory audit fees	0.47
Tax audit fees	0.03
Other services*	1.06
Networking firm/Entity	
Professional fees	0.15
Total	**1.71**

* Other services include ₹ 0.74 Crore paid for certification by Statutotry Auditors with respect to public issue of redeemable non convertible debentures issued during the year and has been included in the amortised cost of such debentures.

Note: 42 **Dues to micro enterprises and small enterprises:**

₹ In crore

Sr. No.	Particulars	2018-2019	2017-2018
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii.	the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
iii.	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 MSMED Act, 2006;	-	-
iv.	the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v.	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

footnote: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

Note : 43 Disclosure pursuant to Ind AS 101 "First time adoption of Indian Accounting Standards"

The Company has prepared opening balance sheet as per Ind AS as at April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Company are as follows:

(i) The Company has adopted the carrying value determined in accordance with Previous GAAP for all of its property plant and equipment and investment property as deemed cost of such assets at the transition date.

(ii) Ind AS 102 "Share-based Payment" has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

(iii) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017.

(iv) The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

(v) The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.
Further, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition.

(vi) The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.

(vii) The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with the Previous GAAP.

(A) Statement of reconciliation of equity under Ind AS and equity reported under Previous GAAP

₹ in crore

Sr. No.	Particulars	Note	April 01, 2017	March 31, 2018
	Equity as per Previous GAAP		6,879.39	8,586.75
(i)	Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual.	a	(70.78)	(79.49)
(ii)	Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	b	(14.45)	(25.57)
(iii)	Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	c	22.14	14.50
(iv)	Incremental provision on application of expected credit loss model	d	(210.30)	(514.49)
(v)	Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	e	10.70	5.36
(vi)	Interest income recognition on stage 3 loans	g	99.35	130.55
(vii)	Others		(1.43)	(0.82)
(viii)	Deferred tax impact on above adjustments	h	60.89	170.39
	Equity as per Ind AS		**6,775.51**	**8,287.18**

(B) Statement of reconciliation of total comprehensive income for the year ended March 31, 2018:

₹ in crore

Sr. No.	Particulars	Note	2017-18
	Net profit after tax under the Previous GAAP		289.92
(i)	Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual.	a	(8.71)
(ii)	Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	b	(11.12)
(iii)	Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	c	(3.91)
(iv)	Incremental provision on application of expected credit loss model	d	(304.19)
(v)	Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	e	(8.00)
(vi)	Reversal of amortised loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings	f	23.08
(vii)	Interest income recognition on stage 3 loans	g	31.20
(viii)	Others		0.60
(ix)	Deferred tax impact on above adjustments	h	108.27
(x)	Reclassification of net actuarial loss on employee defined benefit obligations to OCI	i	0.20
	Net profit after tax under Ind AS		**117.34**
	Other comprehensive income (net of tax)		
(xi)	Remeasurements of the defined benefit plans	i	(0.20)
(xii)	Change in fair value of debt instruments measured at fair value through other comprehensive income		(4.07)
	Total comprehensive income for the year under Ind AS		**113.07**

Note : 43 Disclosure pursuant to Ind AS 101 "First time adoption of Indian Accounting Standards"

(C) Statement of reconciliation of cash flow statement under Ind AS and cash flow statement reported under Previous GAAP

₹ In crore

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash used in operating activities (A)	(9,001.93)	26.09	(9,028.02)
Net cash (used in)/generated from by investing activities (B)	727.33	(26.09)	753.42
Net cash generated from financing activities (C)	8328.44	-	8,328.44
Net increase in cash and cash equivalents (A+B+C)	**53.84**	-	**53.84**
Cash and cash equivalents at beginning of the year	**294.82**	-	**294.82**
Cash and cash equivalents at the end of the year	**348.66**	-	**348.66**

Note:

a. Under Previous GAAP, Processing fees charged to corporate loan was recognised as revenue in the period of accrual while under Ind AS, such processing fees are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

b. The cost of employee benefits under the Employee Stock Option Plan ("ESOP") is measured using fair value method. The portion of ESOP charge levied by the holding company viz L&T Finance Holding Limited is accordingly measured and recognised at fair value. Under the Previous GAAP, ESOP charge was calculated based on intrinsic value method.

c. All investments except investments in associate companies have been fair valued in accordance with Ind AS 109. Investments in debt securities are fair valued through OCI and reclassified to profit or loss on their sale. Other investments are fair valued through profit or loss. Under Previous GAAP, the current investments were carried at cost net of diminution in their value as at the Balance Sheet date. The long term investments were carried at cost net of permanent diminution, if any.

d. The allowance for credit losses on loan assets is based on "expected credit loss" model as per Ind AS 109. Under the Previous GAAP, the provision was made based on the requirement of the RBI Master Directions.

e. Under Ind AS 23 borrowing cost is calculated using the effective rate interest method as described under Ind AS 109. Under the Previous GAAP, borrowing cost was computed by applying the coupon rate to the principal amount for the period. Borrowings are recognised at fair value at the inception and subsequently at amortised cost with interest expenses is calculated using the effective rate interest method.

f. Under the Previous GAAP, any shortfall of sale value over the net amortised value on sale of credit impaired assets to Reconstruction Company, was spread over period of four quarters in term of notification RBI/2015-16/423/DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016 to the Statement of Profit and loss. However under Ind AS same has been recognised upfront.

g. For credit impaired financial assets, the interest income is calculated by applying the effective rate interest to the amortised cost of the credit impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). However under Previous GAAP, interest income recognised on Stage 3 loan assets which met the definition of "non-performing asset" was reversed and the recognition was restricted to cash collection.

h. Deferred tax under Ind AS has been recognised for temporary differences between tax base and the book base of the relevant assets and liabilities. Under the Previous GAAP, the deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period.

i. Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income in accordance with Ind AS 19 and are not reclassified to profit or loss.

L&T Finance Limited
Notes forming part of the financial statements

Note: 44 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures" and pursuant to Ind AS 1 "Presentation of financial statements"
Maturity profile of financial assets and financial liabilities

₹ in crore

Particular	March 31, 2019			March 31, 2018			April 1, 2017		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
ASSETS:									
Financial assets									
Cash and cash equivalents	1,530.51	-	1,530.51	348.66	-	348.66	294.82	-	294.82
Bank Balance other than (a) above	0.89	29.68	30.57	0.05	43.85	43.90	0.05	22.52	22.57
Derivative financial instruments	7.20	-	7.20	-	-	-	-	-	-
Receivables			-			-			-
Trade receivables	11.50	-	11.50	9.12	-	9.12	10.29	-	10.29
Other receivables	18.95	-	18.95	5.12	-	5.12	1.09	-	1.09
Loans	28,019.96	19,093.71	47,113.67	20,468.65	17,729.75	38,198.40	13,234.74	15,376.71	28,611.45
Investments	2,376.84	2,307.46	4,684.30	1,531.40	923.65	2,455.05	2,382.51	752.09	3,134.60
Other financial assets	102.97	4.57	107.54	2.62	72.05	74.67	1.50	58.18	59.68
Non-financial assets			-			-			-
Current tax assets (net)	-	77.78	77.78	-	186.09	186.09	-	104.73	104.73
Deferred tax assets (net)	-	727.21	727.21	-	695.33	695.33	-	433.43	433.43
Property, plant and equipment	-	49.34	49.34	-	74.53	74.53	-	160.25	160.25
Intangible assets under development	-	18.48	18.48	-	9.23	9.23	-	-	-
Goodwill	-	1,131.41	1,131.41	-	1,697.11	1,697.11	-	2,262.81	2,262.81
Other intangible assets	-	214.71	214.71	-	277.54	277.54	-	358.63	358.63
Other non-financial assets	59.81	53.74	113.55	48.28	51.72	100.00	47.56	8.28	55.84
Total Assets	**32,128.63**	**23,708.09**	**55,836.72**	**22,413.90**	**21,760.85**	**44,174.75**	**15,972.56**	**19,537.63**	**35,510.19**
LIABILITIES :									
Financial liabilities									
Derivative financial instruments	-	-	-	-	0.10	0.10	6.66	-	6.66
Payables									
Trade payables	86.03	-	86.03	109.09	-	109.09	79.76	-	79.76
Other payables	13.11	-	13.11	14.38	-	14.38	10.57	-	10.57
Debt securities	12,383.23	10,688.37	23,071.60	8,739.85	8,240.75	16,980.60	12,200.92	4,917.03	17,117.95
Borrowings (other than debt securities)	7,337.02	14,802.84	22,139.86	5,436.74	11,916.73	17,353.47	560.61	9,499.17	10,059.78
Subordinated liabilities	34.42	1,090.00	1,124.42	29.40	1,094.95	1,124.35	100.38	1,090.04	1,190.42
Other financial liabilities	406.66	-	406.66	235.81	3.33	239.14	200.54	18.02	218.56
Non-financial liabilities			-						
Current tax liabilities (net)	20.51	-	20.51	20.51	-	20.51	-	-	-
Provisions	21.74	-	21.74	11.83	-	11.83	11.50	-	11.50
Other non-financial liabilities	52.36	-	52.36	34.10	-	34.10	39.48	-	39.48
Total liabilities	**20,355.08**	**26,581.21**	**46,936.29**	**14,631.71**	**21,255.86**	**35,887.57**	**13,210.42**	**15,524.26**	**28,734.68**

L&T Finance Limited
Notes forming part of the financial statements

Note: 45 Disclosure persuant to Ind AS 7 "Statement of Cash Flows"
Change in liabilities arising from financing activities:

₹ in crore

Particulars	April 1, 2017	Net Cash flows	Non - cash changes			March 31, 2018
			Changes in fair values	Exchange Difference	Others	
Debt securities	17,117.95	(276.51)	-	-	139.16	16,980.60
Borrowings (other than debt securities)	10,059.78	7,280.96	-	(1.60)	14.33	17,353.47
Subordinated liabilities	1,190.42	(75.00)	-	-	8.93	1,124.35
Total liabilities from financing activities	28,368.15	6,929.45	-	(1.60)	162.42	35,458.42

₹ in crore

Particulars	April 1, 2018	Net Cash flows	Non - cash changes			March 31, 2019
			Changes in fair values	Exchange Difference	Others	
Debt securities	16,980.60	6,050.51	-	-	40.49	23,071.60
Borrowings (other than debt securities)	17,353.47	4,794.88	-	6.17	(14.66)	22,139.86
Subordinated liabilities	1,124.35	0.00	-	-	0.07	1,124.42
Total liabilities from financing activities	35,458.42	10,845.39	-	6.17	25.90	46,335.88

L&T Finance Limited
Notes forming part of the financial statements

Note:46 Disclosure pursuant to Ind AS 108 "Operating Segment"

(i) The company has identified operating segments based on performance assessment and resource allocation by the management. 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. As the operations of the Company are carried out within India, there are no geographical segments.

(ii) Information about Business Segment composition :

Segment composition :

Rural Business comprises of Farm Equipments, Micro Loan and Two Wheeler Finance.

Housing Business comprises of Loan against Property and Real Estate Finance.

Wholesale Business comprises of Infrastructure Finance and Structured Corporate Loans.

Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

Unallocated represents tax assets and tax liabilities

₹ in crore

Sr. No.	Particulars	Rural Business			Housing Business			Wholesale Business			Defocused Business			Total		
		For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017	For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017	For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017	For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017	For the year ended / As at March 31, 2019	For the year ended / As at March 31, 2018	As at April 1, 2017
1.	Revenue	4,066.35	2,304.23		1,086.92	684.88		1,924.32	1,859.75		105.22	222.22		7,182.81	5,071.08	
2.	Less : Inter segment revenue	-	-		-	-		-	-		-	-		-	-	
3.	Total revenue (1) - (2)	4,066.35	2,304.23		1,086.92	684.88		1,924.32	1,859.75		105.22	222.22		7,182.81	5,071.08	
4.	Segment result	1,127.33	711.34		478.18	335.75		605.01	154.47		(253.97)	(394.42)		1,956.55	807.14	
5.	Unallocable expenses[1]	-	-		-	-		-	-		-	-		653.47	653.96	
6.	Operating profit (4)-(5)	1,127.33	711.34		478.18	335.75		605.01	154.47		(253.97)	(394.42)		1,303.08	153.68	
7.	Income tax expenses (including deferred tax)													457.12	36.34	
8.	Net profit (6)-(7)	1,127.33	711.34		478.18	335.75		605.01	154.47		(253.97)	(394.42)		845.96	117.34	
9.	Segment assets	26,141.17	17,313.49	10,920.79	11,706.62	6,104.20	3,931.42	16,656.17	18,618.51	17,376.55	527.77	1,257.13	2,743.27	55,031.73	43,293.33	34,972.03
10.	Unallocable assets[2]													804.99	881.42	538.16
11.	Total assets (9) + (10)	26,141.17	17,313.49	10,920.79	11,706.62	6,104.20	3,931.42	16,656.17	18,618.51	27,376.55	527.77	1,257.13	2,743.27	55,836.72	44,174.75	35,510.19
12.	Segment liabilities	22,167.25	14,343.64	8,973.04	9,927.01	5,057.12	3,230.24	14,373.98	15,424.81	14,277.40	447.54	1,041.49	2,254.00	46,915.78	35,867.06	28,734.68
13.	Unallocable liabilities[3]	-	-	-	-	-	-	-	-	-	-	-	-	20.51	20.51	-
14.	Total liabilities (12)+(13)	22,167.25	14,343.64	8,973.04	9,927.01	5,057.12	3,230.24	14,373.98	15,424.81	14,277.40	447.54	1,041.49	2,254.00	46,936.29	35,887.57	28,734.68
15.	Capital Expenditure (tangible and intangible fixed assets)	34.82	17.70	31.27	15.14	6.10	10.72	22.00	19.21	48.48	0.99	45.78	7.88	72.95	88.79	98.35
16.	Depreciation & amortisation expenses (included in segment expense)	17.12	12.87	11.49	0.62	0.46	0.52	5.07	4.30	3.68	14.64	22.14	35.19	37.45	39.77	50.88

Note :

1. Relates to amortisation of Goodwill
2. Includes current tax assets (net) and deferred tax assets (net)
3. Includes current tax liabilities (net)

Note : 47 Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

₹ In crore

Sr. No.	Particulars	2018-19	2017-18
	Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current tax :		
	Current tax expense for the year	488.47	297.02
	Tax expense in respect of earlier years	-	-
		488.47	**297.02**
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(31.35)	(255.38)
	Effect on deferred tax balances due to the change in income tax rate	-	(5.30)
		(31.35)	**(260.68)**
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	**457.12**	**36.34**
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items that will not be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of the defined benefit plans	(0.54)	-
		(0.54)	-
	(ii) Items that will be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	On gain/(loss) on fair value of debt securities	-	(2.15)
		-	**(2.15)**
	Income tax expenses reported in the other comprehensive income [i+ii]	(0.54)	(2.15)
(c)	**Other directly reported in balance sheet:**		
	Current tax expense	-	-
	Deferred tax assets/(liabilities)	-	(0.93)
	Income tax expense reported directly in balance sheet	-	**(0.93)**

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate applicable in India:

₹ In crore

Sr. No.	Particulars		2018-19	2017-18
(a)	Profit before tax		1,303.08	153.68
(b)	Corporate tax rate as per Income tax Act, 1961		34.944%	34.608%
(c)	Tax on accounting profit	(c)=(a)*(b)	455.35	53.19
(d)	(i) Tax on income exempt from tax :			
	(A) Deduction of Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961		(7.46)	(5.11)
	(ii) Tax on Income which are taxed at different rates		(1.97)	-
	(iii) Tax on non deductible expenses:			
	(A) Corporate Social Responsibility (CSR) expenses		0.74	0.35
	(B) Provision for dimunition of investments		1.68	(10.61)
	(C) Others		-	3.85
	(iv) Tax effect of reversal of deferred tax asset (MTM investments) recognised in earlier year		9.79	-
	(v) Effect on deferred tax due to change in income tax rate		-	(5.30)
	(vi) Tax effect on various other items		(1.01)	(0.03)
	Total effect of tax adjustments [(i) to (vi)]		**1.77**	**(16.85)**
(e)	**Tax expense recognised during the year**	(e)=(c)+(d)	**457.12**	**36.34**
(f)	**Effective tax rate**	(f)=(e)/(a)	35.08%	23.64%

(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	₹ in crore	Expiry year	₹ in crore	Expiry year	₹ in crore	Expiry year
Tax losses (Business loss and unabsorbed depreciation)						
- Amount of losses having expiry	-	-	-	-	-	-
- Amount of losses having no expiry	-	-	-	-	-	-
Tax losses (Capital loss)	-	-	-	-	-	-
Unused tax credits (Minimum Alternate Tax (MAT) credit not recognised]	-	-	-	-	-	-
Total	-		-		-	

(c) (ii) Unrecognised deductible temporary differences for which no deferred tax asset is recognised in Balance Sheet

₹ in crore

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a)	Towards provision for diminution in value of investments	55.37	15.95	42.43
(b)	Arising out of upward revaluation of tax base of assets (on account of indexation benefit)	-	-	-
(c)	Other items	-	-	-
	Total	**55.37**	**15.95**	**42.43**

(d) Major components of deferred tax liabilities and deferred tax assets:

₹ in crore

Particulars	Deferred tax liabilities/(assets) as at April 01, 2017	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet	Deferred tax liabilities/(assets) as at March 31, 2018
Deferred tax liabilities:					
-Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	5.68	(22.06)	-	-	(16.38)
-Fair value of investments	7.14	(16.93)	(2.15)	-	(11.94)
-Interest income recognised on Stage 3 Loans	34.38	11.21	-	-	45.59
-Unamortised Borrowing Cost	2.85	(1.66)	-	0.93	2.12
-Other items giving rise to temporary differences	7.71	14.93	-	-	22.64
Net deferred tax liabilities	**57.76**	**(14.51)**	**(2.15)**	**0.93**	**42.03**
Deferred tax (assets):					
-Provision on loan assets based on expected credit loss	(440.95)	(250.74)	-	-	(691.69)
-Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(24.50)	(3.28)	-	-	(27.78)
-Defined benefit obligation (Gratuity and Leave encashment)	(3.98)	(0.15)	-	-	(4.13)
-Amortisation of expenditure incurred for amalgamation	(7.85)	1.91	-	-	(5.94)
-Provision for Expenses	(5.92)	(1.72)	-	-	(7.64)
- Unamortised loss on sale of NPA asset	(7.99)	7.99	-	-	-
-Other items giving rise to temporary differences	-	(0.18)	-	-	(0.18)
Net Deferred tax (assets)	**(491.19)**	**(246.17)**	**-**	**-**	**(737.36)**
Net deferred tax liability/(assets)	**(433.43)**	**(260.68)**	**(2.15)**	**0.93**	**(695.33)**

₹ in crore

Particulars	Deferred tax liabilities/(assets) as at March 31, 2018	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Charge/(credit) directly in balance sheet	Deferred tax liabilities/(assets) as at March 31, 2019
Deferred tax liabilities:					
-Interest income recognised on Stage 3 Loans	45.59	(24.03)	-	-	21.56
-Unamortised borrowing cost	2.12	(1.31)	-	-	0.81
-Other items giving rise to temporary differences	22.64	0.39	-	-	23.03
Net deferred tax liabilities	**70.35**	**(24.95)**	**-**	**-**	**45.40**
Offsetting of deferred tax liabilities with deferred tax (assets)	-				-
Net Deferred tax liabilities	**70.35**				**45.40**
Deferred tax (assets):					
-Provision on loan assets based on expected credit loss	(691.69)	52.32	-	-	(639.37)
-Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual	(27.78)	11.15	-	-	(16.63)
-Fair value of investments	(11.94)	0.35	-	-	(11.59)
-Defined benefit obligation (Gratuity and Leave encashment)	(4.13)	(2.94)	(0.54)	-	(7.60)
-Amortisation of expenditure incurred for amalgamation	(5.94)	1.98	-	-	(3.96)
-Provision for expenses	(7.64)	(2.87)	-	-	(10.51)
-Difference between book base and tax base of property, plant & equipement, other intangible assets and goodwill	(16.38)	(66.57)	-	-	(82.95)
-Other items giving rise to temporary differences	(0.18)	0.18	-	-	-
Net Deferred tax (assets)	**(765.68)**	**(6.40)**	**(0.54)**	**-**	**(772.61)**
Net deferred tax liability/(assets)	**(695.33)**	**(31.35)**	**(0.54)**	**-**	**(727.21)**

Note 48: Risk Management

Basis

Great importance is attached to the identification, measurement and control of risks. All employees of the Company are responsible for the management of risk, with the ultimate accountability residing with the Board of Directors. The Board of Directors and its Risk Management Committee ensure that Management takes in to consideration all the relevant risk factors which could lead to unexpected fluctuations in results or to a loss of capital employed. Recommendations for risk control measures are derived from the evaluation of the risk factors. Certain risks are also recognised as opportunities. The aim in such cases is to achieve an appropriate balance between the possible losses which might result and the potential gains. Risks which primarily represent loss potential are minimised. This helps in aligning the risk appetite to the Company's strategy to deliver sustainable, long term returns to its investors.

The risks are reviewed periodically every quarter.

Types of risk

As a lending non-banking financial company, the most important risks it is faced with are the following:

- Credit risk
- Market risk
- Capital risk

Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers or counterparties fail to fulfil their contractual obligations to the Company.

Credit risk arises mainly from wholesale and retail loans and advances and loan commitments arising from such lending activities; but could also arise from credit enhancement provided, such as financial guarantees and letters of credit. The Company is also exposed to other credit risks arising from investments in debt securities and exposures arising from its trading activities ("Trading Exposures") as well as settlement balances with market counterparties.

Credit risk is the single largest risk for the Company's business. Management therefore carefully manages its exposure to credit risk. A centralised risk management function oversees the risk management framework, which periodically presents an overview of credit risk of portfolio to the Risk Management Committee.

Credit-worthiness is checked and documented prior to signing any contracts, based on market information. Management endeavours to improve its underwriting standards to reduce the credit risk the Company is exposed to from time to time. Internal credit rating is used as an important tool to manage exposures of the "Wholesale" segment. Ratings provides a consistent and common scale

for measurement of components of credit risk of a loan asset including the Probability of Default (PD) across products and sectors. Credit rating model takes into account critical success parameters relevant for each industry, competitive forces within the industry as well as regulatory issues while capturing financial parameters, management strengths, project parameters etc. of the borrower. These ratings are reviewed at least once annually.

Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss ratios. The Company measures credit risk for each class of loan assets using inputs such as Probability of Default ("PD") and Loss Given Default ("LGD"). This is similar to the approach used for the purposes of measuring Expected Credit Loss ("ECL") under Ind AS 109.

Wholesale and retail portfolios are managed separately to reflect the differing nature of the assets; wholesale balances tend to be larger and are managed on an individual basis, while retail balances are greater in number but lesser in value and are, therefore, managed in aggregated segments.

Wholesale (Infrastructure Finance and Structured Corporate Finance) and Housing (Real Estate)

The Company uses internal credit risk grading (17 levels for loans which are not credit impaired and 1 level for loans considered to be credit impaired) that reflect its assessment of the PD of individual counterparties in respect of its "Wholesale" segment. The Company use internal rating models tailored to the various categories of counterparties. Borrower and loan specific information collected at the time of application (such as turnover and industry type for wholesale exposures) and judgement based on market intelligence on the sector or the specific borrower is used in assigning the rating. The Company's own internal ratings were benchmarked against the last published cumulative default rates for 1 year and 3 year periods as published annually by CRISIL for Stage 1 and Stage 2 loan assets.

The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade. For example, this means that the difference in the PD between an AAA and A- rating grade is lower than the difference in the PD between a BBB and B- rating grade.

Management also assesses the impact of economic developments in key markets on specific customers, customer segments or portfolios. If changes in credit conditions are foreseen, mitigation action, including the revision of risk appetites or limits and tenors, as appropriate are taken.

Retail (Farm Equipment Finance, Two-Wheeler Loans, Micro Loans and Others) and Housing (Home Loans and Loans Against Property)

The Company has deployed standardised credit decision rules, as approved by the designated officials for the specific product. The rules are regularly monitored to ensure that the changes in the economic environment have been factored into the credit decision rules.

Trading Exposures

For debt securities in the trading portfolio, external rating agency credit grades are used for evaluating the credit risk.

Expected Credit Loss ('ECL')

Prior to the implementation of Ind AS, the Board of Directors used the Non-Banking Financial Company Systemically Important Non-deposit taking Master Directions issued by the Reserve Bank of India, as the basis for setting up its provisioning policies.

Post the shift to Ind AS, and specifically to address the requirements of Ind AS 109, these were enhanced or supplemented, with reviews at levels regarded as appropriate.

ECL allowances recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability weighted basis, based on certain economic scenarios. The recognition and measurement of ECL involves use of significant judgement and estimation. Forward looking economic forecasts are used in developing the ECL estimates. Three scenarios sufficient to calculate unbiased ECL were used - representing the "most likely outcome" (the "Central" scenario) and two "less likely outcome" scenarios (the "Upside" and "Downside" scenarios). The Upside and Downside scenarios have been assigned a probability of 5% and 20% respectively while the Central Scenario has been assigned a probability of 75%. The Central scenario is based on the Company outlook of GDP growth, inflation, unemployment and interest rates for India and most relevant for the Company's loan portfolio. The Upside and Downside scenarios generated at the reporting dates are designed to cover cyclical changes and are updated during the year only if the economic conditions change significantly. The Upside scenario reflects improvement in rural disposable income on account of good monsoons. The Downside scenario reflects rural stress caused by poor monsoons and drought.

Management oversees the estimation of ECL including:

i. setting requirements in policy, including key assumptions and the application of key judgements;
ii. the design and execution of models; and
iii. review of ECL results.

As required by Ind AS 109, a 'three-stage' model for impairment based on changes in credit quality since initial recognition was built as summarised below:

- A loan asset that is not credit-impaired, on initial recognition, is classified in 'Stage 1' and has its credit risk continuously monitored by Management.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the loan asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. (See note 1.13 for a description of how the Company determines when a significant increase in credit risk has occurred).
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. (See note 1.13 for a description of how the Company defines credit-impaired and default).

The following are additional considerations for each type of portfolio held by the Group:

Wholesale (Infrastructure Finance and Structured Corporate Finance) and Housing (Real Estate)

For wholesale business, the PD was determined based on the internal credit rating assigned to the borrower as explained above. The EAD is determined and the LGD estimated, at the borrower level. Updated or new information/credit assessments for credit risk evaluation are incorporated on an ongoing basis. In addition, information about the creditworthiness of the borrower is updated every year from sources such as financial statements. This will determine the updated internal credit rating and PD. The internal ratings based PD has been benchmarked to the Cumulative Default Rates for 1 year and 3 year periods as published annually by CRISIL.

The Exposure at Default ("EAD") is measured at the amortised cost as at the reporting date, after considering repayments of principal and interest received in advance and expected drawdowns on committed facilities.

The Company, in determining its Loss Given Default ("LGD") estimates, for Stage 3 loan assets as of the reporting date, has used cash flow estimates based on inputs provided by assigned business managers and external corroborating information including amounts realised on resolution of cases referred to the National Company Law Tribunal ("NCLT") under the Insolvency and Bankruptcy Code, 2016.

The Company has carried out a historical analysis of loss experience for all closed and live defaulted (Stage 3) borrowers over the previous 4 years.

Retail (Farm Equipment Finance, Two-Wheeler Loans, Micro Loans and Others) and Housing (Home Loans and Loans Against Property)

Retail lending credit quality is determined on a collective basis based on a 12-month point in time ("PIT") probability weighted PD.

A centralised impairment model summarises the historical payment behaviour of the borrowers within a retail portfolio which data is used to build the PD estimates. For estimating PD, information on the month-on-book (vintage) and the days-past-due form key differentiating characteristics. The weighted average is determined (using count of customers as the weight) from quarterly snapshots.

For credit impaired loan assets LGD is computed based on actual history of loss (on settlement/repossession and disposal of security/ enforcement action) from the same historical quarterly snapshots. The loss divided by the principal outstanding at the time of default is the loss ratio for a credit impaired loan asset in a specific snapshot. The weighted average of loss ratios (using the principal outstanding in respect of such credit impaired loan assets in the corresponding snapshot as the weight) was used to determine the LGD ratio for credit impaired loan assets.

By applying the LGD ratio to the EAD for the credit impaired loan asset portfolio, the ECL for Stage 3 loan assets was determined.

The EAD adjustment factor was used, along with the respective PD factors to arrive at the ECL for Stage 2 and Stage 1 loan assets.

Exposure at Default (EAD)

EAD is the amortised cost as at the period end, after considering repayments of principal and interest received in advance.

Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The Company's net exposure to credit risk, after taking into account credit risk mitigation, have been tabulated below:

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Financial assets									
Cash and cash equivalent and other bank balances	1,561.08	-		392.56	-		317.39	-	
Loans and advances at amortised cost	34,828.40	-	Refer footnote below	30,694.40	-	Refer footnote below	25,976.83	-	Refer footnote below
Trade receivables	11.50	-		9.12	-		10.29	-	
Debt instruments	1,643.54	-		-	-		-	-	
Other receivables	18.95	-		5.12	-		1.09	-	
Other financial assets	107.54	-		74.67	-		59.68	-	
Total financial assets at amortised cost	**38,171.00**	-		**31,175.87**	-		**26,365.28**	-	
Derivative financial instruments	7.20	-		-	-		-	-	
Financial assets at fair value through profit or loss	12,860.39	-		7,925.91	-		3,360.06	-	
Debt securities designated at fair value through profit or loss	-	-		-	-		-	-	
Total financial instruments at fair value through profit or loss	**12,867.59**	-		**7,925.91**	-		**3,360.06**	-	
Debt instruments at fair value through Other Comprehensive Income	2,289.14	-		1,856.63	-		2,252.47	-	
Total debt instruments at fair value through Other Comprehensive Income	**2,289.14**	-		**1,856.63**	-		**2,252.47**	-	-

L&T Finance Limited
Notes forming part of the financial statements

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 01, 2017		
	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral	Outstanding	Cash collateral	Nature of Non-cash collateral
Total on-balance sheet	**53,327.73**	-		**40,958.41**	-		**31,977.80**	-	
Off balance sheet									
Contingent liabilities	1,617.69			1,029.44			99.37		
Other commitments	114.20			161.61			47.99		
Total off-balance sheet	**1,731.89**	-		**1,191.05**	-		**147.36**	-	
Total	**55,059.62**	-		**42,149.46**	-		**32,125.16**	-	

Footnote

Retail loans, other than unsecured loans aggregating ₹12,911.95 crore as of March 31, 2019, are generally secured by a charge on the asset financed (farm equipment loans, two-wheeler loans, loans against property, and home loans)(as of March 31,2018 : ₹9,098.37 crore ; as of April 1,2017 : ₹6,677.35 crore). Wholesale loans are secured with current assets as well as immovable property and property, plant and equipment in some cases. However, collateral securing each individual loan may not be adequate in relation to the value of the loan. If the customer fails to pay, the Company would, as applicable, liquidate collateral and/or set off accounts. For most products, the Company obtains direct debit instructions or post-dated cheques from the customer. It is a criminal offence in India to issue a bad cheque.

Of the unmitigated on balance sheet exposure, a significant portion relates to cash held with banks, settlement balances, and debt securities issued by governments all of which are considered to be lower risk.

Besides growth in the loan assets portfolio, increases in trading portfolio assets and financial assets at fair value through the Statement of Profit and Loss have also contributed to the increase in the Company's net exposure to credit risk. Investments in debt instruments are predominantly investment grade.

Where collateral has been obtained in the event of default, the Company does not, ordinarily, use such assets for its own operations and they are usually sold and off set against the outstanding loan assets.

The Company has invoked pledge of equity shares in the following companies, pledged with the Company 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.

Sr. No.	Name of Company	No. of shares held as bailee		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
i)	Saumya Mining Limited	5,13,012	5,13,012	5,13,012
ii)	SEW Vizag Coal Terminal Private Limited*	7,03,833	7,03,833	7,03,833
iii)	Bhushan Steel Limited	71,89,089	71,89,089	71,89,089
iv)	Sterling International Enterprises Limited	2,17,309	2,17,309	2,17,309
v)	Tulip Telecom Limited	14,01,762	14,01,762	14,01,762
vi)	Punj Lloyed Limited	5	5	5
vii)	Golden Tobacco Limited	10,000	10,000	10,000
viii)	Gujurat Highway Corporation Limited	70,000	70,000	70,000
ix)	Vakrangee Limited	-	81,524	-
x)	Hindusthan National Glass & Industries Limited	34,04,499	38,02,235	-

** Shares held on behalf of L&T Infrastructure Finance Company Limited.*

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Company has established a diversified borrower base and as at March 31, 2019. The Company has put in place a framework of Risk Limits, which are monitored on a quarterly basis to ensure that the overall portfolio is steered within the approved limits to minimize concentration risk. The Risk Limits cover risk of concentration to a particular geography, industry, group/borrower or revenue counterparty of the borrowers etc. as are relevant to the respective product.

Market Risk Management

Liquidity Risk:

The risk that the Company is unable to service its contractual or contingent liabilities or that it does not have the adequate amount of funding and liquidity to support its committed disbursements.

Liquidity risk management in the Company is managed as per the guidelines of Board-approved Asset-Liability Management ('ALM') Policy. The ALM Policy provides the governance framework for the identification, measurement, monitoring and reporting of liquidity risk arising out of Company's lending and borrowing activities. The liquidity risk is measured in terms of structural liquidity gaps across various time-buckets. Actual liquidity gaps against the Gap Limits are reported every month to the Asset Liability Management Committee ('ALCO') which provides oversight and strategic direction for the prudent asset liabilities management. As a prudent practice, the Company has been maintaining positive cumulative liquidity gaps in the current market scenario.

In the absence of any regulatory requirement, the Group of which the Company is a component, continues to maintain liquidity buffer under stress scenario by applying hair cut of 40% on undrawn lines and collection shortfall of 15% in the form of High Quality Liquidity Assets which provides adequate cushion for the survival period of minimum 30 days as on March 31, 2019.

Additionally, the Company has line of credit from the ultimate parent, Larsen & Toubro Limited.

Foreign Exchange Rate Risk:

In the normal course of its business, the Company does not deal in foreign exchange in a significant way. Any significant foreign exchange exposure on account of foreign exchange borrowings is hedged to safeguard against exchange rate risk.

Interest Rate Risk:

Interest rate risk is the risk where changes in market interest rates affect the Company's financial position due to change in its Net Interest Income (NII). Interest Rate Sensitivity Statement is prepared every month and placed before ALCO. The Statement captures the Rate Sensitive Gaps i.e. the mismatch between the Rate Sensitive Assets and Liabilities, in various time buckets. The impact of different types of changes in the yield curve on the earnings for the entire Group of which the Company is a component are also measured every month and captured in the Risk Dashboard.

Security Prices:

The Company manages investment portfolios comprising of government securities, corporate bonds and debentures. To safeguard against the credit risk and interest rate risk in the investment portfolios, risk limits in the form of portfolio size limits, concentration limits, stop loss limit and PV01 limits are stipulated. To provide early warning indicators, alarm limits have also been put in place. reporting periodicity and escalation matrix upon the breach of alarm limits as well as risk limits have been clearly defined. The Company does not invest in Equity stocks and therefore is not exposure to equity price risk on this account.

Note: 48.1 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Expected credit loss - Loans:

₹ In crore

Particulars		As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
		Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision	Gross carrying amount	Expected Credit Loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	33,597.80	397.97	33,199.83	28,956.17	216.19	28,739.98	22,864.12	244.77	22,619.34
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	1,127.47	106.13	1,021.34	1,108.60	56.99	1,051.61	1,375.79	106.75	1,269.04
	Financial assets for which credit risk has increased significantly and credit-impaired	1,845.98	1,238.73	607.25	2,595.77	1,692.95	902.82	3,029.67	941.23	2,088.44
Total		**36,571.25**	**1,742.83**	**34,828.42**	**32,660.54**	**1,966.13**	**30,694.41**	**27,269.58**	**1,292.75**	**25,976.82**

Note: 48.2 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(b) Reconciliation of loss allowance provision - Loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL as on April 1, 2017	244.77	106.75	941.23	1,292.75
New assets originated or purchased	159.15	6.07	64.93	230.15
Amount written off	-	-	(51.94)	(51.94)
Transfers to Stage 1	31.79	(6.74)	(25.05)	-
Transfers to Stage 2	(3.50)	7.41	(3.91)	-
Transfers to Stage 3	(77.86)	(64.78)	142.64	-
Impact on ECL of Exposure transferred between stages during the year	(30.05)	36.19	281.38	287.52
Increase / (Decrease) in provision on existing financial assets (Net of recovery)	(108.11)	(27.90)	343.67	207.66
ECL as on March 31, 2018	216.19	56.99	1,692.95	1,966.13
New assets originated or purchased	306.85	32.22	122.11	461.18
Amount written off	-	-	(856.46)	(856.46)
Transfers to Stage 1	21.73	(13.50)	(8.23)	-
Transfers to Stage 2	(2.75)	5.06	(2.31)	-
Transfers to Stage 3	(4.41)	(4.32)	8.73	0.00
Impact on ECL of Exposure transferred between stages during the year	(16.22)	46.39	324.95	355.12
Increase/(decrease) in provision on existing financial assets (Net of recovery)	(123.42)	(16.71)	(42.99)	(183.12)
ECL as on March 31, 2019	397.97	106.13	1,238.73	1,742.85

(c) Reconciliation of Gross carrying amount - Loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as on April 1, 2017	22,864.12	1,375.79	3,029.67	27,269.58
New assets originated or purchased	21,068.36	206.17	124.66	21,399.19
Amount written off	-	-	(51.94)	(51.94)
Transfers to Stage 1	267.10	(169.24)	(97.86)	-
Transfers to Stage 2	(484.76)	691.59	(206.83)	-
Transfers to Stage 3	(591.73)	(345.71)	937.44	-
Net recovery	(14,166.92)	(650.00)	(1,139.37)	(15,956.29)
Gross carrying amount as on March 31, 2018	28,956.17	1,108.60	2,595.77	32,660.54
New assets originated or purchased	22,253.29	351.72	179.82	22,784.83
Amount written off	-	-	(856.46)	(856.46)
Transfers to Stage 1	161.65	(142.02)	(19.63)	-
Transfers to Stage 2	(407.12)	412.00	(4.88)	-
Transfers to Stage 3	(482.58)	(134.58)	617.16	-
Net recovery	(16,883.61)	(468.25)	(665.80)	(18,017.66)
Gross carrying amount as on March 31, 2019	33,597.80	1,127.47	1,845.98	36,571.25

Note: 48.3 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets:

₹ in crore

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
I	**Measured at fair value through profit or loss (FVTPL):**			
	(i) Investment in equity instruments	7.78	9.54	42.54
	(ii) Investment in preference shares	4.56	5.98	9.90
	(iii) Investment in bonds/debentures	59.48	57.91	52.04
	(iv) Investment in mutual funds	40.09	-	440.06
	(v) Investment in security receipt	279.49	226.38	74.11
	(vi) Investment in units of fund	183.77	122.11	106.79
	(vii) Loans	12,285.27	7,504.00	2,634.62
	(viii) Derivative financial instruments	7.20	-	-
	Sub-total (I)	**12,867.59**	**7,925.92**	**3,360.06**
II	**Measured at amortised cost:**			
	(i) Loans	34,828.40	30,694.41	25,976.83
	(ii) Trade receivables	11.50	9.12	10.29
	(iii) Other receivables	18.95	5.12	1.09
	(iv) Other financial assets	107.54	74.67	59.68
	(v) Cash and cash equivalents and bank balances	1,561.08	392.56	317.39
	(vi) Investment in government securities	1,643.54	-	-
	Sub-total (II)	**38,171.01**	**31,175.88**	**26,365.28**
III	**Measured at fair value through other comprehensive income (FVTOCI):**			
	(i) Investment in bonds/Debentures	2,243.12	1,834.30	1,840.02
	(ii) Investment in government securities	37.62	-	245.89
	(iii) Investment in pass through certificates	8.40	22.33	166.56
	Sub-total (III)	**2,289.14**	**1,856.63**	**2,252.47**
	Total (I+II+III)	**53,327.74**	**40,958.43**	**31,977.81**

(b) Category-wise classification for applicable financial liabilities:

₹ in crore

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
I	**Measured at fair value through profit or loss (FVTPL):**			
	(i) Derivative instruments not designated as cash flow hedges	-	0.10	6.66
	Sub-total (I)	**-**	**0.10**	**6.66**
II	**Measured at amortised cost:**			
	(i) Debt securities	23,071.60	16,980.60	17,117.95
	(ii) Borrowings (other than debt securities)	22,139.86	17,353.47	10,059.78
	(iii) Subordinated liabilities	1,124.42	1,124.35	1,190.42
	(iv) Trade payables	86.03	109.09	79.76
	(iv) Other payables	13.11	14.38	10.57
	(iv) Other financial liabilities	406.66	239.14	218.56
	Sub-total (II)	**46,841.68**	**35,821.03**	**28,677.04**
III	**Measured at fair value through other comprehensive income (FVTOCI):**	-	-	-
	Sub-total (III)	**-**	**-**	**-**
	Total (I+II+III)	**46,841.68**	**35,821.13**	**28,683.70**

Note: 48.4 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(c) Fair value of financial assets and financial liabilities measured at amortised cost:

₹ in crore

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:						
Loans*	34,828.40	34,828.40	30,694.40	30,694.40	25,976.83	25,976.83
Investment in government securities	1,643.54	1,710.43	-	-	-	-
Total	**36,471.93**	**36,538.83**	**30,694.40**	**30,694.40**	**25,976.83**	**25,976.83**
Financial liabilities:						
Debt securities	23,071.60	23,247.75	16,980.60	17,122.86	17,117.95	17,235.30
Borrowings (other than debt securities)	22,139.86	22,133.77	17,353.47	17,340.24	10,059.78	10,266.18
Subordinated liabilities	1,124.42	1,131.56	1,124.35	1,151.01	1,190.42	1,239.36
Total	**46,335.88**	**46,513.08**	**35,458.42**	**35,614.11**	**28,368.15**	**28,740.84**

***In the absence of an observable market for these loan assets, the fair values have been determined from the perspective of the Company after considering changes in performance and risk indicators (including delinquencies and interest rates)**

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

(d) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

₹ in crore

As at March 31, 2019	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	34,828.40	34,828.40	Discounted cashflow approach
Investment in government securities	-	1,710.43	-	1,710.43	
Total financial assets	-	**1,710.43**	**34,828.40**	**36,538.83**	
Financial liabilities:					
Debt securities	-	-	23,247.75	23,247.75	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	22,133.77	22,133.77	Discounted cashflow approach
Subordinated liabilities	-	-	1,131.56	1,131.56	Discounted cashflow approach
Total financial liabilities	-	-	**46,513.08**	**46,513.08**	

(d) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

₹ in crore

As at March 31, 2018	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	30,694.40	30,694.40	Discounted cashflow approach
Investment in government securities	-	-	-	-	
Total financial assets	-	-	**30,694.40**	**30,694.40**	
Financial liabilities:					
Debt securities	-	-	17,122.86	17,122.86	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	17,340.24	17,340.24	Discounted cashflow approach
Subordinated liabilities	-	-	1,151.01	1,151.01	Discounted cashflow approach
Total financial liabilities	-	-	**35,614.11**	**35,614.11**	

₹ in crore

As at April 1, 2017	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	25,976.83	25,976.83	Discounted cashflow approach
Investment in government securities	-	-	-	-	
Total financial assets	-	-	**25,976.83**	**25,976.83**	
Financial liabilities:					
Debt securities	-	-	17,235.30	17,235.30	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	10,266.18	10,266.18	Discounted cashflow approach
Subordinated liabilities	-	-	1,239.36	1,239.36	Discounted cashflow approach
				-	
Total financial liabilities	-	-	**28,740.84**	**28,740.84**	

Note: 48.5 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

₹ in crore

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:												
Financial assets at fair value through profit and loss:												
Investments												
- Equity instruments	5.61	-	2.13	7.74	7.41	-	2.13	9.54	26.60	-	15.94	42.54
- Preference shares	-	-	4.56	4.56	-	-	5.98	5.98	-	-	9.90	9.90
- Bonds and debentures	-	-	59.48	59.48	-	-	57.91	57.91	-	-	52.04	52.04
- Mutual funds	40.09	-	-	40.09	-	-	-	-	440.06	-	-	440.06
- Security receipts	-	-	279.49	279.49	-	-	226.38	226.38	-	-	74.11	74.11
- Units of fund	-	-	183.77	183.77	-	-	122.11	122.11	-	-	106.79	106.79
				-				-				-
Loans	-	-	12,285.27	12,285.27	-	-	7,504.00	7,504.00	-	-	2,634.62	2,634.62
Derivative not designated as hedges	-	7.20	-	7.20	-	-	-	-	-	-	-	-
Sub total	**45.70**	**7.20**	**12,814.70**	**12,867.60**	**7.41**	**-**	**7,918.51**	**7,925.92**	**466.65**	**-**	**2,893.40**	**3,360.06**
Financial assets at fair value through other comprehensive income:												
Investments												
- Bonds and debentures	-	2,243.12	-	2,243.12	-	1,834.30	-	1,834.30	-	1,840.02	-	1,840.02
- Government securities	-	37.62	-	37.62	-	-	-	-	-	245.89	-	245.89
- Pass through certificates	-	-	8.40	8.40	-	-	22.33	22.33	-	-	166.56	166.56
Sub total	**-**	**2,280.74**	**8.40**	**2,289.14**	**-**	**1,834.30**	**22.33**	**1,856.63**	**-**	**2,085.91**	**166.56**	**2,252.47**
Total Financial assets at fair value	**45.70**	**2,287.94**	**12,823.10**	**15,156.74**	**7.41**	**1,834.30**	**7,940.84**	**9,782.55**	**466.65**	**2,085.91**	**3,059.96**	**5,612.53**
Financial liabilities:												
Financial liabilities at fair value through profit and loss:												
Derivative not designated as hedges	-	-	-	-	-	0.10	-	0.10	-	6.66	-	6.66
Total Financial liabilities at fair value	**-**	**-**	**-**	**-**	**-**	**0.10**	**-**	**0.10**	**-**	**6.66**	**-**	**6.66**

Note: 48.6 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

The following table presents the changes in level 3 items for the year ended April 1, 2017 ; March 31, 2018 and March 31, 2019: ₹ in crore

Particulars	- Equity instruments	- Preference shares	- Bonds and debentures	- Pass Through Certificates	- Security Receipts	- Units of fund	Loans	Total
As at April 1, 2017	**15.94**	**9.90**	**52.04**	**166.56**	**74.11**	**106.79**	**2,634.62**	**3,059.96**
Acquisitions	-	-	14.57	-	155.19	25.00	6,113.78	**6,308.54**
Deletions	(11.00)	-	-	(144.23)	(0.44)	(8.21)	(1,244.40)	**(1,408.29)**
Gains/(losses) recognised in profit or loss	(2.81)	(3.92)	(8.70)	-	(2.48)	(1.47)	-	**(19.37)**
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-	-
As at March 31, 2018	**2.13**	**5.98**	**57.91**	**22.33**	**226.38**	**122.11**	**7,504.00**	**7,940.84**
Acquisitions	-	-	1.57	-	112.83	65.11	7,596.82	**7,776.33**
Deletions	-	-	-	(13.93)	(27.07)	(3.45)	(2,815.54)	**(2,859.99)**
Gains/(losses) recognised in profit or loss	-	(1.42)	-	-	(32.65)	-	-	**(34.07)**
Gains/(losses) recognised in other comprehensive income	-	-	-	-	-	-	-	-
As at March 31, 2019	**2.13**	**4.56**	**59.48**	**8.40**	**279.49**	**183.77**	**12,285.27**	**12,823.10**
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period	-	-	-	-	-	-	-	-
As at April 1, 2017	-	-	-	-	-	-	-	-
As at March 31, 2018	2.16	(3.92)	(8.70)	-	(2.48)	(1.47)	-	**(14.40)**
As at March 31, 2019	-	(1.43)	-	-	(32.65)	-	-	**(34.08)**
Unrealised gains/(losses) recognised in Other Comprehensive Income related to assets and liabilities held at the end of the reporting period	-	-	-	-	-	-	-	-
As at April 1, 2017	-	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-	-	-	-

Note: 48.7 Disclosure pursuant to Ind AS 113 "Fair Value Measurement"

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

₹ in crore

Particulars	Fair value as at			Rates for Sensitivity	Impact of Increase in Rates on Total Comprehensive Income statement					
	March 31, 2019	March 31, 2018	April 1, 2017		March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018	April 1, 2017	April 1, 2017
					Favourable	Unfavourable	Favourable	Unfavourable	Favourable	Unfavourable
Investments										
- Equity instruments	2.13	2.13	15.94	5.00%	0.11	(0.11)	0.11	(0.11)	0.80	(0.80)
- Preference shares	4.56	5.98	9.90	5.00%	0.23	(0.23)	0.30	(0.30)	0.49	(0.49)
- Bonds and debentures	59.48	57.91	52.04	0.25%	0.15	(0.15)	0.14	(0.14)	0.13	(0.13)
- Pass Through Certificates	8.40	22.33	166.56	0.25%	0.02	(0.02)	0.06	(0.06)	0.42	(0.42)
- Security Receipts	279.49	226.38	74.11	5.00%	13.97	(13.97)	11.32	(11.32)	3.71	(3.71)
- Units of fund	183.77	122.11	106.79	5.00%	9.19	(9.19)	6.11	(6.11)	5.34	(5.34)
Loans	12,285.27	7,504.00	2,634.62	0.25%	30.71	(30.71)	18.76	(18.76)	6.59	(6.59)

Note: 48.8 Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Liquidity risk management :

(a) Maturity profile of financial liabilities based on undiscounted cashflows

₹ in crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total
A. Non-derivative liabilities:									
Borrowings*	20,980.56	30,442.56	51,423.12	14,866.85	24,146.17	39,013.02	13,757.13	17,311.10	31,068.23
Trade payables	86.03		86.03	109.09		109.09	79.76		79.76
Other payables	13.11		13.11	14.38		14.38	10.57		10.57
Other financial liabilities	406.66		406.66	239.14		239.14	218.56		218.56
Total	**21,486.36**	**30,442.56**	**51,928.92**	**15,229.46**	**24,146.17**	**39,375.63**	**14,066.02**	**17,311.10**	**31,377.12**
B. Derivative liabilities:									
Currency swap	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

* Borrowings include debt securities,borrowings (other than debt securities)and subordinated liabilities and are net off offsetting respective derivative gain/loss

(b) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Undrawn backup lines	3,580.94	3,312.00	3,460.00
Line of credit from Ultimate Holding Company	700.00	700.00	700.00

Note 48.9: Capital management

(i) Risk management

The Company's objectives when managing capital are to

(a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(b) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'Equity' (as shown in the balance sheet, including non-controlling interests).

The Company's gearing ratios were as follows:

₹ in crore

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Net debt	44,805.37	35,109.76	28,073.33
Total equity	8,900.43	8,287.18	6,775.51
Net debt to equity ratio	**5.03**	**4.24**	**4.14**

(ii) Loan covenants

There are certain financial and non-financial convenants like security cover, debt-equity ratio, etc. attached to the borrowings availed by the Company. The Company has complied with the covenants throughout the reporting period.

(iii) Dividends

₹ in crore

Particulars	March 31, 2019	March 31, 2018
(a) Equity shares		
Final dividend for the year ended March 31, 2019 of ₹ Nil per fully paid share (Previous year : Nil)	-	-
Interim dividend for the year ended March 31, 2019 of ₹ 1.20 per fully paid share (Previous year : Nil)	191.90	-
(b) Dividends not recognised at the end of the reporting year	-	-

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Note: 48.10 Market risk management :

(a) Foreign currency risk :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Liability – External Commercial Borrowings	USD 1,55,06,280.04	USD 1,55,06,280.04	USD 2,00,00,000
Assets – Currency Swap Contracts	USD 1,55,06,280.04	USD 1,55,06,280.04	USD 2,00,00,000

(b) Interest rate risk :

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Variable rate borrowings	17,003.97	15,177.39	9,960.01
Fixed rate borrowings	28,797.02	19,757.54	18,072.44
Total borrowings	**45,800.99**	**34,934.93**	**28,032.45**

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

₹ In crore

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	8.56%	17,003.97	37.13%	8.43%	15,177.39	43.44%	9.50%	9,960.01	35.53%
Interest rate swap at variable rate	-	-	-	-	-	-	-	-	-
Net exposure to cash flow interest rate risk	**8.56%**	**17,003.97**	**37.13%**	**8.43%**	**15,177.39**	**43.44%**	**9.50%**	**9,960.01**	**35.53%**

(c) Sensitivity :

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

₹ In crore

Particulars	Impact on profit after tax		Impact on other components of equity	
	FY 2018-19	FY 2017-18	March 31, 2019	March 31, 2018
Interest rates – increase by 25 basis points *	(21.19)	(20.35)	(21.19)	(20.35)
Interest rates – decrease by 25 basis points*	21.19	20.35	21.19	20.35

** Impact on P/L upto 1 year, holding all other variables constant*

Note: 48.11 Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

(a) Transfer of financial assets

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

₹ In crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Securitisations			
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	-	139.18	-
Carrying amount of associated liabilities	-	109.05	-
Fair value of assets	-	137.02	-
Fair value of associated liabilities	-	109.05	-
Net position at FV	-	27.97	-

Note: 49 The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended (the "RBI Master Directions").

The disclosures as required by the RBI Master Directions has been perpared after giving effect of below mentioned adjustments to the amounts reported in the financial statements:

i. The amount of allowances for expected credit losses on loan assets was added to the loan asset balances and the amount of provisions on standard, non-performing and stressed loan assets was recomputed based on the Company's provisioning policy as approved by the Board of Directors read together with the RBI Master Directions;
ii. The interest income recognised on Stage 3 loan assets which met the definition of "non-performing asset" was reversed and the recognition was restricted to cash collection;
iii. The fair valuation gains recognised on long term debt instruments measured at "Fair Value Through Profit or Loss" were reversed; and
iv. The deferred tax relating to the adjustments listed in items (i) to (iii) above was also adjusted.

The disclosures for the previous year ended March 31, 2018 are on the basis of the financial statement prepared as per Previous GAAP.

49.1 Capital :

₹ in crore

	Particulars	As at March 31, 2019	As at March 31, 2018
i)	CRAR (%)	16.98%	17.92%
ii)	CRAR - Tier I Capital (%)	15.22%	15.64%
iii)	CRAR - Tier II Capital (%)	1.76%	2.28%
iv)	Amount of subordinated debt raised during the year as Tier-II capital	-	-
v)	Amount raised during the year by issue of Perpetual Debt Instruments	-	-

49.2 Investments :

₹ in crore

	Particulars	As at March 31, 2019	As at March 31, 2018
(1)	**Value of Investments**		
	(i) Gross Value of Investments		
	(a) In India	4,772.83	2,477.61
	(b) Outside India	-	-
	(ii) Provisions for Depreciation		
	(a) In India	103.03	64.68
	(b) Outside India	-	-
	(iii) Net Value of Investments		
	(a) In India	4,669.80	2,412.93
	(b) Outside India	-	-
(2)	**Movement of provisions held towards depreciation on investments**		
	(i) Opening balance	64.68	43.93
	(ii) Add : Provisions made during the year	39.55	35.92
	(iv) Less : Write-off / write-back of excess provisions during the year	1.20	15.18
	(v) Closing balance	103.03	64.68

49.3 Derivatives :

I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

₹ in crore

	Particulars	2018-19	2017-18
(i)	The notional principal of swap agreements	100.00	100.00
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	7.20	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	7.20	(0.10)

II) Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2019 (Previous year: NIL).

III) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI.

49.4 Securitisation:

I) The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

₹ in crore

	Particulars	No. / Amount	
		As at March 31, 2019	As at March 31, 2018
1	No of SPVs sponsored by the NBFC for securitisation transactions	-	2
2	Total amount of securitised assets as per books of the SPVs sponsored	-	506.05
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	64.74
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

II) Details of securitisation transactions undertaken by applicable NBFCs

₹ in crore

	Particulars	2018-19	2017-18
(i)	No. of accounts	-	1,81,572
(ii)	Aggregate value (net of provisions) of accounts securitised	-	301.29
(iii)	Aggregate consideration	-	301.29
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value	-	-

III) **Details of non-performing financial assets purchased/sold:** During the current and previous year, no non-performing financial assets has been purchased/sold from/to other NBFCs.

IV) Financial asset sold to Securitisation/Reconstruction company for Asset reconstruction:

₹ in crore

	Particulars	2018-19	2017-18
1	No. of accounts sold	3	5
2	Aggregate value (net of provisions) of accounts sold to SC/RC (₹ lakh)	120.83	194.70
3	Aggregate consideration (₹ crore)	147.00	183.97
4	Additional consideration realized in respect of accounts transferred in earlier years (₹ lakh)	-	-
5	Aggregate Gain/(Loss) over net book Value (₹ crore)	26.17	(10.73)

49.5 Exposures

(I) Exposure to Real Estate Sector

₹ in crore

	Particulars	As at March 31, 2019	As at March 31, 2018
	Direct Exposure		
(i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	346.90	145.53
(ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose 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 limits	11,207.96	6,291.00
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**11,554.86**	**6,436.53**

Footnote: Undisbursed commitments are considered as NIL on account of conditions precedent to disbursements.

(II) Exposure to Capital Market

₹ in crore

	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	289.57	291.45
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	2,004.91	3,051.33
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	183.77	122.11
	Total Exposure to Capital Market	**2,478.25**	**3,464.89**

(III) Details of financing of parent company products: Nil (Previous year : Nil)

(IV) The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as defined in RBI.

(V) Unsecured Advances (net off provision):

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Term loans	14,073.36	10,640.12
Debentures	324.53	235.00
Personal Loans	-	-
Total	**14,397.88**	**10,875.12**

Note : There are no advances outstanding as on 31st March 2019 against which intangible securities has been taken as collateral.
(Previous year : Nil)

49.6 Miscellaneous

(I) Registration obtained from other financial sector regulators : No registration has been obtained from other financial sector regulators.

(II) Penalties imposed by RBI and other regulators : No penalties have been imposed by RBI or other regulators during the year. (Previous Year: NIL)

(III) Ratings assigned by credit rating agencies and migration of ratings during the year

Particular		2018-2019			2017-2018	
		CARE	ICRA	IRA	CARE	ICRA
(i)	Commercial Paper	CARE A1+	ICRA A1+	Not Rated	CARE A1+	ICRA A1+
(ii)	Non-Convertible Debentures	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CARE AAA (Stable)	ICRA AA+ (Stable)
(iii)	Long term Bank facilities	CARE AAA (Stable)	Not Rated	Not Rated	CARE AAA (Stable)	Not Rated
(iv)	Subordinate Debts	CARE AAA (Stable)	ICRA AAA (Stable)	IND AAA (Stable)	CARE AAA (Stable)	ICRA AA+ (Stable)
(v)	Perpetual Debt	CARE AA+ (Stable)	ICRA AA+ (Stable)	Not Rated	CARE AA+ (Stable)	ICRA AA (Stable)
(vi)	Non-Convertible Debentures(Public Issue)	CARE AAA (Stable)	ICRA AAA (Stable)	Not Rated	CARE AAA (Stable)	ICRA AA+ (Stable)
(vii)	Principal Protected Market-Linked Debenture	CARE PP-MLD AAA (Stable)	PP-MLD-ICRA AAA (Stable)	Not Rated	CARE AAA (Stable)	ICRA AA+ (Stable)

(V) Postponements of revenue recognition: Current year: NIL (Previous year: NIL)
Note: In respect of Non performing assets, the revenue is recognised in terms of requirement of Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

49.7 Provisions and Contingencies :

(I) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

₹ in crore

Particulars	2018-2019	2017-2018
Provision for depreciation on Investments	38.36	18.24
Provision towards Non Performing Assets	-	531.35
Provision made towards Income tax		
Current Tax	488.47	297.02
Deferred Tax	104.72	(152.41)
Other Provision and Contingencies (with details)		
Provision for standard assets	-	(130.63)
Provision on loan assets	(579.76)	-
Provision of restructured assets	-	(8.67)
Loss on foreclosure of loans (net)	1,181.43	494.15

(II) Drawn down from reserves: No draw down from reserves during the financial year (Previous year: NIL)

49.8 Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Total Advances to twenty largest borrowers	8,758.37	7,301.78
Percentage of advances to twenty largest borrowers to total advances of the Company	18.31%	18.65%

(II) Concentration of Exposures

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers / customers#	10,393.78	7,797.68
Percentage of total exposure to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers #	19.54%	18.81%

Undisbursed commitments are considered as NIL on account of conditions precedent to disbursements.

(III) Concentration of NPA

₹ in crore

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to top four NPA accounts	311.99	379.00

(IV) Sector-wise NPAs

	Particulars	Percentage to Total Advances in that Sector	
		As at March 31, 2019	As at March 31, 2018
1	Agriculture & allied activities	4.14%	9.69%
2	MSME	99.21%	7.97%
3	Corporate borrowers	2.97%	4.11%
4	Services	5.71%	4.44%
5	Unsecured personal loans	2.92%	4.74%
6	Auto loans	5.18%	12.34%
7	Other personal loans	3.95%	7.09%

49.9 Movement of NPAs

₹ in crore

	Particulars	2018-19	2017-18
(i)	Net NPAs to Net Advances (%)	2.13%	2.81%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	2,376.64	1,905.22
	(b) Additions during the year	1,345.81	2,231.87
	(c) Reductions during the year	2,023.18	1,760.45
	(d) Closing balance	1,699.27	2,376.64
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,064.76	1,137.65
	(b) Additions during the year	875.45	1,173.75
	(c) Reductions during the year	937.98	1,246.64
	(d) Closing balance	1,002.23	1,064.76
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,311.88	767.57
	(b) Provisions made during the year	470.36	1,058.12
	(c) Write-off / write-back of excess provisions	1,085.20	513.81
	(d) Closing balance	697.04	1,311.88

Note: Loan assets identified as NPA and upgraded to standard assets during the same quarter have been excluded in above disclosure except for NPA identified and sold to Securitisation/Reconstruction company for asset reconstruction.

49.10 Disclosure of customer complaints

	Particulars	2018-19	2017-18
(i)	No. of complaints pending at the beginning of the year	-	-
(ii)	No. of complaints received during the year	1,731	2,105
(iii)	No. of complaints redressed during the year	1,705	2,105
(iv)	No. of complaints pending at the end of the year	26	-

49.11 Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), in terms of RBI circular DBR.No.BP.BC.33/21.04.132/2016-17 dated November 10, 2016

₹ in crore

Year	No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
			In Part A	In Part B	
	Classified as Standard				
2017-18	1.00	14.55	-	14.55	9.15
2018-19	-	-	-	-	-
	Classified as NPA				
2017-18	-	-	-	-	-
2018-19	1.00	14.55	-	14.55	9.15

49.12 Disclosure on Exposure to Infrastructure Leasing & Financial Services Limited (IL&FS) and its group entities, in terms of RBI circular DBR.BP.BC.No.37/21.04.048/2018-19 dated April 24, 2019

Position as on 31 March 2019

₹ in crore

Loan amount outstanding	Of (1), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA	Provisions required to be made as per IRAC norms	Provisions actually held
(1)	(2)	(3)	(4)
391.25	-	1.57	1.57

footnote: As on March 31, 2019, the Company's exposure as senior secured financial creditor to certain infrastructure special purpose entities of IL&FS Group are in the Stage 1 category and within the "Standard" classification of RBI's Master Directions. Pending resolution of the plan submitted by the IL&FS Board to the National Company Law Appellate Tribunal, recognition of interest of ₹21.83 crores on these loans between 1st October, 2018 and the year end has been deferred.

49.13 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

₹ in crore

March 31, 2019	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 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
Deposits	-	-	-	-	-	-	-	-	-
Advances (Net)	1,214.16	1,480.62	1,641.32	4,780.44	9,614.80	15,589.71	5,819.59	6,992.12	**47,132.76**
Investments (Net)	1,990.10	-	40.00	-	1,851.40		-	684.45	**4,565.95**
Borrowings*	3,958.39	2,835.50	2,009.20	2,798.13	3,821.82	21,853.78	7,812.80	711.37	**45,800.99**
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities*	-	-	-	107.23	-	-	-	-	**107.23**

* Including FCNR loan

footnote: The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the Board of Directors at its meeting held on October 24, 2018.

49.14 Details of restructured accounts as on March 31, 2019

₹ in crore

Type of Restructuring			Under CDR Mechanism					Others					Total				
Asset Classification			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2018	No. of borrowers	-	-	1	-	1	2,385	776	38	-	3,199	2,385	776	39	-	3,200
		Amount outstanding Restructured facility only	-	-	14.88	-	14.88	115.45	105.67	32.59	-	253.71	115.45	105.67	47.47	-	268.59
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	15.98	-	15.98	13.97	37.24	25.70	-	76.91	13.97	37.24	41.68	-	92.89
2	Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	1	-	1	2,385	776	38	-	3,199	2,385	776	39	-	3,200
		Amount outstanding Restructured facility only	-	-	(0.13)	-	(0.13)	(29.11)	(19.87)	(29.97)	-	(78.95)	(29.11)	(19.87)	(30.10)	-	(79.08)
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	(0.10)	-	(0.10)	(0.82)	22.41	(22.21)	-	(0.62)	(0.82)	22.41	(22.31)	-	(0.72)
3	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	109	(106)	(3)	-	-	109	(106)	(3)	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	2.37	(2.30)	(0.07)	-	-	2.37	(2.30)	(0.07)	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	0.12	(0.11)	(0.01)	-	-	0.12	(0.11)	(0.01)	-	-
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	(231)	55	176	-	-	(231)	55	176	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	(25.98)	(55.23)	81.21	-	-	(25.98)	(55.23)	81.21	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	(4.33)	(55.02)	59.35	-	-	(4.33)	(55.02)	59.35	-	-
7	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Restructured Accounts as on March 31, 2019	No. of borrowers	-	-	1	-	1	1,981	310	179	-	2,470	1,981	310	180	-	2,471
		Amount outstanding Restructured facility only	-	-	14.75	-	14.75	62.73	28.27	83.76	-	174.76	62.73	28.27	98.51	-	189.51
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	15.88	-	15.88	8.94	4.52	62.83	-	76.29	8.94	4.52	78.71	-	92.17

L&T Finance Limited
Notes forming part of the financial statements

Note : 49.15

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended)

Liabilities Side:

1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

₹ in crore

Particulars		As at March 31, 2019		As at March 31, 2018	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	Debentures :				
	- Secured	16,007.24	-	10,460.14	-
	- Unsecured	1,124.42	-	1,124.35	-
	(Other than falling within the meaning of Public Deposits)*		-	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	11,138.55	-	8,863.71	-
(d)	Inter-Corporate Loans and borrowings	169.36	-	667.13	-
(e)	Commercial Paper (Net off unexpired discounting charges)	7,064.36	-	6,525.82	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans		-	-	-
	i) Foreign Currency Loan	107.33	-	101.16	-
	ii)Bank Overdraft, Cash credit & Working Capital Demand Loan	8,781.30	-	7,721.47	-
	iii)Corporate Bond Repo and Collateralized Borrowing and Lending Obligation	1,943.32	-	-	-

*** Refer footnote 1 below**

2 Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :

₹ in crore

Particulars		As at March 31, 2018		As at March 31, 2018	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	In the form of Unsecured debentures	-	-	-	-
(b)	In the form of partly secured debentures i.e. debentures where	-	-	-	-
(c)	Other public deposits	-	-	-	-

*** Refer footnote 1 below**

Assets Side:

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

₹ in crore

Particulars		Amount Outstanding	
		As at March 31, 2019	As at March 31, 2018
(a)	Secured (net of provision)	33,772.69	26,948.12
(b)	Unsecured (net of provision)	14,144.56	10,875.12

L&T Finance Limited
Notes forming part of the financial statements

4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

₹ in crore

Particulars		Amount Outstanding	
		As at March 31, 2019	As at March 31, 2018
(i)	Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	-	-
	(b) Operating Lease (net of provision)	0.30	0.09
(ii)	Stock on hire including hire charges under sundry debtors :		
	(a) Assets on Hire	-	-
	(b) Repossessed Assets	-	-
(iii)	Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

5. Break-up of Investments (net off diminution) :

₹ in crore

Particulars		Amount Outstanding	
		As at March 31, 2019	As at March 31, 2018
Current Investments			
1	**Quoted**		
	(i) Shares :		
	(a) Equity	5.61	7.41
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
2	**Unquoted**		
	(i) Shares :		
	(a) Equity	-	-
	(b) Preference	0.68	1.43
	(ii) Debentures and Bonds	2,206.19	1,442.30
	(iii) Units of Mutual Funds	40.09	-
	(iv) Government Securities	81.53	-
	(v) Others (Pass Through Certificates)	8.41	52.46
Long Term 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	178.63	178.63
	(b) Preference	3.87	4.56
	(ii) Debentures and Bonds	38.00	377.67
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	1,643.54	0.00
	(v) Others :		
	(a) Security receipts	279.48	226.38
	(b) Investment in Units/Pass Through Certificates	183.77	122.11

L&T Finance Limited
Notes forming part of the financial statements

6. **Borrower group-wise classification of assets financed as in (3) and (4) above (see footnote 2 below) :**

₹ in crore

	Category	As at March 31, 2019		As at March 31, 2018	
		Secured (net of provision)	Unsecured (net of provision)	Secured (net of provision)	Unsecured (net of provision)
1	Related Parties **				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	33,772.69	14,144.56	26,948.12	10,875.12
	Total	**33,772.69**	**14,144.56**	**26,948.12**	**10,875.12**

** **As per Accounting Standard issued by the Institute of Chartered Accountants of India (see footnote 3 below)**

7. **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

₹ in crore

	Category	As at March 31, 2019		As at March 31, 2018	
		Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)
1	Related Parties**				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	176.50	176.50	182.50	182.50
2	Other than related parties	4,596.33	4,493.30	2,295.11	2,230.43
	Total	**4,772.83**	**4,669.80**	**2,477.61**	**2,412.93**

** **As per Accounting Standard issued by the Institute of Chartered Accountants of India (see footnote 3 below)**

8. **Other Information**

₹ in crore

	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	Gross Non-Performing Assets	1,699.27	2,376.64
	(a) Related parties	-	-
	(b) Other than related parties	1,699.27	2,376.64
(ii)	Net Non-Performing Assets	1,002.23	1,064.76
	(a) Related parties	-	-
	(b) Other than related parties	1,002.23	1,064.76
(iii)	Assets acquired in satisfaction of debt (Gross)	102.62	100.43

Footnotes:

1. As defined in point (xix) of paragraph 3 of chapter-2 of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Accounting Standards represents to Companies Act,2013 and Companies Rules and Guidance Notes issued by the Institute of Chartered Accountants of India are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/Net Asset Value in respect of unquoted investments have been disclosed irrespective of whether they are classified as long term or current in (5) above.

Note: 50 Previous year Previous GAAP figures have been regrouped/ reclassified to make them comparable with Ind AS presentation.

L&T Finance Limited
Notes forming part of the financial statements

Note: 51 The above financial statements have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on April 28, 2019.

For and on behalf of board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
DIN :03545900

Manish Jethwa
Head Accounts
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : April 28, 2019

L&T Finance Limited
Statement of dividend (Standalone basis) **Annexure 1**

Particulars		**For the year ended March 31, 2019**
Equity Share Capital (₹ in crore)		1,599.14
Face Value Per Equity Share (₹)	(a)	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	1.20
Total dividend on Equity Shares (₹ in crore)		191.90
Dividend Declared Rate (In %)	(c=b/a)	12.00%
Dividend tax (gross) on dividend (₹ in crore)		39.44

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)
Mumbai, November 25, 2019

Manish Jethwa
Head Accounts
Chief Financial Officer

In terms of our report of factual finding in connection with agreed upon procedures

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON REFORMATTED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of L&T Finance Limited

Dear Sirs,

1. We have examined the attached Reformatted Consolidated Financial Information of **L&T Finance Limited** (the "Company" or the "Issuer") and its share of profit in an associate (collectively the "Group"), comprising the Reformatted Consolidated Statement of Assets and Liabilities as at March 31, 2018 and 2017, the Reformatted Consolidated Statement of Profit and Loss and the Reformatted Consolidated Cash Flow Statement for the years ended March 31, 2018 and 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Reformatted Consolidated Financial Information"). The Reformatted Consolidated Financial Information have been prepared by the Management of the Company on the basis of Note 1 to the Reformatted Consolidated Financial Information and have been approved by the Board of Directors of the Company vide circular resolution dated November 25, 2019 for the purpose of inclusion in the Draft Shelf Prospectus and Shelf Prospectus (the "Offer Documents") prepared by the Company in connection with its proposed public issue of secured and/or unsecured subordinated, redeemable, non-convertible debentures ("NCDs") prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
    b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations"); and
    c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Reformatted Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Kolkata, West Bengal in connection with the proposed public issue of NCDs. The Reformatted Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1 to the Reformatted Consolidated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Consolidated Financial Information. The Company's Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, the Regulations and the Guidance Note.

3. We have examined such Reformatted Consolidated Financial Information taking into consideration:
    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 25, 2019 in connection with the proposed public issue of NCDs of the Company;
    b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
    c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information; and
    d) The requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

4. These Reformatted Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2018 and 2017 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 2, 2018 and May 2, 2017 respectively.

5. For the purpose of our examination, we have relied on the Auditors' reports issued by us dated May 2, 2018 and May 2, 2017 on the consolidated financial statements of the Company as at and for the years ended March 31, 2018 and 2017 as referred in Paragraph 4 above.

6. The audit report on the consolidated financial statements issued by us was unmodified and included following emphasis of matter paragraph on the consolidated financial statements as at and for the year ended March 31, 2017:

   "We draw attention to Note 29.15 of the consolidated financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the consolidated financial statements of the Company.

   Our opinion is not modified in respect of this matter."

7. The audit reports on the consolidated financial statements issued by us included following other matter paragraph:

   "We did not audit the financial statements of an associate, whose share of net profit of Rs. 4,232.96 lakhs and Rs. 2,662.00 lakhs included in the consolidated financial statements, as at and for the years ended March 31, 2018 and March 31, 2017 respectively, which has been audited by another auditor and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the reports of the other auditor.

   Our opinion is not modified in respect to this matter."

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the report of the other auditor as mentioned in Paragraph 7 above, we report that the Reformatted Consolidated Financial Information are prepared, in all material aspects, on the basis described in Note 1 to the Reformatted Consolidated Financial Information.

9. At the request of the Company, we have also examined the following financial information of the Company set out in the Annexure V prepared by management and approved by the Board of Directors vide circular resolution dated November 25, 2019 as at and for the years ended March 31, 2018 and 2017.

   (i) Statement of dividend paid / proposed, enclosed as Annexure V.

10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

11. The Reformatted Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Kolkata, West Bengal in connection with proposed issue of NCDs. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 19046930AAAAGA6021)

Mumbai, November 25, 2019

L&T Finance Limited

Reformatted Consolidated Statement of Assets and Liabilities

₹ in crore **Annexure I**

	Note No.	As at March 31, 2018		As at March 31, 2017	
A. EQUITY AND LIABILITIES:					
1. Shareholders' funds					
Share capital	**2**	1,599.14		1,440.05	
Reserves and surplus	**3**	7,049.70		5,462.65	
			8,648.84		6,902.70
2. Non-current liabilities					
Long-term borrowings	**4**	21,216.81		15,314.40	
Other long term liabilities	**5**	44.99		147.93	
Long-term provisions	**6**	104.23		91.58	
			21,366.03		15,553.91
3. Current liabilities					
Short-term borrowings	**7**	7,250.00		9,970.52	
Current maturities of long-term borrowings	**4**	6,295.00		2,544.79	
Trade payables	**8**				
Total outstanding dues of micro enterprises and small enterprises		-		-	
Total outstanding dues of creditors other than micro enterprises and small enterprises		94.95		65.29	
Other current liabilities	**9**	983.85		912.75	
Short-term provisions	**10**	80.39		50.18	
			14,704.19		13,543.53
Total equity and liabilities			**44,719.06**		**36,000.14**
B. ASSETS:					
1. Non-current assets					
Property, plant and equipment	**11**	74.53		160.25	
Intangible assets	**11**	1,974.65		2,621.44	
Intangible assets under development		9.23		-	
Non-current investments	**12**	971.44		759.56	
Deferred tax assets (net)	**13**	524.95		372.54	
Long-term loans and advances	**14**	307.38		164.17	
Long-term loans and advances towards financing activities	**15**	25,403.53		17,818.34	
Other non-current assets	**16**	180.60		169.14	
			29,446.31		22,065.44
2. Current assets					
Current investments	**17**	1,503.59		2,360.72	
Trade receivables	**18**	9.12		10.29	
Cash and cash equivalents	**19**	348.72		294.88	
Short-term loans and advances	**20**	74.39		60.57	
Short-term loans and advances towards financing activities	**21**	1,866.46		2,171.24	
Current maturities of long term loans and advances towards financing activities	**15**	10,553.25		8,297.17	
Other current assets	**22**	917.22		739.83	
			15,272.75		13,934.70
Total assets			**44,719.06**		**36,000.14**
Significant accounting policies	**1**				
See accompanying notes forming part of reformatted consolidated financial information	**Note 2 to 29**				

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Place : Mumbai
Date : November 25, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : November 25, 2019

L&T Finance Limited

Reformatted Consolidated Statement of Profit and Loss

₹ in crore **Annexure II**

		Note No.	Year ended March 31, 2018		Year ended March 31, 2017	
A.	**INCOME:**					
1.	Revenue from operations	**23**	4,997.45		4,082.05	
2.	Other income	**24**	248.24		62.93	
3.	**Total Income (1+2)**			**5,245.69**		**4,144.98**
B.	**EXPENSES:**					
	Employee benefits expense	**25**	318.07		300.87	
	Finance costs	**26**	2,496.85		1,959.52	
	Depreciation and amortisation	**11**	693.24		707.66	
	Administration and other expenses	**27**	398.54		360.17	
	Provisions and Contingencies	**28**	904.46		788.34	
4.	**Total expenses**			**4,811.16**		**4,116.56**
5.	**Profit before tax (3-4)**			**434.53**		**28.42**
6.	**Tax expense:**					
	Current tax			297.02		137.83
	Deferred tax			(152.41)		(125.45)
	Total Provision for tax			**144.61**		**12.38**
7.	**Profit after tax (5-6)**			**289.92**		**16.04**
	Add : Share in profit of associate company			**42.33**		**26.62**
	Less : Share of minority interest			**-**		**-**
	Profit for the period/year			**332.25**		**42.66**
	Earnings per equity share:	**29.6**				
	Basic earnings per equity share (₹)			2.29		0.30
	Diluted earnings per equity share (₹)			2.29		0.30
	Face value per equity share (₹)			10.00		10.00
	Significant accounting policies	**1**				
	See accompanying notes forming part of reformatted consolidated financial information	**2 to 29**				

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Place : Mumbai
Date : November 25, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : November 25, 2019

L&T Finance Limited

Reformatted Consolidated Statement of Cash Flows

₹ in crore		**Annexure III**
	Year ended March 31, 2018	**Year ended March 31, 2017**
A. Cash flow from operating activities		
Profit before tax	434.53	28.42
Adjustments for:	-	-
Depreciation and amortisation	693.24	707.67
Loss on Sale of Property,Plant & Equipments (net)	5.47	14.67
Provision for gratuity	3.12	2.88
Income from investments (net)	(30.24)	(61.76)
Provision for diminution in value of investments	18.24	25.88
Loss on foreclosure of loans(net) / bad debts written offs	494.15	237.64
Provision for non-performing assets	531.35	359.01
Provision for standard assets	(130.62)	164.00
Provision for restructured assets	(8.67)	1.80
Operating profit before working capital changes	**2,010.57**	**1,480.21**
Changes in working capital		
Adjustments for increase / (decrease) in operating liabilties		
Other non-current liabilities	(102.93)	(93.29)
Long-term provisions	(18.34)	-
Trade payable	29.66	(87.86)
Other current liabilities	72.86	(142.50)
Short-term provisions	1.88	(3.05)
Adjustments for (increase) / decrease in operating assets		
Long-term loans and advances	(55.91)	0.73
Other non-current assets	(11.46)	2.47
Trade receivables	1.17	(3.39)
Short-term Loans and advances	(13.82)	51.86
Other current assets	(177.39)	(14.52)
	-	-
Cash generated from operations	**1,736.29**	**1,190.66**
Direct taxes paid (net)	(356.96)	(213.60)
(Increase) / Decrease in loans towards financing activities(net)	(10,381.26)	(3,456.38)
Net cash flow from/(used) in operating activities (A)	**(9,001.93)**	**(2,479.32)**
B. Cash flow from investing activities		
Add : Inflow from investing activities		
Proceeds from sale of Property, Plant & Equipments	65.09	26.01
Proceeds from sale of current investments not considered as Cash and cash equivalents	37,773.52	1,668.44
Proceeds from sale of non current investments	37.94	8.10
	37,876.55	**1,702.55**
Less : Outflow from investing activities		
Capital expenditure on Property, Plant & Equipments and Intangibles including capital advances	46.45	16.13
Purchase of non current investments		
- Associates	19.80	-
- Others	180.19	992.51
Purchase of current investments not considered as cash and cash equivalents	36,902.78	3,202.80
	37,149.22	**4,211.44**
Net cash from/(used in) investing activities* (B)	**727.33**	**(2,508.89)**

*FY 2017-18 :Net cash used in investing activities excludes investments aggregating to ₹21.99 crs (for the year ended March 31, 2017 ₹27.18 crs) acquired against claims.

L&T Finance Limited

Reformatted Consolidated Statement of Cash Flows

₹ in crore **Annexure III**

	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flow from financing activities		
Add : Inflow from financing activities		
Proceeds from issue of share capital including securities premium	1,400.00	-
Proceeds from long term borrowings	1,11,599.21	66,506.81
Net Proceeds from short term borrowings	-	5,164.54
	1,12,999.21	**71,671.35**
Less : Outflow from financing activities		
Repayments of long term borrowings	1,01,946.19	66,415.00
Net Repayments of short term borrowings	2,720.52	-
Shares / Debenture issue expenses	4.05	1.90
Dividend paid (including dividend distribution tax)	-	168.90
	1,04,670.76	**66,585.80**
Net cash generated from financing activities (C)	**8,328.45**	**5,085.55**
Net cash increase in cash and cash equivalents (A+B+C)	53.85	97.34
Cash and cash equivalents as at beginning of the year	294.82	44.27
Cash and cash equivalent transferred under Scheme of merger	-	153.21
Cash and cash equivalents as at end of the year	**348.67**	**294.82**

	Year ended March 31, 2018	Year ended March 31, 2017
Reconciliation of Cash and Cash Equivalents		
Closing balance as per Balance Sheet	348.72	294.88
Less : Deposits with original maturity for more than 3 months	0.05	0.06
Cash and cash equivalents as at end of the year (Refer Note No 19)	**348.67**	**294.82**

Notes:

1. Previous period figures have been regrouped/reclassified wherever applicable.
2.See accompanying notes forming part of reformatted consolidated financial information
3. Net cash used in operating activities is determined after adjusting the following:

Interest received	4,867.96	3,596.63
Interest paid	2,322.83	2,034.46

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Place : Mumbai
Date : November 25, 2019

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : November 25, 2019

L&T Finance Limited
Notes forming part of the reformatted consolidated financial information

Annexure IV

1.Basis of accounting and preparation of financial statements and summary of significant accounting policies

1.1 Basis of preparation and principles of consolidation

i) Basis of Preparation

The Reformatted Consolidated Financial Information of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Reformatted Consolidated Financial Information to comply in all material respects with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended, and the relevant provisions of the Companies Act, 1956 ('the 1956 Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Systemically Important Non-Deposit accepting NBFC ('NBFC-ND-SI). The Reformatted Consolidated Financial Information have been prepared under historical cost convention and on an accrual basis except for interest and discounts on non-performing assets which are recognized on realization basis.
The Reformatted Consolidated Financial Information have been prepared in accordance with the requirements of Section 26(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the"SEBI Regulations") issued by the SEBI.

a) 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 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The CFS comprises the financial statements of L&T Finance Limited, its subsidiaries and associates. Reference in these notes to L&T Finance Limited, Company, Companies or Group shall mean to include L&T Finance 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

c) The list of associates included in the consolidated financial statement are as under:

Name of associate company	Country of Incorporation	As at March 31,2018	As at March 31,2017
		% of Share/Voting Power	% of Share/Voting Power
Infra Debt Fund Limited	India	28.29	28.29
Grameen Capital India Limited	India	26	26

ii) Principles of Consolidation

The consolidated financial statements relate to L&T Finance Limited ('the Company') and its subsidiary and associate 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 eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

b) 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".

c) 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.

d) 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.

e) 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.

Annexure IV

1.2 Summary of significant accounting policies

1.2.1 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expense during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.2.2 Cash flow Statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.2.3 Property, plant and equipment and Intangible Assets

Property, plant and equipment are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Property, plant and equipment acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Property, plant and equipment acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital Work in Progress: projects under which property, plant and equipment are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets not ready for the intended use on the date of balance sheet are disclosed as "Intangible assets under development"

1.2.4 Depreciation on Property, plant and equipment and Intangible Assets

Depreciation on property, plant and equipment is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

Intangible assets are amortised over their estimated useful life on straight line method as follows:
Computer software- 3 years
Distribution and Customer Network Rights-5 years
Goodwill-5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Particulars	Nature	Useful Life adopted (in years)	Useful Life as per Schedule II (in years)
Plant & Equipments	Operating Lease	8.84	15
Motor car	Operating Lease	6.67	8

Property, plant and equipment costing upto ₹ 5,000 individually are depreciated fully in the year of purchase.

1.2.5 Impairment of assets

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.2.6 Investments

Investments which are readily realisable and intended to be held for not more than a 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 valued scrip-wise and depreciation / appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for.

Long-term investments are carried at acquisition/amortised cost. Investment in debentures which are, in substance, in the nature of credit substitutes are classified as a part of loans towards financing activities and are measured in accordance with the criteria applied for the measurement of loans towards financing activities.Provision is made for diminution other than temporary on an individual investment basis.

1.2.7 Revenue Recognition

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

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

1.2.8 Other Income

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

1.2.9 Classification and provisioning of loan portfolio

Loans towards financing activities are classified under four categories i.e. (i) Standard Assets (ii) Sub- Standard Assets (iii) Doubtful Assets and (iv) Loss Assets in accordance with RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of advances where interest is not serviced, provision for diminution is made as per the parameters applicable to Non-Performing Advances.

Provision on restructured advances/corporate debt restructured 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 identifications.

1.2.10 Retirement and other employee benefits

i) Defined–Contribution Plans

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

ii) Defined–Benefits Plans

The Company makes annual contributions to the Fund administered by trustees and managed by an insurance company. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the "Projected Unit Credit" method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

iii) Other Employee Benefits

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

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

1.2.11 Foreign Currency Transactions

(i) All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

(ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

(iii) Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

1.2.12 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

1.2.13 Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

1.2.14 Income Taxes

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

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.

1.2.15 Provisions, Contingent liabilities and Contingent Assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.
Contingent assets are not recognised in the financial statements.

1.2.16 Leases

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

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

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

1.2.17 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.2.18 Employee Stock Option Plan

The Employees Stock Options Scheme ("the Scheme") has been established by the holding company (i.e. L&T Finance Holdings Limited). The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest in a graded manner. The options may be exercised with in specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the intrinsic value method to account for its stock based employee compensation plans. Stock options were granted to the employees of the Company during the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The cost incurred by the holding company, in respect of options granted to employees of the Company are being charged to the statement of profit and loss during the period and recovered by the holding Company.

1.2.19 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share 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 share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.2.20 Share & Debenture Issue Expenses

Expenses incurred on issue of shares and debentures are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

1.2.21 Indirect tax input credit (Including Service tax and Goods and Service tax)

Indirect tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

1.2.22 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2.23 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note No.

2 Share capital

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	**₹ in crore**	**No. of Shares**	**₹ in crore**
(I) Share capital authorised, issued and subscribed				
Authorised Shares				
Equity shares of ₹ 10 each	2,65,43,09,610	2,654.31	2,65,43,09,610	2,654.31
Preference Shares of ₹ 100 each	10,00,000	10.00	10,00,000	10.00
Issued, Subscribed & Paid up shares				
Equity shares of ₹ 10 each fully paid up	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05
		1,599.14		**1,440.05**

(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, 2018		As at March 31, 2017	
	No. of Shares	**₹ in crore**	**No. of Shares**	**₹ in crore**
At the beginning of the year	1,44,00,47,294	1,440.05	20,43,09,610	204.31
Issued during the year	15,90,90,905	159.09	1,23,57,37,684	1,235.74
Outstanding at the end of the year	**1,59,91,38,199**	**1,599.14**	**1,44,00,47,294**	**1,440.05**

(III) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Equity Shares	**As at March 31, 2018**	**As at March 31, 2017**
	No. of Shares	**No. of Shares**
Fully paid up pursuant to contract(s) without payment being received in cash	1,23,57,37,684	1,23,57,37,684

(IV) 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.

FY 2017-18:- During the year, the company has not declared any dividend.

FY 2016-17:- During the year, the company has declared and paid interim dividend of ₹ 5.141 per equity share.

(V) Shares held by holding company

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	**₹ in crore**	**No. of Shares**	**₹ in crore**
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity Shares of ₹ 10 each fully paid)	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05

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

Equity Shares	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity Shares of ₹ 10 each fully paid)	1,59,91,38,199	100%	1,44,00,47,294	100%

	As at March 31, 2018 ₹ in crore	As at March 31, 2017 ₹ in crore
3 Reserves & Surplus		
(I) Securities premium account		
Balance as per last financial statements	5,644.72	457.10
Add: Addition during the year	1,240.91	5,188.86
Less: Share issue expenses adjusted during the year	1.40	-
Less: Debenture issue expenses adjusted during the year (Net of tax FY 2017-18 ₹ 0.92 crore, FY 2016-17 ₹ 0.66 crore)	1.74	1.24
Closing Balance	**6,882.49**	**5,644.72**
(II) Debenture redemption reserve		
Balance as per last financial statements	75.22	-
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	102.12
Add: Transferred from surplus in the statement of profit and loss	23.10	-
Less: Transferred to general reserve	0.24	-
Less: Transferred to amalgamation adjustment account	0.46	26.90
Closing Balance	**97.62**	**75.22**
(III) Reserve u/s 45-IC of RBI Act, 1934		
Balance as per last financial statements	526.42	68.72
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	454.49
Add: Transferred from surplus in the statement of profit and loss	57.98	3.21
Closing balance	**584.40**	**526.42**

	As at March 31, 2018 ₹ in crore	As at March 31, 2017 ₹ in crore
(IV) Capital redemption reserve		
Balance as per last financial statements	3.20	3.20
Closing balance	**3.20**	**3.20**
(V) General reserves		
Balance as per last financial statements	-	-
Add: Transferred from debenture redemption reserve	0.24	-
Closing balance	**0.24**	-
(VI) Reserve u/s 36(1)(viii) of Income tax Act		
Balance as per last financial statements	8.81	-
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	8.81
Add: Transferred from surplus in the statement of profit and loss	14.75	-
Closing balance	**23.56**	**8.81**
(VII) Amalgamation adjustment reserve		
Balance as per last financial statements	(538.52)	-
Add : Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	(565.42)
Add : Transferred from debenture redemption reserve	0.46	26.90
Closing balance	**(538.06)**	**(538.52)**
(VIII) Unamortised loss on sale of loans		
Balance as per last financial statements	(23.08)	-
Amortised during the year	23.08	(23.08)
Closing balance	-	**(23.08)**
(IX) Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	(234.12)	(101.36)
Add: Net profit for the year	332.25	42.66
Less : Appropriations		-
Interim dividend paid during the year	-	140.33
Dividend distribution tax	-	28.57
Transfer to debenture redemption reserve	23.10	-
Share of Associates	3.55	3.31
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	14.75	-
Unamortised write down on Investment	2.50	-
Transfer to reserve u/s 45-IC of RBI Act, 1934 (@20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)	57.98	3.21
Net surplus in the Statement of Profit and Loss	**(3.75)**	**(234.12)**
Total reserves and surplus	**7,049.70**	**5,462.65**

	As at March 31, 2018		As at March 31, 2017	
	Non current portion	Current maturities	Non current portion	Current maturities
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
4 Long-term borrowings				
(I) Secured				
Redeemable non convertible debentures (refer note 4(a))	8,210.08	1,596.75	4,801.82	2,154.25
Term loans				
- From banks (refer note 4(b))	5,318.67	3,532.25	4,047.58	185.84
- Foreign currency loan	101.06	-	-	129.70
Line of Credit (refer note 4(c))	1,700.00	-	1,900.00	-
Working capital demand loan (refer note 4(c))	-	536.00	20.00	-
Total I	**15,329.81**	**5,665.00**	**10,769.40**	**2,469.79**
(II) Unsecured				
Redeemable non convertible debentures (refer note 4(a))	840.00	-	840.00	75.00
Perpetual debt (refer note 4(a))	250.00	-	250.00	-
Line of Credit (refer note 4(c))	4,797.00	-	3,455.00	-
Working capital demand loan (refer note 4(c))	-	630.00	-	-
Total II	**5,887.00**	**630.00**	**4,545.00**	**75.00**
Total Long-term borrowings (I + II)	**21,216.81**	**6,295.00**	**15,314.40**	**2,544.79**

Foot Notes

(i) 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.

(ii) Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2018 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A OF FY 2013-14	₹ 10 Lakh each	03-01-14	400.00	-	400.00	9.05%	05-04-18	Redeemable at par at the end of 1553 days from the date of allotment
Series P FY 2014-15 Opt IV	₹ 25 Lakh each	24-02-15	25.00	25.00	-	9.25%	24-02-20	Redeemable at par at the end of 1826 days from the date of allotment
Series P FY 14-15 OPT III	₹ 25 Lakh each	24-02-15	150.00	-	150.00	9.22%	15-06-18	Redeemable at par at the end of 1207 days from the date of allotment
Series A FY 2015-16 OPT 7	₹ 25 Lakh each	17-04-15	110.00	-	110.00	8.85%	17-04-18	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 OPT 9	₹ 25 Lakh each	17-04-15	18.00	-	18.00	8.86%	24-04-18	Redeemable at par at the end of 1103 days from the date of allotment
Series A FY 2015-16 OPT 8	₹ 25 Lakh each	17-04-15	22.25	-	22.25	8.86%	19-04-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 OPT 6	₹ 25 Lakh each	17-04-15	60.00	-	60.00	8.86%	16-04-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 OPT 5	₹ 25 Lakh each	17-04-15	1.75	-	1.75	8.86%	12-04-18	Redeemable at par at the end of 1091 days from the date of allotment
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	29-04-15	8.50	-	8.50	8.92%	23-04-18	Redeemable at par at the end of 1090 days from the date of allotment
Series B FY 2015-16 OPT 5	₹ 25 Lakh each	11-05-15	2.00	-	2.00	8.86%	07-05-18	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2015-16 OPT 4	₹ 25 Lakh each	11-05-15	6.00	-	6.00	8.85%	30-04-18	Redeemable at par at the end of 1085 days from the date of allotment
Series C FY 2015-16 OPT 5	₹ 25 Lakh each	20-05-15	26.00	26.00	-	8.87%	20-05-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 OPT 3	₹ 25 Lakh each	20-05-15	15.00	-	15.00	8.91%	18-05-18	Redeemable at par at the end of 1094 days from the date of allotment
Series C FY 2015-16 OPT 8	₹ 25 Lakh each	20-05-15	32.00	-	32.00	8.91%	22-05-18	Redeemable at par at the end of 1098 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	20-05-15	47.00	-	47.00	8.90%	11-06-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	20-05-15	30.00	-	30.00	8.91%	15-05-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	20-05-15	6.25	-	6.25	8.91%	14-05-18	Redeemable at par at the end of 1090 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	27-05-15	40.50	40.50	-	8.88%	27-05-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 4	₹ 25 Lakh each	04-06-15	5.00	-	5.00	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 OPT 7	₹ 25 Lakh each	04-06-15	25.00	25.00	-	8.88%	04-06-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 6	₹ 25 Lakh each	04-06-15	20.00	-	20.00	8.85%	24-12-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 OPT 5	₹ 25 Lakh each	04-06-15	17.00	-	17.00	8.85%	22-11-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	04-06-15	37.00	-	37.00	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	23-06-15	5.00	-	5.00	8.95%	07-01-19	Redeemable at par at the end of 1294 days from the date of allotment
Series G FY 2015-16 OPT 4	₹ 25 Lakh each	26-06-15	5.00	-	5.00	8.90%	26-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2015-16 OPT 3	₹ 25 Lakh each	26-06-15	10.00	-	10.00	8.91%	20-06-18	Redeemable at par at the end of 1090 days from the date of allotment
Series H FY 2015-16 OPT 3	₹ 25 Lakh each	08-07-15	60.00	-	60.00	8.92%	06-07-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 OPT 4	₹ 25 Lakh each	08-07-15	26.00	-	26.00	8.93%	17-07-18	Redeemable at par at the end of 1105 days from the date of allotment
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	08-07-15	35.00	-	35.00	8.93%	05-07-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	08-07-15	35.00	-	35.00	8.93%	02-07-18	Redeemable at par at the end of 1090 days from the date of allotment
Series I FY 2015-16 OPT 2	₹ 25 Lakh each	19-08-15	25.00	-	25.00	8.80%	17-08-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 OPT 3	₹ 25 Lakh each	19-08-15	18.00	-	18.00	8.80%	03-09-18	Redeemable at par at the end of 1111 days from the date of allotment
Series I FY 2015-16 OPT 1	₹ 25 Lakh each	19-08-15	30.00	-	30.00	8.80%	16-08-18	Redeemable at par at the end of 1093 days from the date of allotment
Series J FY 15-16 OPT I	₹ 25 Lakh each	27-08-15	30.00	-	30.00	8.81%	20-08-18	Redeemable at par at the end of 1089 days from the date of allotment
Series N OF FY 15-16	₹ 25 Lakh each	29-03-16	185.00	185.00	-	8.90%	29-04-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 OPT 7	₹ 25 Lakh each	13-04-16	4.00	4.00	-	8.68%	30-09-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17 OPT 6	₹ 25 Lakh each	13-04-16	75.00	75.00	-	8.68%	12-09-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 OPT 5	₹ 25 Lakh each	13-04-16	275.00	275.00	-	8.69%	13-06-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 OPT 4	₹ 25 Lakh each	13-04-16	25.00	25.00	-	8.69%	31-05-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 OPT 3	₹ 25 Lakh each	13-04-16	10.00	10.00	-	8.70%	12-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 OPT 2	₹ 25 Lakh each	13-04-16	170.00	-	170.00	8.69%	12-03-19	Redeemable at par at the end of 1063 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	20-04-16	10.00	10.00	-	8.80%	19-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 Lakh each	20-04-16	300.00	300.00	-	8.65%	20-08-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	20-05-16	20.00	20.00	-	8.80%	20-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	24-05-16	3.00	3.00	-	8.64%	28-06-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	24-05-16	50.00	50.00	-	8.65%	24-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	13-06-16	10.00	10.00	-	8.80%	11-06-21	Redeemable at par at the end of 1824 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	13-06-16	10.00	10.00	-	8.80%	13-06-19	Redeemable at par at the end of 1095 days from the date of allotment

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2018 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series D OF FY 2016-17 OPT 1	₹ 25 Lakh each	14-06-16	50.00	50.00	-	8.72%	14-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E OF FY 2016-17 OPT 2	₹ 25 Lakh each	29-06-16	2.50	2.50	-	8.71%	22-07-19	Redeemable at par at the end of 1118 days from the date of allotment
Series E OF FY 2016-17 OPT 1	₹ 25 Lakh each	29-06-16	130.00	130.00	-	8.72%	28-06-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT II	₹ 25 Lakh each	03-08-16	75.00	75.00	-	8.45%	02-08-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT I	₹ 25 Lakh each	03-08-16	50.00	-	50.00	8.40%	03-08-18	Redeemable at par at the end of 730 days from the date of allotment
Series H OF FY 2016-17 OPT 1	₹ 25 Lakh each	05-08-16	75.00	75.00	-	7.37%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	05-08-16	5.00	5.00	-	8.65%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	05-08-16	10.00	-	10.00	8.65%	03-08-18	Redeemable at par at the end of 728 days from the date of allotment
Series I FY 16-17	₹ 25 Lakh each	09-08-16	50.00	50.00	-	8.40%	09-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D OF FY 2016-17 OPT 1	₹ 25 Lakh each	18-08-16	2.50	2.50	-	8.55%	05-08-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E OF FY 2016-17 OPT 1	₹ 25 Lakh each	23-08-16	11.75	11.75	-	8.54%	30-09-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F OF FY 16-17	₹ 25 Lakh each	08-09-16	50.00	50.00	-	8.31%	06-09-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G 16-17	₹ 25 Lakh each	12-09-16	200.00	200.00	-	8.31%	12-09-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 16-17 OPT II	₹ 25 Lakh each	19-01-17	150.00	150.00	-	7.83%	20-01-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 16-17 OPT I	₹ 25 Lakh each	19-01-17	50.00	-	50.00	7.66%	18-01-19	Redeemable at par at the end of 729 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	22-03-17	50.00	-	50.00	7.71%	22-06-18	Redeemable at par at the end of 457 days from the date of allotment
Series D OPT II 16-17	₹ 25 Lakh each	27-03-17	25.00	25.00	-	7.90%	27-03-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D OPT I 16-17	₹ 25 Lakh each	27-03-17	50.00	50.00	-	7.75%	26-04-19	Redeemable at par at the end of 760 days from the date of allotment
Series E FY 16-17	₹ 25 Lakh each	29-03-17	100.00	100.00	-	7.90%	29-06-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 16-17	₹ 25 Lakh each	31-03-17	300.00	300.00	-	8.07%	29-05-20	Redeemable at par at the end of 1155 days from the date of allotment
Series A FY 2017-18 Opt I	₹ 25 Lakh each	10-04-17	150.00	150.00	-	7.71%	10-04-19	Redeemable at par at the end of 730 days from the date of allotment
Series A FY 2017-18 Opt II	₹ 25 Lakh each	10-04-17	100.00	100.00	-	7.80%	08-05-20	Redeemable at par at the end of 1124 days from the date of allotment
Series C FY 2017-18	₹ 25 Lakh each	25-05-17	25.00	25.00	-	7.85%	25-05-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 Lakh each	09-06-17	210.00	210.00	-	7.85%	09-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2017-18	₹ 25 Lakh each	16-06-17	250.00	250.00	-	7.75%	16-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 Lakh each	19-06-17	200.00	200.00	-	7.85%	19-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2017-18	₹ 25 Lakh each	20-06-17	375.00	375.00	-	7.85%	20-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2017-18 Opt I	₹ 25 Lakh each	21-06-17	50.00	50.00	-	7.76%	10-08-20	Redeemable at par at the end of 1146 days from the date of allotment
Series H FY 2017-18 Opt II	₹ 25 Lakh each	21-06-17	25.00	25.00	-	7.81%	21-07-22	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 2017-18	₹ 25 Lakh each	23-06-17	125.00	125.00	-	7.75%	23-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 2017-18	₹ 25 Lakh each	28-06-17	125.00	125.00	-	7.75%	26-06-20	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2017-18	₹ 25 Lakh each	19-07-17	400.00	400.00	-	7.65%	19-07-19	Redeemable at par at the end of 730 days from the date of allotment
Series L FY 2017-18	₹ 25 Lakh each	25-07-17	290.00	290.00	-	7.65%	20-08-20	Redeemable at par at the end of 1122 days from the date of allotment
Series M FY 2017-18	₹ 25 Lakh each	08-08-17	465.00	465.00	-	7.71%	08-08-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 Lakh each	06-10-17	310.00	310.00	-	7.70%	06-10-22	Redeemable at par at the end of 1826 days from the date of allotment
Series O FY 2017-18	₹ 25 Lakh each	13-10-17	500.00	500.00	-	7.65%	13-11-20	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2017-18	₹ 25 Lakh each	17-10-17	150.00	150.00	-	7.68%	18-12-20	Redeemable at par at the end of 1158 days from the date of allotment
Series Q FY 2017-18	₹ 25 Lakh each	24-11-17	305.00	305.00	-	7.85%	11-12-20	Redeemable at par at the end of 1113 days from the date of allotment
Series R FY 2017-18	₹ 25 Lakh each	04-12-17	750.00	750.00	-	7.90%	04-12-20	Redeemable at par at the end of 1096 days from the date of allotment
Series S FY 2017-18	₹ 25 Lakh each	06-12-17	215.00	215.00	-	7.84%	06-01-21	Redeemable at par at the end of 1127 days from the date of allotment
Series T FY 2017-18	₹ 25 Lakh each	12-12-17	85.00	85.00	-	7.95%	12-12-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 2017-18	₹ 25 Lakh each	29-12-17	100.00	100.00	-	8.00%	27-11-20	Redeemable at par at the end of 1064 days from the date of allotment
Series V FY 2017-18	₹ 25 Lakh each	27-03-18	82.50	82.50	-	8.25%	08-04-21	Redeemable at par at the end of 1108 days from the date of allotment
Series W FY 2017-18	₹ 25 Lakh each	28-03-18	95.00	95.00	-	8.25%	21-06-21	Redeemable at par at the end of 1181 days from the date of allotment
NCD 2009 SERIES 4	₹ 1000 each	17-09-09	457.33	457.33	-	10.24%	17-09-19	Redeemable at par at the end of 3652 days from the date of allotment
			9,806.83	**8,210.08**	**1,596.75**			

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 4 (a)
Unsecured Redeemable Non Convertible Debentures as on March 31,2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2018 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series F of FY 2011-12	₹ 10 Lakh each	30-12-11	200.00	200.00	-	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series J of FY 2012-13	₹ 10 Lakh each	21-12-12	275.00	275.00	-	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C of FY 2013-14	₹ 10 Lakh each	28-02-14	25.00	25.00	-	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F of FY 2013-14	₹ 10 Lakh each	27-03-14	50.00	50.00	-	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I of FY 2013-14	₹ 10 Lakh each	27-03-14	50.00	50.00	-	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E of FY 2014-15	₹ 10 Lakh each	30-06-14	40.00	40.00	-	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M of FY 2014-15	₹ 10 Lakh each	31-12-14	50.00	50.00	-	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S of FY 2014-15	₹ 10 Lakh each	30-03-15	50.00	50.00	-	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J of FY 2015-16	₹ 10 Lakh each	09-09-15	100.00	100.00	-	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2015-16	₹ 10 Lakh each	29-01-16	32.00	32.00	-	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G of FY 2015-16	₹ 10 Lakh each	09-02-16	18.00	18.00	-	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H of FY 2015-16	₹ 10 Lakh each	04-03-16	50.00	50.00	-	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M of FY 15-16	₹ 10 Lakh each	23-03-16	100.00	100.00	-	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series I - PD	₹ 10 Lakh each	30-03-16	50.00	50.00	-	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			1,090.00	**1,090.00**	**-**			

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 4 (b)

Term loans from bank (Secured) as on March 31,2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Annually	Up to 5 Years	8.00% - 9.00%	60.00	45.00	15.00
	Above 5 Years	8.00% - 9.00%	40.00	40.00	-
Bullet	Up to 5 Years	7.00% - 8.00%	500.00	500.00	-
	Up to 5 Years	8.00% - 9.00%	4,350.00	1,325.00	3,025.00
	Above 5 Years	9.00% - 10.00%	775.00	775.00	-
Half Yearly	Up to 5 Years	8.00% - 9.00%	1,696.17	1,314.34	381.83
	Above 5 Years	8.00% - 9.00%	119.33	119.33	-
Quartely	Up to 5 Years	7.00% - 8.00%	1,075.00	1,075.00	-
	Up to 5 Years	8.00% - 9.00%	110.42	-	110.42
	Above 5 Years	7.00% - 8.00%	125.00	125.00	-
Total			**8,850.92**	**5,318.67**	**3,532.25**

Note 4 (c)

Line of Credit (Secured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Bullet	Up to 5 Years	8.00% - 9.00%	1,700.00	1,700.00	-
Total			**1,700.00**	**1,700.00**	-

Working capital demand loan (Secured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Bullet	Up to 5 Years	8.00% - 9.00%	390.00	-	390.00
	Up to 5 Years	9.00% - 10.00%	146.00	-	146.00
Total			**536.00**	**-**	**536.00**

Line of Credit (Unsecured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Bullet	Up to 5 Years	8.00% - 9.00%	4,797.00	4,797.00	-
Total			**4,797.00**	**4,797.00**	**-**

Working capital demand loan (Unsecured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2018 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Bullet	Up to 5 Years	8.00% - 9.00%	630.00	-	**630.00**
Total			**630.00**	**-**	**630.00**

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A of FY 2013-14	₹ 10 Lakh each	03-01-14	400.00	400.00	-	9.05%	05-04-18	Redeemable at par at the end of 1553 days from the date of allotment
Series L of FY 2014-15	₹ 100 Lakh each	13-03-15	100.00	-	100.00	9.10%	28-03-18	Redeemable at par at the end of 1111 days from the date of allotment
Series Q FY 2014-15	₹ 100 Lakh each	13-03-15	150.00	-	150.00	9.10%	28-03-18	Redeemable at par at the end of 1111 days from the date of allotment
Series A FY 2016-17 OPT 1	₹ 25 Lakh each	13-04-16	145.00	-	145.00	8.64%	28-03-18	Redeemable at par at the end of 714 days from the date of allotment
Series P FY 2014-15 Opt V	₹ 25 Lakh each	24-02-15	22.00	-	22.00	9.24%	06-03-18	Redeemable at par at the end of 1106 days from the date of allotment
Series P FY 2014-15 Opt II	₹ 25 Lakh each	24-02-15	5.00	-	5.00	9.24%	23-02-18	Redeemable at par at the end of 1095 days from the date of allotment
Series P FY 14-15 OPT I	₹ 25 Lakh each	24-02-15	5.00	-	5.00	9.15%	07-02-18	Redeemable at par at the end of 1079 days from the date of allotment
Series N - OPT II FY 14-15	₹ 25 Lakh each	21-01-15	120.00	-	120.00	9.20%	19-01-18	Redeemable at par at the end of 1094 days from the date of allotment
Series L FY 14-15 OPT III	₹ 25 Lakh each	26-12-14	9.00	-	9.00	9.06%	06-12-17	Redeemable at par at the end of 1076 days from the date of allotment
Series P FY 2014-15 Opt IV	₹ 25 Lakh each	24-02-15	25.00	25.00	-	9.25%	24-02-20	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 14-15 OPT III	₹ 25 Lakh each	07-11-14	9.00	-	9.00	9.31%	07-11-17	Redeemable at par at the end of 1096 days from the date of allotment
Series I FY 14-15 OPT II	₹ 25 Lakh each	28-10-14	10.00	-	10.00	9.57%	27-10-17	Redeemable at par at the end of 1095 days from the date of allotment
Series P FY 14-15 OPT III	₹ 25 Lakh each	24-02-15	150.00	150.00	-	9.22%	15-06-18	Redeemable at par at the end of 1207 days from the date of allotment
Series L FY 15-16 OPT I	₹ 25 Lakh each	29-10-15	125.00	-	125.00	8.61%	29-09-17	Redeemable at par at the end of 701 days from the date of allotment
Series K FY 15-16	₹ 25 Lakh each	26-10-15	100.00	-	100.00	8.61%	25-09-17	Redeemable at par at the end of 700 days from the date of allotment
Series L FY 15-16 OPT II	₹ 25 Lakh each	29-10-15	100.00	-	100.00	8.61%	25-09-17	Redeemable at par at the end of 697 days from the date of allotment
Series A FY 2015-16 OPT 7	₹ 25 Lakh each	17-04-15	110.00	110.00	-	8.85%	17-04-18	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2015-16 OPT 1	₹ 25 Lakh each	31-08-15	125.00	-	125.00	8.93%	31-08-17	Redeemable at par at the end of 731 days from the date of allotment
Series A FY 2015-16 OPT 9	₹ 25 Lakh each	17-04-15	18.00	18.00	-	8.86%	24-04-18	Redeemable at par at the end of 1103 days from the date of allotment
Series A FY 2015-16 OPT 8	₹ 25 Lakh each	17-04-15	22.25	22.25	-	8.86%	19-04-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 OPT 6	₹ 25 Lakh each	17-04-15	60.00	60.00	-	8.86%	16-04-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 OPT 5	₹ 25 Lakh each	17-04-15	1.75	1.75	-	8.86%	12-04-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	07-08-15	100.00	-	100.00	8.97%	07-08-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	07-08-15	40.00	-	40.00	8.98%	04-08-17	Redeemable at par at the end of 728 days from the date of allotment
Series F FY 15-16 OPT VI	₹ 25 Lakh each	12-06-15	22.00	-	22.00	8.80%	01-08-17	Redeemable at par at the end of 781 days from the date of allotment
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	29-04-15	8.50	8.50	-	8.92%	23-04-18	Redeemable at par at the end of 1090 days from the date of allotment
Series K FY 14-15 OPT II	₹ 25 Lakh each	30-01-15	125.00	-	125.00	8.62%	28-07-17	Redeemable at par at the end of 910 days from the date of allotment
Series G FY 2015-16 OPT 2	₹ 25 Lakh each	26-06-15	29.25	-	29.25	8.90%	27-07-17	Redeemable at par at the end of 762 days from the date of allotment
Series F FY 15-16 OPT V	₹ 25 Lakh each	12-06-15	1.50	-	1.50	8.80%	24-07-17	Redeemable at par at the end of 773 days from the date of allotment
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	21-07-15	50.00	-	50.00	8.91%	21-07-17	Redeemable at par at the end of 731 days from the date of allotment
Series B FY 2015-16 OPT 5	₹ 25 Lakh each	11-05-15	2.00	2.00	-	8.86%	07-05-18	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2015-16 OPT 4	₹ 25 Lakh each	11-05-15	6.00	6.00	-	8.85%	30-04-18	Redeemable at par at the end of 1085 days from the date of allotment
Series G FY 2015-16 OPT 2	₹ 25 Lakh each	13-07-15	10.00	-	10.00	8.98%	13-07-17	Redeemable at par at the end of 731 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	21-07-15	15.50	-	15.50	8.92%	12-07-17	Redeemable at par at the end of 722 days from the date of allotment
Series G FY 2015-16 OPT 1	₹ 25 Lakh each	13-07-15	50.00	-	50.00	8.99%	06-07-17	Redeemable at par at the end of 724 days from the date of allotment
Series C FY 2015-16 OPT 5	₹ 25 Lakh each	20-05-15	26.00	26.00	-	8.87%	20-05-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 OPT 3	₹ 25 Lakh each	20-05-15	15.00	15.00	-	8.91%	18-05-18	Redeemable at par at the end of 1094 days from the date of allotment
Series C FY 2015-16 OPT 8	₹ 25 Lakh each	20-05-15	32.00	32.00	-	8.91%	22-05-18	Redeemable at par at the end of 1098 days from the date of allotment
Series G FY 2015-16 OPT 1	₹ 25 Lakh each	26-06-15	175.00	-	175.00	8.90%	26-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	20-05-15	47.00	47.00	-	8.90%	11-06-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	20-05-15	30.00	30.00	-	8.91%	15-05-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	20-05-15	6.25	6.25	-	8.91%	14-05-18	Redeemable at par at the end of 1090 days from the date of allotment
Series F 15-16	₹ 25 Lakh each	30-06-15	18.00	-	18.00	8.96%	26-06-17	Redeemable at par at the end of 727 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	27-05-15	40.50	40.50	-	8.88%	27-05-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 2	₹ 25 Lakh each	04-06-15	3.00	-	3.00	8.80%	20-06-17	Redeemable at par at the end of 747 days from the date of allotment
Series C F.Y.14-15 - III	₹ 25 Lakh each	25-06-14	24.00	-	24.00	9.76%	19-06-17	Redeemable at par at the end of 1090 days from the date of allotment
Series F FY 15-16 OPT IV	₹ 25 Lakh each	12-06-15	2.25	-	2.25	8.82%	19-06-17	Redeemable at par at the end of 738 days from the date of allotment
Series E FY 2015-16 OPT 2	₹ 25 Lakh each	23-06-15	28.00	-	28.00	8.96%	19-06-17	Redeemable at par at the end of 727 days from the date of allotment

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series F FY 15-16 OPT III	₹ 25 Lakh each	12-06-15	3.00	-	3.00	8.82%	12-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series E FY 2015-16 OPT 4	₹ 25 Lakh each	04-06-15	5.00	5.00	-	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 OPT 7	₹ 25 Lakh each	04-06-15	25.00	25.00	-	8.88%	04-06-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 6	₹ 25 Lakh each	04-06-15	20.00	20.00	-	8.85%	24-12-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 OPT 5	₹ 25 Lakh each	04-06-15	17.00	17.00	-	8.85%	22-11-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	04-06-15	37.00	37.00	-	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2015-16 OPT 4	₹ 25 Lakh each	12-06-15	6.00	-	6.00	8.91%	12-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	12-06-15	25.00	-	25.00	8.91%	07-06-17	Redeemable at par at the end of 726 days from the date of allotment
Series E FY 2015-16 OPT 1	₹ 25 Lakh each	23-06-15	2.00	-	2.00	8.95%	06-06-17	Redeemable at par at the end of 714 days from the date of allotment
Series D FY 2015-16 OPT 2	₹ 25 Lakh each	12-06-15	4.00	-	4.00	8.91%	05-06-17	Redeemable at par at the end of 724 days from the date of allotment
Series F FY 15-16 OPT II	₹ 25 Lakh each	12-06-15	2.50	-	2.50	8.82%	31-05-17	Redeemable at par at the end of 719 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	27-05-15	15.00	-	15.00	8.91%	29-05-17	Redeemable at par at the end of 733 days from the date of allotment
Series D FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	5.00	-	5.00	8.80%	26-05-17	Redeemable at par at the end of 730 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	5.00	-	5.00	8.91%	24-05-17	Redeemable at par at the end of 728 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	16.50	-	16.50	8.91%	22-05-17	Redeemable at par at the end of 726 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	23-06-15	5.00	5.00	-	8.95%	07-01-19	Redeemable at par at the end of 1294 days from the date of allotment
Series B FY 2015-16 OPT 3	₹ 25 Lakh each	11-05-15	10.50	-	10.50	8.86%	15-05-17	Redeemable at par at the end of 735 days from the date of allotment
Series C FY 2015-16 OPT 7	₹ 25 Lakh each	20-05-15	12.25	-	12.25	8.81%	15-05-17	Redeemable at par at the end of 726 days from the date of allotment
Series G FY 2015-16 OPT 4	₹ 25 Lakh each	26-06-15	5.00	5.00	-	8.90%	26-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	27-05-15	2.50	-	2.50	8.90%	09-05-17	Redeemable at par at the end of 713 days from the date of allotment
Series G FY 2015-16 OPT 3	₹ 25 Lakh each	26-06-15	10.00	10.00	-	8.91%	20-06-18	Redeemable at par at the end of 1090 days from the date of allotment
Series A FY 2015-16 OPT 3	₹ 25 Lakh each	29-04-15	18.25	-	18.25	8.87%	04-05-17	Redeemable at par at the end of 736 days from the date of allotment
Series B FY 2015-16 OPT 2	₹ 25 Lakh each	11-05-15	49.00	-	49.00	8.80%	02-05-17	Redeemable at par at the end of 722 days from the date of allotment
Series H FY 2015-16 OPT 3	₹ 25 Lakh each	08-07-15	60.00	60.00	-	8.92%	06-07-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 OPT 4	₹ 25 Lakh each	08-07-15	26.00	26.00	-	8.93%	17-07-18	Redeemable at par at the end of 1105 days from the date of allotment
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	08-07-15	35.00	35.00	-	8.93%	05-07-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	08-07-15	35.00	35.00	-	8.93%	02-07-18	Redeemable at par at the end of 1090 days from the date of allotment
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	17-04-15	22.00	-	22.00	8.81%	27-04-17	Redeemable at par at the end of 741 days from the date of allotment
Series D FY 2015-16 OPT 1	₹ 25 Lakh each	27-05-15	15.00	-	15.00	8.80%	27-04-17	Redeemable at par at the end of 701 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	29-04-15	17.00	-	17.00	8.87%	26-04-17	Redeemable at par at the end of 728 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	29-04-15	24.50	-	24.50	8.87%	25-04-17	Redeemable at par at the end of 727 days from the date of allotment
Series L FY 14-15 OPT IV	₹ 25 Lakh each	13-02-15	10.25	-	10.25	9.02%	17-04-17	Redeemable at par at the end of 794 days from the date of allotment
Series A FY 2015-16 OPT 3	₹ 25 Lakh each	17-04-15	55.00	-	55.00	8.80%	17-04-17	Redeemable at par at the end of 731 days from the date of allotment
Series I FY 2015-16 OPT 2	₹ 25 Lakh each	19-08-15	25.00	25.00	-	8.80%	17-08-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 OPT 3	₹ 25 Lakh each	19-08-15	18.00	18.00	-	8.80%	03-09-18	Redeemable at par at the end of 1111 days from the date of allotment
Series I FY 2015-16 OPT 1	₹ 25 Lakh each	19-08-15	30.00	30.00	-	8.80%	16-08-18	Redeemable at par at the end of 1093 days from the date of allotment
Series J FY 15-16 OPT I	₹ 25 Lakh each	27-08-15	30.00	30.00	-	8.81%	20-08-18	Redeemable at par at the end of 1089 days from the date of allotment
Series A FY 2015-16 OPT 2	₹ 25 Lakh each	17-04-15	35.75	-	35.75	8.81%	06-04-17	Redeemable at par at the end of 720 days from the date of allotment
Series L FY 14-15 OPT III	₹ 25 Lakh each	13-02-15	5.00	-	5.00	9.03%	04-04-17	Redeemable at par at the end of 781 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	17-04-15	4.75	-	4.75	8.81%	04-04-17	Redeemable at par at the end of 718 days from the date of allotment
Series B FY 2015-16 OPT 6	₹ 25 Lakh each	11-05-15	40.00	-	40.00	8.85%	04-04-17	Redeemable at par at the end of 694 days from the date of allotment
Series N of FY 15-16	₹ 25 Lakh each	29-03-16	185.00	185.00	-	8.90%	29-04-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 OPT 7	₹ 25 Lakh each	13-04-16	4.00	4.00	-	8.68%	30-09-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17 OPT 6	₹ 25 Lakh each	13-04-16	75.00	75.00	-	8.68%	12-09-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 OPT 5	₹ 25 Lakh each	13-04-16	275.00	275.00	-	8.69%	13-06-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 OPT 4	₹ 25 Lakh each	13-04-16	25.00	25.00	-	8.69%	31-05-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 OPT 3	₹ 25 Lakh each	13-04-16	10.00	10.00	-	8.70%	12-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 OPT 2	₹ 25 Lakh each	13-04-16	170.00	170.00	-	8.69%	12-03-19	Redeemable at par at the end of 1063 days from the date of allotment
Series B FY 2015-16 OPT 1	₹ 25 Lakh each	11-05-15	30.00	-	30.00	8.78%	03-04-17	Redeemable at par at the end of 693 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	20-04-16	10.00	10.00	-	8.80%	19-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 Lakh each	20-04-16	300.00	300.00	-	8.65%	20-08-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	20-05-16	20.00	20.00	-	8.80%	20-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	20-05-16	50.00	50.00	-	8.80%	18-05-18	Redeemable at par at the end of 728 days from the date of allotment

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A of FY 2016-17 Option 1	₹ 25 Lakh each	20-05-16	125.00	125.00	-	8.80%	21-06-19	Redeemable at par at the end of 1127 days from the date of allotment
Series C of FY 2016-17 Option 2	₹ 25 Lakh each	24-05-16	3.00	3.00	-	8.64%	28-06-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C of FY 2016-17 OPT 1	₹ 25 Lakh each	24-05-16	50.00	50.00	-	8.65%	24-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	13-06-16	10.00	10.00	-	8.80%	11-06-21	Redeemable at par at the end of 1824 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	13-06-16	10.00	10.00	-	8.80%	13-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D of FY 2016-17 OPT 1	₹ 25 Lakh each	14-06-16	50.00	50.00	-	8.72%	14-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E of FY 2016-17 OPT 2	₹ 25 Lakh each	29-06-16	2.50	2.50	-	8.71%	22-07-19	Redeemable at par at the end of 1118 days from the date of allotment
Series E of FY 2016-17 OPT 1	₹ 25 Lakh each	29-06-16	130.00	130.00	-	8.72%	28-06-19	Redeemable at par at the end of 1094 days from the date of allotment
Series F of FY 2016-17 OPT 1	₹ 25 Lakh each	22-07-16	200.00	200.00	-	8.70%	20-07-18	Redeemable at par at the end of 728 days from the date of allotment
Series G FY 16-17 OPT II	₹ 25 Lakh each	03-08-16	75.00	75.00	-	8.45%	02-08-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT I	₹ 25 Lakh each	03-08-16	50.00	50.00	-	8.40%	03-08-18	Redeemable at par at the end of 730 days from the date of allotment
Series H of FY 2016-17 OPT 1	₹ 25 Lakh each	05-08-16	75.00	75.00	-	7.37%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	05-08-16	5.00	5.00	-	8.65%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	05-08-16	10.00	10.00	-	8.65%	03-08-18	Redeemable at par at the end of 728 days from the date of allotment
Series I FY 16-17	₹ 25 Lakh each	09-08-16	50.00	50.00	-	8.40%	09-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D of FY 2016-17 OPT 1	₹ 25 Lakh each	18-08-16	2.50	2.50	-	8.55%	05-08-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E of FY 2016-17 OPT 1	₹ 25 Lakh each	23-08-16	11.75	11.75	-	8.54%	30-09-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F of FY 16-17	₹ 25 Lakh each	08-09-16	50.00	50.00	-	8.31%	06-09-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G 16-17	₹ 25 Lakh each	12-09-16	200.00	200.00	-	8.31%	12-09-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 16-17 OPT II	₹ 25 Lakh each	19-01-17	150.00	150.00	-	7.83%	20-01-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 16-17 OPT I	₹ 25 Lakh each	19-01-17	50.00	50.00	-	7.66%	18-01-19	Redeemable at par at the end of 729 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	22-03-17	50.00	50.00	-	7.71%	22-06-18	Redeemable at par at the end of 457 days from the date of allotment
Series D OPT II 16-17	₹ 25 Lakh each	27-03-17	25.00	25.00	-	7.90%	27-03-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D OPT I 16-17	₹ 25 Lakh each	27-03-17	50.00	50.00	-	7.75%	26-04-19	Redeemable at par at the end of 760 days from the date of allotment
Series E FY 16-17	₹ 25 Lakh each	29-03-17	100.00	100.00	-	7.90%	29-06-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 16-17	₹ 25 Lakh each	31-03-17	300.00	300.00	-	8.07%	29-05-20	Redeemable at par at the end of 1155 days from the date of allotment
NCD 2009 Series 4	₹ 1000 each	17-09-09	459.82	459.82	-	10.24%	17-09-19	Redeemable at par at the end of 3652 days from the date of allotment
			6,956.07	**4,801.82**	**2,154.25**			

Note 4 (a)
Unsecured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series H of FY 2007-08	₹10 Lakh each	20-02-08	75.00	-	75.00	10.50%	20-02-18	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2011-12	₹10 Lakh each	30-12-11	200.00	200.00	-	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series J of FY 2012-13	₹10 Lakh each	21-12-12	275.00	275.00	-	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C of FY 2013-14	₹10 Lakh each	28-02-14	25.00	25.00	-	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F of FY 2013-14	₹10 Lakh each	27-03-14	50.00	50.00	-	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I of FY 2013-14	₹10 Lakh each	27-03-14	50.00	50.00	-	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E of FY 2014-15	₹10 Lakh each	30-06-14	40.00	40.00	-	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M of FY 2014-15	₹10 Lakh each	31-12-14	50.00	50.00	-	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S of FY 2014-15	₹10 Lakh each	30-03-15	50.00	50.00	-	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J of FY 2015-16	₹10 Lakh each	09-09-15	100.00	100.00	-	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2015-16	₹10 Lakh each	29-01-16	32.00	32.00	-	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G of FY 2015-16	₹10 Lakh each	09-02-16	18.00	18.00	-	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H of FY 2015-16	₹10 Lakh each	04-03-16	50.00	50.00	-	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M of FY 2015-16	₹10 Lakh each	23-03-16	100.00	100.00	-	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series I - PD	₹10 Lakh each	30-03-16	50.00	50.00	-	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			1,165.00	**1,090.00**	**75.00**			

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 4 (b)

Term loans from bank (Secured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Bullet	Above 5 Years	8.00% - 9.00%	2,250.00	2,250.00	-
	Above 5 Years	9.00% - 10.00%	400.00	400.00	-
Half Yearly	Up to 5 Years	8.00% - 9.00%	2.50	-	2.50
	Up to 5 Years	9.00% - 10.00%	127.09	-	127.09
	Above 5 Years	8.00% - 9.00%	583.00	583.00	-
	Above 5 Years	9.00% - 10.00%	622.91	622.91	-
Quartely	Up to 5 Years	8.00% - 9.00%	16.67	-	16.67
	Up to 5 Years	9.00% - 10.00%	39.58	-	39.58
	Above 5 Years	8.00% - 9.00%	175.00	175.00	-
	Above 5 Years	9.00% - 10.00%	16.67	16.67	-
Total			**4,233.42**	**4,047.58**	**185.84**

Note 4 (c)

Line of Credit (Secured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Bullet	Up to 5 Years	8.00% - 9.00%	1,900.00	1,900.00	-
Total			**1,900.00**	**1,900.00**	-

Working capital demand loan (Secured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Bullet	Up to 5 Years	8.00% - 9.00%	20.00	20.00	
Total			**20.00**	**20.00**	-

Line of Credit (Unsecured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ in crore)	Non-Current Portion (₹ in crore)	Current Maturities (₹ in crore)
Bullet	Up to 5 Years	8.00% - 9.00%	2,955.00	2,955.00	-
		9.00% - 10.00%	500.00	500.00	-
Total			**3,455.00**	**3,455.00**	-

		As at March 31, 2018		As at March 31, 2017	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
5	**Other long term liabilities**				
	Interest accrued but not due on borrowings		40.99		125.88
	Security deposits and margin money received		3.33		13.49
	Construction finance - Debt Service Reserve amount and interest payable thereon		-		4.53
	Others		0.67		4.03
	Total other long term liabilities		**44.99**		**147.93**
6	**Long-term provisions**				
	Others:				
	Contingency provision against standard assets		96.85		64.28
	Interest capitalised on restructured assets		5.75		24.10
	For Employee benefits		-		
	- Gratuity		1.63		3.20
	Total long-term provisions		**104.23**		**91.58**
7	**Short-term borrowings**				
	(I) Secured *				
	Bank overdraft/ Cash Credit		58.47		76.59
	Total I		**58.47**		**76.59**
	(II) Unsecured				
	Commercial papers	6,700.00		9,850.50	
	Less : Unexpired discounting charge	174.18	6,525.82	200.08	9,650.42
	Loans and advances from related parties (ICDs)		665.71		243.51
	Total II		**7,191.53**		**9,893.93**
	Total short-term borrowings **Total (I + II)**		**7,250.00**		**9,970.52**
	* Secured by first exclusive charge on specific receivables.				
8	**Trade payables**				
	- Dues to Micro and Small Enterprises (see note below)		-		-
	- Others		94.95		65.29
	Total trade payable		**94.95**		**65.29**

Note : On the basis of replies received by the Company in response to enquiries made, there are no dues payable at the year end to Micro and Small Enterprises nor are there other particulars that are required to be disclosed under the Companies Act, 2013 or the Micro, Small and Medium Enterprises Development Act, 2006.

	As at March 31, 2018		As at March 31, 2017	
9 Other current liabilities	**₹ in crore**	**₹ in crore**	**₹ in crore**	**₹ in crore**
Interest accrued but not due on borrowings		660.98		423.28
Deferred income on loan processing and assignments		1.66		5.30
Security deposits and cash margin money received		15.48		11.06
Short-term obligations		10.38		13.08
Statutory dues		31.80		34.05
Advance from customers		162.26		229.58
Trade payables for capital goods		0.12		0.12
Overdraft as per books of account		0.07		18.52
Accrued expenses		77.96		111.58
Other liabilities (Refer note 29.3 for related parties' balances)		23.14		66.18
Total other current liabilities		**983.85**		**912.75**

Note : No amount was due for transfer to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

10 Short-term provisions				
For employee benefits :				
Compensated absences		10.20		8.31
Others :		-		-
Contingency provision against standard assets		49.68		41.87
Provision for tax (net of advance tax)		20.51		-
Total short-term provisions		**80.39**		**50.18**

L&T Finance Limited

Notes forming part of the Reformatted Consolidated Financial Information

Notes 11 : Property, plant and equipment and Intangible assets

Particulars	Gross Block					Accumulated Depreciation				Net Block
	As at 1-Apr-17	Acquisition through business combination*	Additions	Sale / Adjustment	As at 31-Mar-18	Upto 1-Apr-17	For the year	Deductions	Upto 31-Mar-18	As at 31-Mar-18
Property, plant and equipment										
Owned assets										
Buildings	26.64	-	-	26.18	0.46	0.53	0.50	0.94	0.09	**0.37**
Office equipment	6.45	-	0.47	0.92	6.00	2.54	1.49	0.85	3.18	**2.82**
Furniture and fixtures	8.50	-	1.06	1.19	8.37	2.84	2.24	0.95	4.13	**4.24**
Leasehold renovation	20.80	-	0.62	1.58	19.84	8.79	4.37	1.52	11.64	**8.20**
Computers	23.12	-	9.87	8.49	24.50	11.92	6.71	7.81	10.82	**13.68**
Motor car	0.10	-	1.20	0.10	1.20	0.10	0.21	0.10	0.21	**0.99**
Owned assets leased out										
Plant and Machinery	40.51	-	-	7.94	32.57	7.96	5.98	2.10	11.84	**20.73**
Office Equipment	0.77	-	-	-	0.77	0.31	0.31	-	0.62	**0.15**
Furniture and fixtures	9.88	-	-	-	9.88	1.92	2.08	-	4.00	**5.88**
Motor car	77.91	-	4.25	51.99	30.17	19.01	8.20	14.32	12.89	**17.28**
Vehicles	0.50	-	-	-	0.50	0.50	-	-	0.50	**-**
Computers	2.19	-	-	0.75	1.44	0.70	0.55	-	1.25	**0.19**
(A)	**217.37**	**-**	**17.47**	**99.14**	**135.70**	**57.12**	**32.64**	**28.59**	**61.17**	**74.53**
Intangible assets										
Specialised software	26.53	-	13.81	-	40.34	18.94	7.14	-	26.08	**14.26**
Distribution and Customer Network Rights	438.80	-	-	-	438.80	87.76	87.76	-	175.52	**263.28**
Goodwill	2,828.51	-	-	-	2,828.51	565.70	565.70	-	1,131.40	**1,697.11**
(B)	**3,293.84**	**-**	**13.81**	**-**	**3,307.65**	**672.40**	**660.60**	**-**	**1,333.00**	**1,974.65**
Total (A) + (B)	**3,511.21**	**-**	**31.28**	**99.14**	**3,443.35**	**729.52**	**693.24**	**28.59**	**1,394.17**	**2,049.18**

* Transfer on account of acquisition through business combination

L&T Finance Limited

Notes forming part of the Reformatted Consolidated Financial Information

Notes 11 : Property, plant and equipment and Intangible assets

₹ in crore

Particulars	Gross Block						Accumulated Depreciation				Net Block
	As at 1-Apr-16	Acquisition through business combination*	Additions	Amalgamation Adjustments	Sale / Adjustment	As at 31-Mar-17	Upto 1-Apr-16	For the year	Deductions	Upto 31-Mar-17	As at 31-Mar-17
Tangible Assets											
Owned Assets											
Buildings	-	26.64	-	-	-	26.64	-	0.53	-	0.53	26.11
Office Equipment	3.05	4.23	1.00	-	1.83	6.45	2.45	1.75	1.66	2.54	3.91
Furniture and fixtures	1.65	6.77	1.24	-	1.16	8.50	1.63	2.05	0.84	2.84	5.66
Leasehold Renovation	6.33	12.95	4.33	-	2.81	20.80	5.56	5.60	2.37	8.79	12.01
Computers	12.72	13.22	3.89	-	6.71	23.12	11.16	7.49	6.73	11.92	11.20
Motor car	0.10	-	-	-	-	0.10	0.10	-	-	0.10	-
Owned Assets Leased out											
Plant and Machinery	-	52.99	-	-	12.48	40.51	-	7.96	-	7.96	32.55
Office Equipment	-	0.81	-	-	0.04	0.77	-	0.35	0.04	0.31	0.46
Furniture and fixtures	-	10.32	-	-	0.44	9.88	-	2.12	0.20	1.92	7.96
Motor car	-	102.00	1.82	-	25.91	77.91	-	19.01	-	19.01	58.90
Vehicles	-	1.40	-	-	0.90	0.50	-	0.50	-	0.50	-
Computers	-	2.43	-	-	0.24	2.19	-	0.70	-	0.70	1.49
							-	-	-		
(A)	**23.85**	**233.76**	**12.28**	**-**	**52.52**	**217.37**	**20.90**	**48.06**	**11.84**	**57.12**	**160.25**
Intangible Assets											
Specialised software	13.81	4.21	8.56	-	0.05	26.53	12.85	6.14	0.05	18.94	7.59
Distribution and Customer Network Rights	-	438.80	-	-	-	438.80	-	87.76	-	87.76	351.04
Goodwill	-	2,828.51	-	-	-	2,828.51	-	565.70	-	565.70	2,262.81
(B)	**13.81**	**3,271.52**	**8.56**	**-**	**0.05**	**3,293.84**	**12.85**	**659.60**	**0.05**	**672.40**	**2,621.44**
Total (A) + (B)	**37.66**	**3,505.28**	**20.84**	**-**	**52.57**	**3,511.21**	**33.75**	**707.66**	**11.89**	**729.52**	**2,781.69**

* Transfer on account of amalgamation

		Face Value	As at March 31, 2018		Face Value	As at March 31, 2017	
		₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore
12	**Non current investments**						
	12.(I) Trade Investments (valued at cost unless stated otherwise)						
	Investment in Associates						
	Unquoted equity shares						
	L&T Infra Debt Fund Limited	10	13,86,52,953	195.52	10	13,31,33,329	175.71
	Less : Capital Reserve			(19.01)			(19.01)
	Add : Post Acquisition Profit			62.08			23.32
	Grameen Capital India Private Limited	10	21,26,000	2.13	10	21,26,000	2.13
	Preference shares						
	Grameen Capital India Private Limited	10	38,74,000	3.87	10	38,74,000	3.87
	Total (A)			**244.59**			**186.02**
12.(II)	**Other Investments (valued at cost unless stated otherwise)"**						
	A) Quoted instruments						
	Investment in equity						
	Integrated Digital Info Services Limited	10	3,83,334	0.12	10	3,83,334	0.12
	Elque Polyesters Limited	10	1,94,300	0.19	10	1,94,300	0.19
	Monnet Industries Limited	10	5,640	0.02	10	5,640	0.02
	Monnet Ispat And Energy Limited	10	3,008	0.01	10	3,008	0.01
	Monnet Project Developers Limited	10	11,280	0.05	10	11,280	0.05
	Jaypee Infratech Limited		-	-	10	37,85,221	13.31
				-			-
	B) Unquoted instruments			-			-
	Investment in equity			-			-
	Invent Assets Securitisation & Reconstruction Private Limited		-	-	10	71,00,000	15.98
	Alpha Micro Finance Consultants Private Limited	10	2,00,000	0.20	10	2,00,000	0.20
	Metropoli Overseas Limited	10	99,400	0.15	10	99,400	0.15
	Anil Chemicals and Industries Limited	10	40,000	0.08	10	40,000	0.08
				-			-
	Investments in Debentures			-			-
	Indian Overseas Bank	10,00,000	3,399	339.67	10,00,000	3,399	339.67
				-			-
	Investment in Compulsory Convertible Debentures			-			-
	Bhoruka Power Corporation Limited	1,00,000	3,800	38.00	1,00,000	3,800	38.00
				-			-
	Investments in Preference Shares			-			-
	3I Infotech Limited	5	38,96,954	1.95	5	38,96,954	1.95
				-			-
	Investment in Units			-			-
	KKR India debt Opportunities Fund II	1,000	11,25,000	112.50	1,000	8,75,000	87.50
	KKR India debt Opportunities Fund III	1,000	1,49,242	9.61	1,000	1,78,249	17.82
				-			-
	Investment in Security Receipts			-			-
	Phoenix ARF Scheme 6	1,000	9,843	0.98	1,000	9,843	0.98
	Phoenix ARF Scheme 9	27	6,612	0.02	62	6,612	0.04
	Phoenix ARF Scheme 10	922	18,889	1.72	982	18,889	1.85
	Phoenix ARF Scheme 11	1	44,208	-	1	44,208	-
	Phoenix ARF Scheme 13	1,000	27,404	2.74	1,000	27,404	2.74
	Phoenix ARF Scheme 14	1,000	34,882	3.49	1,000	34,882	3.49
	JM Financial Asset Reconstruction Company Private Limited (Series I - JMFARC-IRIS December 2016 - Trust)	1,000	6,885	0.69	1,000	6,885	0.69
	EARC Trust SC - 258 - Series I	995.66	6,46,510	64.37	1,000	6,46,510	64.65
	JM Financial Asset Reconstruction Company Private Limited (LTF June 2017 Trust Series I)	984.76	2,97,500	29.30		-	-
	JM Financial Asset Reconstruction Company Private Limited (LTF June 2017 Trust Series Ii)	984.76	4,80,849	47.35		-	-
	Suraksha ARC - 024 Trust	1,000	7,85,400	78.54		-	-
				-			-
	12% National Saving Certificate 2002 (Deposited as security with sales tax authorities)			-			-
	Total (B)			**731.75**			**589.49**
	(A + B)			**976.34**			**775.51**
	Less : Provision for diminution in the value of Investments			4.90			15.95
	Total non current investments			**971.44**			**759.56**
	Note:						
	Aggregate amount of unquoted investments			574.20			398.83
	Aggregate amount of listed and quoted investments			0.39			13.70
	Aggregate market value of listed and quoted investments			-			3.98
	Aggregate amount of listed but not quoted investments			339.67			339.67

	As at March 31, 2018		As at March 31, 2017	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
13 Deferred tax assets (net)				
Component				
Deferred tax liability				
Difference between book depreciation and tax depreciation		-		5.68
Other item giving rise to timing difference		22.64		7.71
		22.64		**13.39**
Deferred tax assets				
Provision for NPA/interest receivable		461.30		271.49
Provision on Standard Assets		51.99		96.69
Difference between book depreciation and tax depreciation		16.38		-
Provision for gratuity and leave encashment		4.13		3.98
Other item giving rise to timing difference		13.79		13.77
		547.59		**385.93**
Net deferred tax assets		**524.95**		**372.54**

Note : No deferred tax liability has been recognised on Special Reserve created under section 36 (1)(viii) of Income Tax Act, 1961 based on the Management's evaluation that possibility of withdrawal there from is remote.

14 Long-term loans and advances				
Unsecured (Considered good)				
Security Deposit		65.74		52.56
Capital Advances		9.70		3.76
Advance taxes (net of provision for tax)		186.09		104.73
Others		45.51		-
Advances recoverable in cash or in kind or for value to be received	0.67	-	3.45	
Less : Provision for other doubtful loans and advances	(0.33)	0.34	(0.33)	3.12
Total long-term loans and advances		**307.38**		**164.17**

		As at March 31, 2018		As at March 31, 2017	
		Non current portion	Current maturities	Non current portion	Current maturities
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
15 Long term-loans and advances towards financing activities					
(I) Secured					
Considered good					
Term loans		20,209.20	5,588.67	15,515.33	5,145.52
Finance Lease		70.93	24.08	44.36	25.13
Debentures (refer note 15(i))		1,757.39	224.27	721.24	188.82
		22,037.52	**5,837.02**	**16,280.93**	**5,359.47**
Less : Allowances for non-performing assets		916.09	-	737.81	-
Less: Provision on Restructured Assets		8.24	-	16.91	-
Less : Allowances for standard assets		2.26	-	173.23	-
	Total I	**21,110.93**	**5,837.02**	**15,352.98**	**5,359.47**
(II) Unsecured					
Term loans		4,463.39	4,706.23	1,960.12	2,931.40
Debentures (refer note 15(i))		225.00	10.00	535.00	6.30
		4,688.39	**4,716.23**	**2,495.12**	**2,937.70**
Less : Allowances for non-performing assets		395.79	-	29.76	-
	Total II	**4,292.60**	**4,716.23**	**2,465.36**	**2,937.70**
Total long-term loans and advances towards financing activities (I + II)		**25,403.53**	**10,553.25**	**17,818.34**	**8,297.17**

L&T Finance Limited
Notes forming part of the Reformatted Consolidated Financial Information

Note 15(i)
Following are the details of debentures in the nature of Loan:

Name of Company	As at March 31, 2018			As at March 31, 2017		
	Nos.	Face Value	₹ in crore	Nos.	Face Value	₹ in crore
Debenture - Secured						
Avantha Holding Limited	2,250	10,00,000	225.00	2,250	10,00,000	225.00
Citywood Builders Private Limited	300	8,57,011	25.70	300	9,40,000	28.20
Diamond Power Infrastructure Limited	3,000	83,441	25.03	3,000	83,441	25.03
Giraffe Developer Private Limited	640	8,68,750	55.60	640	9,34,375	59.80
Intrepid Finance And Leasing Private Limited	200	2,91,667	5.83	200	7,91,667	15.83
M Power Microfinance Private Limited	150	2,91,667	4.38	150	7,91,667	11.88
Oriental Nagpur Betul Highway Limited	3,217	1,00,000	32.17	11,479	1,00,000	114.79
Pahal Financial Services Private Limited	150	2,91,667	4.38	150	7,91,667	11.88
PCR Investments Limited	1,500	10,00,000	150.00	-	-	-
Pudhuaaru Financial Services Private Limited	200	2,91,667	5.83	200	7,91,667	15.83
Regen Infrastructure And Services Private Limited	2,794	9,21,819	257.56	-	-	-
Renew Akshay Urja Private Limited	180	9,98,780	17.98	-	-	-
Sambandh Finserve Private Limited	100	2,91,667	2.92	100	7,91,667	7.92
Satin Creditcare Network Limited	260	2,91,667	7.58	260	7,91,667	20.58
SINTEX-BAPL Limited	27,000	1,00,000	270.00	-	-	-
SP Jammu Udhampur Highway Limited	4,678	10,00,000	467.80	-	-	-
U. P. Power Corporation Limited	3,519	10,00,000	351.90	-	-	-
Mandhana Industries Limited	200	6,00,000	12.00	200	6,00,000	12.00
Bacchus Hospitality Services & Real Estate Private	-	-	-	2,500	10,00,000	250.00
Bollineni Developers Limited	60	1,00,00,000	60.00	60	1,00,00,000	60.00
Integrated Spaces Limited	-	-	-	275	10,83,188	29.79
Valdel Projects Corporation Private Limited	-	-	-	2,968	72,540	21.53
Debenture – Unsecured						
Avantha Holding Limited	2,250	10,00,000	225.00	2,250	10,00,000	225.00
Bhoruka Power Holdings Private Limited	1,00,000	1,000	10.00	1,00,000	1,000	10.00
Jindal Power Limited	-	-	-	105	6,00,000	6.30
Tata Tele Services (Maharashtra) Ltd	-	-	-	1,000	10,00,000	100.00
High Point Properties Private Limited	-	-	-	200	1,00,00,000	200.00
						-
Total			**2,216.66**			**1,451.36**

	As at March 31, 2018		As at March 31, 2017	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
16 Other non current assets				
Accrued interest/premium on debentures and loans		136.75		146.62
Margin money deposits		43.85		22.52
Total other non current assets		**180.60**		**169.14**

		Face Value	As at March 31, 2018		Face Value	As at March 31, 2017	
		₹	No. of units	₹ in crore	₹	No. of units	₹ in crore
17	**Current investments**						
	Non-trade Investments (valued at cost unless stated otherwise)						
	A) Quoted instruments						
	Investment in Equity shares						
	SVOGL Oil Gas and Energy Limited	10	19,40,514	4.61	10	19,40,514	4.61
	Bhushan Steel Limited	2	2,12,471	1.45	2	10,23,392	7.00
	Glodyne Technoserve Limited	6	3,19,262	0.23	6	3,19,262	0.23
	Jaihind Projects Limited	10	24,797	0.01	10	1,50,000	0.09
	Diamond Power Infrastructure Limited	10	28,89,921	11.93	10	28,89,921	11.93
	3I Infotech Limited	10	24,26,383	2.43	10	24,26,383	2.43
	Gol Offshore Limited	10	15,52,907	6.80	10	15,52,907	6.80
	Usher Agro Limited	10	3,35,344	0.30	-	-	-
	MIC Electronics Limited	2	53,84,616	5.29	-	-	-
	Amara Raja Batteries Limited	1	3,293	0.28	-	-	-
	Hindusthan National Glass & Industries Ltd	2	1,47,765	1.57	-	-	-
	B) Unquoted instruments						
	Optionally Convertible Debentures						
	Soma Enterprises Limited	10	1,45,53,210	14.55		-	-
	Investment in Debenture/Bonds:						
	Punjab National Bank		-	-	10,00,000	5,000	500.00
	IDFC Bank Limited		-	-	10,00,000	400	46.84
	Bajaj Finance Limited		-	-	10,00,000	1,000	100.82
	Madhya Pradesh Uday Bond		-	-	100	14,13,000	14.13
	Tamil Nadu Uday Bond		-	-	100	1,00,00,000	100.90
	Telangana Uday Bond		-	-	100	1,30,19,000	130.32
	Piramal Finance Limited		-	-	10,00,000	3,900	390.00
	TATA AIG General Insurance Company Limited	10,00,000	379	37.90	10,00,000	1,530	153.00
	U. P. Power Corporation Limited	10,00,000	301	30.10	10,00,000	2,940	294.00
	Union Bank of India	10,00,000	800	80.00	-	-	-
	Cholamandlam MS General Insurance Company Limited	10,00,000	428	42.80	-	-	-
	Dewan Housing Finance Corporation Limited	10,00,000	2,500	250.00	-	-	-
	State Bank of India	10,00,000	4,100	410.00	-	-	-
	Corporation Bank Limited	10,00,000	500	50.00	-	-	-
	UCO Bank	10,00,000	400	40.00	-	-	-
	Allahabad Bank	10,00,000	311	31.10	-	-	-
	The South Indian Bank Limited	1,00,000	40,000	400.00	-	-	-
	Axis Bank Limited	10,00,000	500	50.00	-	-	-
	Bank of Baroda	10,00,000	150	15.00	-	-	-
				-			
	Pass Through Certificates			-			
	IFMR Capital Mosec Azeroth	0.12	59,86,64,559	6.95	0.49	59,86,64,559	29.21
	Zlatan IFMR Capital 2016	-	-	-	0.68	1,23,39,58,721	83.46
	Frey IFMR Capital	-	-	-	1.03	1,66,74,322	1.72
	Zion IFMR Capital	-	-	-	3.12	1,92,37,467	5.99
	Goldstein IFMR Capital	43.00	8,57,170	3.69	44.80	8,57,170	3.84
	Libertas IFMR Capital	-	-	-	1.02	35,19,752	0.36
	Martell IFMR Capital	-	-	-	2.04	3,55,04,403	7.26
	Mjolnir IFMR Capital	-	-	-	2.08	73,30,422	1.52
	Napoleon IFMR Capital	1.00	5,21,18,415	5.21	1.04	5,21,18,415	5.44
	Smith IFMR Capital	4.00	1,20,96,782	4.84	4.20	1,20,96,782	5.08
	Syme IFMR Capital	1.00	1,42,10,515	1.42	1.04	1,42,10,515	1.48
	Fubelt IFMR Capital	-	-	-	1.04	8,08,78,031	8.43
	Moses IFMR Capital	1.00	22,50,000	0.23	1.06	22,50,000	0.24
	Oracle IFMR Capital	-	-	-	202	2,61,793	5.29
	Sentinel IFMR Capital	-	-	-	19.69	8,87,538	1.75
	Seagull Trust-II Series A2	1,00,00,000	30	30.13	-	-	-

		Face Value	As at March 31, 2018		Face Value	As at March 31, 2017	
		₹	No. of units	₹ in crore	₹	No. of units	₹ in crore
17	**Current investments (contd.)**						
	Unquoted instruments						
	Investment in Preference Shares						
	10% Sew Vizag Coal Terminal Private Limited	10	40,91,423	4.08	10	40,91,423	4.08
	Investment in Equity shares						
	VMC Systems Limited	10	7,33,611	15.29	10	7,33,611	15.29
	Saumya Mining Limited	10	10,77,986	5.18	10	10,77,986	5.17
	Investment in Mutual Funds			-			440.00
	Total			**1,563.36**			**2,388.70**
	Less : Provision for diminution in the value of Investments			**59.77**			**27.98**
	Total current investments			**1,503.59**			**2,360.72**
	Note:						
	Aggregate amount of unquoted investments			24.55			464.55
	Aggregate amount of listed and quoted investments			34.90			33.08
	Aggregate market value of listed and quoted investments			7.41			22.62
	Aggregate amount of listed but not quoted investments			1,503.91			1,891.08

	As at March 31, 2018		As at March 31, 2017	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
18 Trade receivable				
Secured				
Considered good				
Debts outstanding for a period exceeding six months	-		-	
Other	0.15	0.15	4.88	4.88
Unsecured				
Considered good				
Debts outstanding for a period exceeding six months	-		-	
Other	8.97	8.97	5.41	5.41
Total trade receivable		**9.12**		**10.29**
19 Cash and cash equivalents				
Balance with Banks				
In Current Account		271.29		231.30
In Deposit account		19.16		3.61
(Deposits with original maturity of less than three months)				
Cash on hand		58.22		59.91
Other balances				
Deposits with original maturity for more than 12 months		0.05		0.06
Margin money deposits*		**0.00		**0.00
Total cash and cash equivalents		**348.72**		**294.88**
* Margin money deposit includes margin money against bank guarantee ₹ 0.0004 crore (for the year ended March 31, 2017 ₹ 0.0004 crore)				
** Amount is less than ₹ 1 lakh				
20 Short-term loans and advances				
Advances recoverable in cash or in kind or for value to be received (net of provision) (Refer note 29.3 for related parties' balances)		74.39		60.57
Total short-term loans and advances		**74.39**		**60.57**

		-		-
	-	-	-	-

21 Short-term loans and advances towards financing activities

(I) Secured				
Term loans		0.16		8.16
	Total I	**0.16**		**8.16**
(II) Unsecured				
Term loans		1,866.30		2,163.08
	Total II	**1,866.30**		**2,163.08**
Total short-term loans and advances towards financing activities	**Total (I + II)**	**1,866.46**		**2,171.24**

22 Other current assets

Accrued interest on loan towards financing activities		866.30		726.93
Unamortised premium on loans/debentures		22.85		-
Unamortised loss on sale of NPAs	-		23.08	
Less : Reserve created	-	-	(23.08)	-
Assets acquired in settlement of claims		24.47		4.78
Others		3.60		8.12
Total other current assets		**917.22**		**739.83**

	Year ended March 31, 2018		Year ended March 31, 2017	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
23 Revenue from operations				
Interest income from financing activities		4,551.10		3,552.02
Income from Leases		35.95		62.41
Bill Discounting income		93.50		126.55
Processing fees and other operational income from financing activities		286.41		234.71
Financial Advisory Fees		26.82		97.42
Gain/(Loss) on loan sell down		3.67		8.94
Total revenue from operations		**4,997.45**		**4,082.05**
24 Other Income				
Income from investments		242.98		59.92
Interest on fixed deposits		3.63		1.84
Others		1.63		1.17
Total other Income		**248.24**		**62.93**
25 Employee benefits expenses				
Salaries and bonus		282.68		274.21
Contribution to and provision for:				
Provident and other funds	17.41		12.39	
Gratuity fund	3.12	20.53	2.88	15.27
Expenses on Employee Stock Option Plans (refer note 29.9)		4.27		0.09
Staff welfare expense		10.59		11.30
Total employee benefits expenses		**318.07**		**300.87**
26 Finance costs				
Interest expenses		2,475.64		1,941.26
Other borrowing cost		24.05		14.26
Exchange (Gain)/loss (attributable to finance cost)		(2.84)		4.00
Total finance costs		**2,496.85**		**1,959.52**

		Year ended March 31, 2018		Year ended March 31, 2017	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
27	**Administration and other expenses**				
	Travelling and conveyance		20.32		18.71
	Printing and stationery		6.59		7.28
	Telephone and postage		11.37		12.62
	Directors' Sitting fees		0.32		0.35
	Non Executive Directors Remunerations		0.34		1.34
	Brokerage and service charges		40.58		24.18
	Stamping charges		2.30		26.43
	Advertising and publicity		3.82		1.37
	Repairs and maintenance		50.69		41.60
	Rent		44.10		41.89
	Rates and taxes		1.75		7.40
	Electricity charges		4.97		5.02
	Insurance		1.39		1.30
	Auditors remuneration				
	Audit fees	0.42		0.40	
	Tax audit fees	0.03		0.05	
	Other services	0.55		0.47	
	Reimbursement of expenses and Indirect tax on above	0.09	1.09	0.03	0.95
	Professional fees		57.66		61.33
	Loan processing charges		6.34		8.22
	Collection charges		106.33		66.24
	Bank Charges		8.51		8.33
	Filling fees		-		-
	Loss on sale of fixed assets		5.47		14.67
	Brand license fees		16.03		1.04
	Corporate social responsibilities		1.81		2.13
	Corporate support Charges		2.85		5.32
	Miscellaneous expenses		3.91		2.45
	Total administration and other expenses		**398.54**		**360.17**
28	**Provisions and Contingencies**				
	Contingent provision against standard assets		(130.62)		164.00
	Provision for non-performing assets		531.35		359.01
	Provision for restructured assets		(8.67)		1.80
	Provision for diminution in value of investments		18.24		25.88
	Loss on foreclosure of loans (net) / Bad debts written off		494.16		237.65
	Total provisions and contingencies		**904.46**		**788.34**

Note No. - 29 : Other notes forming part of the reformatted consolidated financial information

29.1 Employee Benefits:

i) Defined Contribution Plans :

The Company recognised charges of ₹ 11.20 crore (for the year ended March 31,2017 ₹ 9.90 crore) for Provident fund contributions, ₹NIL crore (for the year ended March 31,2017 ₹ 0.41 crore) for Superannuation fund contributions and ₹6.21 crore (for the year ended March 31,2017 ₹ 2.06 crore) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

ii) Defined Benefit Gratuity Plans :

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

₹ in crore

Particulars	Gratuity Plan	
	As at March 31, 2018	As at March 31, 2017
Present Value of Defined Benefit Obligation		
- Wholly Funded	9.55	9.09
Less: Fair value of Plan Assets	(7.92)	(5.89)
Unrecognised Past Service Costs	-	-
Amount to be recognised as liability or (asset)	1.63	3.20
Amounts reflected in the Balance Sheet		
Liability	1.63	3.20
Assets	-	-
Net liability bifurcated as follows:		
Current	-	-
Non Current	**1.63**	**3.20**

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

₹ in crore

	Particulars	Gratuity Plan	
		2017-2018	2016-2017
1	Current Service Cost	2.65	2.84
2	Interest on Defined Benefit Obligation	0.82	0.98
3	Expected Return on Plan Assets	(0.56)	(0.51)
4	Actuarial Losses/(Gains)	0.21	(0.43)
5	Past Service Cost	-	-
Total included in Employee Benefit Expenses		3.12	2.88
Actual Return on Plan Assets		0.50	0.66

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

₹ in crore

Particulars	Gratuity Plan	
	As at March 31, 2018	As at March 31, 2017
Opening balance of the present value of		
Defined Benefit Obligation	9.09	1.35
Add: Current Service Cost	2.65	2.84
Add: Interest Cost	0.82	0.98
Add/(less): Actuarial Losses/(Gain)	0.14	(0.28)
Liability Assume on acquisition / (Settled on Divestitures)	(0.01)	7.92
Less: Benefits paid	(3.14)	(3.72)
Closing balance of the present value of Defined Benefit Obligation	9.55	9.09

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

₹ in crore

Particulars	Gratuity Plan	
	As at March 31, 2018	As at March 31, 2017
Opening balance of the fair value of the plan assets	5.89	0.78
Add: Expected Return on plan assets	0.57	0.52
Add/(less): Actuarial gains/(losses)	(0.07)	0.14
Add: Contributions by Employer	4.67	2.58
Add:Assets acquired on acquisition	-	5.59
Less: Benefits Paid	(3.14)	(3.72)
Closing balance of the plan assets	7.92	5.89

e) Asset Information:

	Particulars	Gratuity Plan			
		As at March 31, 2018		As at March 31, 2017	
		%	₹ in crore	%	₹ in crore
1	Government of India Securities	23%	1.83	32%	1.90
2	Corporate Bonds	26%	2.07	35%	2.07
3	Special Deposit Scheme	4%	0.30	5%	0.29
4	Equity Shares of Listed Companies	0%	-	0%	-
5	Property	0%	-	0%	-
6	Insurer Managed Funds	7%	0.59	6%	0.37
7	Others	39%	3.12	22%	1.26

f) Financial assumptions at the valuation date :

	Particulars	As at March 31, 2018	As at March 31, 2017
1	Discount rate (per annum)	7.25%	7.20%
2	Expected rate of return on assets (per annum)	7.50%	8.00%
3	Salary escalation rate (per annum)	9.00%	6.00%
4	Mortality rate	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

g) Experience Adjustments:

₹ in crore

Particulars	As at March 31,				
	2018	2017	2016	2015	2014
Defined Benefit Obligation	9.55	9.09	1.35	1.18	1.03
Plan Assets	7.91	5.89	0.78	0.94	1.28
Surplus/(Deficit)	(1.64)	(3.20)	(0.57)	(0.24)	0.25
Experience Adjustments on Plan Liabilities	(0.56)	(1.18)	0.09	0.10	(0.06)
Experience Adjustments on Plan Assets	(0.07)	0.14	*(0.00)	(0.01)	0.02

* Amount is less than ₹ 1 lakh

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The contributions expected to be made by the company during the financial year 2018-19 amounts to ₹ 3.00 crore (for the year ended March 31,2017 ₹ 3.00 crore)

iii) Defined Benefit Provident Fund Plan:

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

₹ in crore

	Particulars	Provident Fund Plan	
		As at March 31, 2018	As at March 31, 2017
A.	**Net (Liability) / Asset recognized in the Balance Sheet**		
	Present Value of Funded Obligation	(24.07)	-
	Present Value of Unfunded obligation	-	-
	Add: Assets acquired on acquisition	-	(51.52)
	Less: Fair value of Plan Assets	24.27	51.83
	Amount to be recognised in the Balance Sheet as (liability) or asset	0.20	0.31
B.	**Amounts to be recognised in the Balance Sheet**		
	Liability	-	-
	Assets	0.20	0.31

b) Expenses recognised in the Statement of Profit and Loss:

₹ in crore

	Particulars	Provident Fund Plan	
		2017-2018	2016-2017
1	Current Service Cost	*0.00	3.95
2	PF Transfer In	-	-
3	Interest on Defined Benefit Obligation	2.75	4.26
4	Expected Return on Plan Assets	(2.75)	(4.26)
5	Net Actuarial Losses/(Gains)	(2.56)	0.63
6	Actuarial gain/(loss) not recognized in books	2.56	(0.63)
7	Expenses recognized in the statement of Profit & Loss Account	*0.00	3.95
8	Actual Return of Plan Asset	5.31	3.63

* Amount is less than ₹ 1 lakh

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

₹ in crore

Particulars	Provident Fund Plan	
	As at March 31, 2018	As at March 31, 2017
Opening balance of the present value of		
Defined Benefit Obligation	51.52	-
Add:Assets acquired on acquisition	-	53.11
Transfer in/out	(0.08)	(3.17)
Add: Current Service Cost	*0.00	3.95
Add: Interest Cost	2.76	4.26
Add: Contribution by Plan Participants	1.95	7.81
Add: Actuarial Losses / (Gain)	-	-
Less: Benefits paid	(32.08)	(14.44)
Closing balance of the present value of Defined Benefit Obligation	**24.08**	**51.52**

* Amount is less than ₹ 1 lakh

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

₹ in crore

Particulars	Provident Fund Plan	
	As at March 31, 2018	As at March 31, 2017
Opening balance of the fair value of the plan assets	51.83	-
Add:Assets acquired on acquisition		53.25
Transfer in/out	(0.80)	(3.16)
Add: Expected Return on plan assets	2.75	4.26
Add/(less): Actuarial gains/(losses)	2.56	(0.63)
Add: Contributions by Employer	*0.00	4.31
Add: Contribution by Plan participants	*0.00	8.24
Less: Benefits Paid	(32.08)	(14.44)
Less: Transfer to Regional Provident Fund		
Closing balance of the plan assets	**24.27**	**51.83**

* Amount is less than ₹ 1 lakh

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, 2018	As at March 31, 2017
1	Government of India Securities	23%	20%
2	State Government Scheme	20%	21%
3	Special Deposit Scheme	6%	8%
4	Public Sector Unit Bond	29%	33%
5	Corporate Bonds	17%	15%
6	Others (cheques on hand)	5%	3%
		100%	**100%**

29.2 Segment Reporting : Accounting Standard (AS) 17

(i) The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Rural,Housing, Wholesale, and Defocused 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. As the operations of the Company are carried out within India, there are no geographical segments.

(ii) Information about Business Segment composition :

Segment composition :

Rural Business comprises of Farm Equipments, Micro Finance and Two Wheeler Finance.

Housing Business comprises of Loan against Property and Real Estate Finance.

Wholesale Business comprises of Infrastructure Finance, Structured Corporate Loans and Supply Chain Finance.

Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

Unallocated represents tax assets and tax liabilities

₹ in crore

Sr. No.	Particulars	Rural Business		Housing Business		Wholesale Business		Defocused Business		TOTAL	
		For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017
1.	**Revenue**	**2,475.10**	**1,800.99**	**684.10**	**411.03**	**1,613.20**	**1,392.70**	**225.05**	**477.33**	**4,997.45**	**4,082.05**
2.	Less : Inter segment revenue	-	-	-	-	-	-	-	-	-	-
3.	Total revenue (1) - (2)	**2,475.10**	**1,800.99**	**684.10**	**411.03**	**1,613.20**	**1,392.70**	**225.05**	**477.33**	**4,997.45**	**4,082.05**
4.	Segment result	**576.55**	**306.39**	**339.29**	**187.88**	**362.96**	**402.11**	**(190.81)**	**(213.45)**	**1,087.99**	**682.93**
5.	Unallocable expenses[1]	-	-	-	-	-	-	-	-	653.46	654.51
	Profit before tax (4)-(5)	**576.55**	**306.39**	**339.29**	**187.88**	**362.96**	**402.11**	**(190.81)**	**(213.45)**	**434.53**	**28.42**
6.	Segment assets	**16,502.66**	**10,261.67**	**5,912.33**	**3,729.09**	**18,279.77**	**16,403.46**	**1,276.52**	**2,489.13**	**41,971.28**	**32,883.35**
7.	Unallocable assets[2]									2,747.78	3,116.79
8.	**Total assets (6) + (7)**	**16,502.66**	**10,261.67**	**5,912.33**	**3,729.09**	**18,279.77**	**16,403.46**	**1,276.52**	**2,489.13**	**44,719.06**	**36,000.14**
9.	Segment liabilities	14,174.36	9,080.23	5,078.18	3,299.75	15,700.75	14,514.91	1,096.42	2,202.55	36,049.71	29,097.44
10.	Unallocable liabilities[3]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20.51**	**-**
11.	**Total liabilities (9)+(10)**	**14,174.36**	**9,080.23**	**5,078.18**	**3,299.75**	**15,700.75**	**14,514.91**	**1,096.42**	**2,202.55**	**36,070.22**	**29,097.44**
12.	Capital Expenditure (tangible and intangible fixed assets)	**17.70**	**21.04**	**6.10**	**7.39**	**19.21**	**33.03**	**45.78**	**106.38**	**88.79**	**167.84**
13.	Depreciation & amortisation expenses (included in segment expense)	**12.87**	**14.77**	**0.46**	**0.45**	**4.30**	**3.74**	**22.14**	**35.25**	**39.77**	**54.21**

Note :

1. Relates to amortisation of Goodwill generated on merger.
2. Includes tax paid in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.
3. Includes provision for tax (net) and deferred tax liabilities (net).

29.3 Related Party Disclosures: Accounting Standard - 18

(a) List of Related Parties

A. Ultimate Holding Company

1. Larsen & Toubro Limited

B. Holding Company

2. L&T Finance Holdings Limited

C. Fellow Subsidiary Companies

3. L&T Infrastructure Finance Company Limited
4. Larsen & Toubro Infotech Limited
5. L&T Capital Company Limited
6. L&T Capital Markets Limited
7. L&T Housing Finance Limited
8. L&T Investment Management Limited
9. L&T Financial Consultants Limited
10. L&T Infra Investment Partners Advisory Private Limited
11. L&T Electricals and Automation Limited

D. Associates

12. L&T Infra Debt Fund Limited

E. Key Management Personnel

13. Mr. Vamsidhar Chevendra - upto April 28, 2016
14. Mr. Muralidharan Rajamani - April 29, 2016 to February 12, 2017
15. Mr. Sunil Prabhune - w.e.f February 13, 2017

L&T Finance Limited
Notes forming part of the reformatted consolidated financial information

(b) Disclosure of related party transactions :-

₹ in crore

Sr. No.	Nature of Transaction*	2017-18	2016-17
Transactions			
1	**Inter corporate deposits borrowed**		
	L&T Finance Holdings Limited	7,421.03	7,656.06
	L&T Infrastructure Finance Company Limited	1,370.00	813.50
	L&T Housing Finance Limited	636.00	429.15
	L&T Capital Company Limited	8.37	7.60
	L&T Investment Management Limited	967.94	14.35
	L&T Capital Market Limited	134.46	-
	L&T Infra Investment Partners Advisory Private Limited	159.95	-
2	**Inter corporate deposits repaid**		
	L&T Finance Holdings Limited	6,962.60	7,545.90
	L&T Infrastructure Finance Company Limited	1,405.00	778.50
	L&T Housing Finance Limited	636.00	429.15
	L&T Capital Company Limited	9.60	5.57
	L&T Investment Management Limited	967.94	14.35
	L&T Capital Market Limited	134.46	-
	L&T Infra Investment Partners Advisory Private Limited	159.95	-
3	**Interest expenses on Inter corporate deposits**		
	L&T Finance Holdings Limited	31.29	21.49
	L&T Infrastructure Finance Company Limited	2.12	0.78
	L&T Capital Company Limited	0.64	0.56
	L&T Housing Finance Limited	0.51	0.81
	L&T Investment Management Limited	1.97	0.02
	L&T Capital Market Limited	0.38	-
	L&T Infra Investment Partners Advisory Private Limited	0.75	-
4	**Inter corporate deposits given**		
	L&T Infrastructure Finance Company Limited	100.00	677.52
	L&T Housing Finance Limited	5.65	338.00
5	**Inter corporate deposits received back**		
	L&T Infrastructure Finance Company Limited	100.00	677.52
	L&T Housing Finance Limited	5.65	338.00
6	**Interest received on inter corporate deposits**		
	L&T Infrastructure Finance Company Limited	0.02	0.34
	L&T Housing Finance Limited	0.01	0.30
7	**Advisory Fees received**		
	Larsen & Toubro Limited	0.13	-
8	**Portfolio related transaction**		
	L&T Housing Finance Limited	0.58	0.63
9	**Investment in Equity Shares**		
	L&T Infra Debt Fund Limited	19.80	-
10	**Purchase of assets**		
	L&T Capital Company Limited^	^0.00	-
11	**Corporate support charges paid**		-
	L&T Finance Holdings Limited	2.62	4.97
12	**Branch sharing cost paid to**		
	Larsen & Toubro Limited	0.11	-
	L&T Financial Consultants Limited	23.09	17.70

L&T Finance Limited
Notes forming part of the reformatted consolidated financial information

₹ in crore

Sr. No.	Nature of Transaction*	2017-18	2016-17
13	**Branch sharing cost recovered from**		
	L&T Infrastructure Finance Company Limited	0.17	0.24
	L&T Electricals and Automation Limited	0.05	-
	L&T Finance Holdings Limited	-	0.08
	L&T Infra Investment Partners Advisory Private Limited	-	0.03
	L&T Investment Management Limited	1.77	1.64
	L&T Capital Market Limited	0.64	0.71
	L&T Housing Finance Limited	3.04	2.95
14	**Managerial Remuneration****		
	Vamsidhar Chevendra	-	0.05
	Muralidharan Rajamani	-	0.88
	Sunil Prabhune	8.13	0.17
15	**IT/Professional fees**		
	Larsen & Toubro Limited	6.13	6.02
	Larsen & Toubro Infotech Limited	2.15	0.71
	L&T Finance Holdings Limited	0.08	-
16	**Sale/Assignment of Loan Portfolio**		
	L&T Infra Debt Fund Limited	418.21	274.74
	L&T Infrastructure Finance Company Limited	662.12	-
	L&T Housing Finance Limited	735.85	-
17	**Purchase of Loan Portfolio**		
	L&T Infrastructure Finance Company Limited	963.00	-
18	**Purchase of Investment**		
	L&T Infrastructure Finance Company Limited	330.00	-
19	**Brand License Fees**		
	Larsen & Toubro Limited	14.73	0.96
20	**ESOP Cost**		
	L&T Finance Holdings Limited	4.27	0.08
21	**Equity Capital Infused (including share premium)**		
	L&T Finance Holdings Limited	1,400.00	6,424.60

L&T Finance Limited

Notes forming part of the reformatted consolidated financial information

₹ in crore

S. No.	Nature of transactions	As at March 31,2018	As at March 31,2017
Balances			
1	**Inter Corporate Borrowings**		
	L&T Finance Holdings Limited	659.34	200.91
	L&T Infrastructure Finance Company Limited	-	35.00
	L&T Capital Company Limited	6.37	7.60
2	**Interest accrued but not due on Inter Corporate Borrowings**		
	L&T Finance Holdings Limited	1.20	0.27
	L&T Infrastructure Finance Company Limited	-	0.01
	L&T Capital Company Limited	0.22	^0.00
3	**Investment in equity share**		
	L&T Infra Debt Fund Limited	176.50	156.70
4	**Rent Deposit**		
	L&T Financial Consultants Limited	3.81	3.81
5	**Account payable**		
	Larsen & Toubro Limited	-	-
	L&T Finance Holdings Limited	1.99	0.25
	L&T Infrastructure Finance Company Limited	0.14	-
	L&T Investment Management Limited	0.03	-
	L&T Capital Company Limited	^0.00	-
	L&T Capital Market Limited	0.08	0.70
	L&T Housing Finance Limited	0.19	-
	L&T Financial Consultants Limited	0.12	-
6	**Account receivable**		
	Larsen & Toubro Limited	2.23	0.28
	L&T Infrastructure Finance Company Limited	0.67	0.44
	L&T Investment Management Limited	0.56	0.10
	L&T Capital Market Limited	0.16	-
	L&T Housing Finance Limited	0.83	0.24
	L&T Electricals and Automation Limited	0.05	-
	L&T Financial Consultants Limited	^0.00	-
7	**Security Deposit Payable**		
	L&T Investment Management Limited	0.22	0.22
8	**Reimbursement of expenses**		
	Larsen & Toubro Limited	-	2.92
9	**Brand License Fees Payable**		
	Larsen & Toubro Limited	16.06	-

*** Transactions shown above are excluding of Service Tax and GST, if any.**

**** Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole.**

^ Amount is less than ₹ 1 lakh

29.4 Finance Lease:

In accordance with Accounting Standard 19 on 'Leases' as notified under Rule 7 of the Companies (Accounts) Rules, 2014, the following disclosures in respect of Finance Leases are made:

Assets given on lease:

The Company has given assets on finance lease to its customers with respective underlying assets as security. The details of gross investments, unearned finance income and present value of rentals As at March 31, 2018 and As at March 31, 2017 in respect of these assets are as under:

₹ in crore

Particulars	2017-2018	2016-2017
Gross Investments :		
- Within one year	25.89	28.27
- Later than one year and not later than five years	87.28	50.40
- Later than five years	*0.00	-
Total	**113.17**	**78.67**
Unearned Finance Income :		
- Within one year	7.45	6.50
- Later than one year and not later than five years	15.10	8.64
- Later than five years	*0.00	-
Total	**22.55**	**15.14**
Present Value of Rentals :		
- Within one year	18.44	21.77
- Later than one year and not later than five years	72.18	41.76
- Later than five years	*0.00	-
Total	**90.62**	**63.53**

* Amount is less than ₹ 1 lakh

29.5 Operating Lease :

(i) The Company has taken vehicles under operating leases. Gross rental expenses of ₹ 1.55 crore (for the year ended March 31,2017 ₹ 0.32 crore) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

₹ in crore

Particulars	2017-2018	2016-2017
- Within one year	0.27	0.27
- Later than one year and not later than five years	0.37	0.37
- Later than five years	-	-
Total	**0.64**	**0.64**

(ii) The Company has taken IT assets under operating lease. Lease Payments includes ₹ 2.00 crore (for the year ended March 31,2017 ₹5.64 crore) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

₹ in crore

Particulars	2017-2018	2016-2017
- Within one year	0.23	1.09
- Later than one year and not later than five years	0.31	-
- Later than five years	-	-
Total	**0.54**	**1.09**

(iii) The Company has taken premises under operating lease. Lease Payments includes ₹12.59 crore (for the year ended March 31,2017 ₹12.08 crore) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

₹ in crore

Particulars	2017-2018	2016-2017
- Within one year	22.76	20.25
- Later than one year and not later than five years	74.10	14.08
- Later than five years	-	-
Total	**96.86**	**34.33**

Assets given on lease:

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

₹ in crore

Particulars	2017-2018	2016-2017
- Within one year	12.44	34.04
- Later than one year and not later than five years	18.86	40.06
- Later than five years	1.46	1.46
Total	**32.76**	**75.56**

29.6 Earnings Per Share:

Particulars		2017-2018	2016-2017
Basic			
Profit after tax as per statement of profit and loss (₹ in crore)	A	332.25	42.66
Weighted average number of equity shares outstanding during the year (Nos.)	B	1,44,92,00,469	1,44,00,47,294
Basic Earning Per Share (₹)	**A/B**	**2.29**	**0.30**
Diluted			
Profit after tax as per statement of profit and loss (₹ in crore)	A	332.25	42.66
Weighted average number of equity shares outstanding (Nos.)	B	1,44,92,00,469	1,44,00,47,294
Diluted Earning Per Share (₹)	**A/B**	**2.29**	**0.30**
Nominal value of shares (₹)		**10.00**	**10.00**

29.7 Contingent Liabilities and commitments:

₹ in crore

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent Liabilities:		
a) Claim against the Company not acknowledged as debt:		
- Income Tax matter in dispute*	0.71	0.71
- Sales tax/ VAT / Service Tax matter in dispute*	65.41	23.80
- Legal matter in dispute*	1.31	1.06
b) Bank Guarantees;	39.52	21.20
c) Other money for which the Company is contingently liable Liability towards Letter of Credit(net of margin money)	922.48	52.59
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	161.61	6.99
b) Undisbursed Commitment	-	41.00

*In respect of disputes, the company is hopeful of succeding in appeals and does not expect any significant liabilites to materialise.

29.8 Sale and Assignment of Receivables :

a) The Company has sold receivables amounting to ₹ Nil crore (for the year ended March 31,2017 ₹ 240.70 crore). This sale are without recourse to the Company.

₹ in crore

Particulars	2017-2018	2016-2017
Loans & receivables Assigned		
Total Number of Loan		12,037.00
Book Value of Loan		204.77
Sale Consideration Received		204.77
Gain / (Loss) on Sale	-	-
Gain / (Loss) Amortised to P&L*	-	-
Form and Quantum (outstanding value) of services provided by way of		
Credit Enhancement		22.52
Liquidity Support	-	-
Post-Securitisation Asset Servicing	-	-

* Gain / (Loss) includes profit amortisation of earlier transaction

b) The Company has assigned receivables amounting to ₹ crore (for the year ended March 31,2017 ₹ 157.13 crore). This assignment are without recourse to the Company.

₹ in crore

Particulars	2017-2018	2016-2017
Loans & receivables Sold		
Total Number of Loan		7,388
Book Value of Loan		122.52
Sale Consideration Received		127.20
Gain / (Loss) on Sale	-	4.68
Gain / (Loss) Amortised to P&L*		0.32
Form and Quantum (outstanding value) of services provided by way of		
Credit Enhancement	-	-
Liquidity Support	-	-
Post-Securitisation Asset Servicing	-	-

* Gain / (Loss) includes profit amortisation of earlier transaction

29.9 Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options have been granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts,recovery of the same and future period expense details are following:

₹ in crore

Financial Year	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged/(Reversed) to statement of profit and loss for the year	Remaining expenses to be recovered in future year / period
(A)	(B)	(C)	(D)	(E = B-C)
2017-18	18.90	4.35	4.27	14.55
2016-17	0.86	0.08	0.08	0.78

29.10 Expenditure in foreign currency:

₹ in crore

Particulars	2017-2018	2016-2017
Professional Fees	0.37	0.15
License Fees	1.52	0.01

29.11 Frauds committed against the company:

₹ in crore

Particulars	2017-2018	2016-2017
No. of cases of fraud which occurred during the year	12	20
Amount involved	0.63	0.59
Amount recovered	0.02	0.11
Amount provided/loss	0.60	*0.00

* Amount is less than ₹ 1 Lakh

29.12 The Company has entered into currency swap transactions with a view to hedge the currency risk of its USD borrowings. Accordingly the company has revalued the foreign currency borrowing and currency swap at the balance sheet date.

Particulars	As at March 31, 2018	As at March 31, 2017
Liability – External Commercial Borrowings	USD 1,55,06,284	USD 2,00,00,000
Assets – Currency Swap Contracts	USD 1,55,06,284	USD 2,00,00,000

29.13 (i) Appropriations to the Special Reserve under Section 36(1)(viii) of Income Tax Act,1961 and Special Reserve under Section 45-IC of the Reserve Bank of India Act,1934 are carried out of the distributable profits of the company.

(ii) Appropriation to the Debenture Redemption Reserve has been created in terms of Section 71 (4) of the Companies Act, 2013 is carried out of distributable profits of the Company.

(iii) During the year, the Company has charged off debenture issue expenses net of tax ₹ 1.74 crore (for the year ended March 31,2017 ₹ 1.24 crore) to the Securities Premium Account in accordance with Section 52 of the companies Act, 2013.

29.14 Disclosure required by notification dated 30th March, 2017 issued by Ministry of Company Affairs.

₹ in crore

Particulars	SBNs (refer foot note)	Other denomination notes (refer foot note)	Total
Closing cash in hand as on November 8,2016	60.14	0.18	60.32
(+) Permitted receipts	41.72	364.94	406.66
(-) Permitted payments	-		
(-) Amount deposited in Banks	(101.86)	(358.83)	(460.69)
Closing cash in hand as on December 30, 2016	-	6.29	6.29

Includes amounts directly deposited by the borrowers into the bank accounts.

L & T Finance Ltd is a Non-Banking Finance Company ("NBFC"). The Company offers a wide range of products such as micro finance, tractor loans, two-wheeler loans and other rural lending products to a large number of customers. The operations are geographically wide-spread with significant volume of transactions including cash collections. The above information covers cash received at the Company's offices and is based on details available in the pay-in-slips but excludes direct deposits in the Company's bank accounts by the borrowers.

As the Company took steps not to accept Specified Bank Notes at its offices after November 8, 2016 and on the basis of information compiled, all collections from November 9, 2016 to December 30, 2016 have been shown as "Other denomination notes".

29.15 Amalgamation of L&T Finance Ltd and L&T Fincorp Ltd with Family Credit Limited

a)

Family Credit Limited (FCL) ,L&T Finance Limited ("LTF") and L&T FinCorp Ltd (LTFC), wholly owned subsidiaries of L&T Finance Holdings Limited ("LTFH") are NBFCs registered with RBI within the L&T Financial Services Group ("LTFS/Group). In order to consolidate the business of the lending entities for creation of a single larger unified entity have substantial portion of its assets in the Business to Consumer (B2C) segment and reduce the number of NBFCs within LTFS, it was proposed that LTF and LTFC to be amalgamated with FCL having been substantially in this segment for several years carries with it rich legacy of best practices, system and processes that are best suited for the retail business. Amalgamation will lead to consolidation and help synergise integration of the businesses of transferor companies and the transferee company to enable better operational management and greater focus, simplification of group corporate structure.

On July 19, 2016 and July 21, 2016 , the Board of directors of L&T Finance Ltd, L&T FinCorp Limited and Family Credit Limited had approved the Scheme of Amalgamation (Scheme) of L&T Finance Limited and L&T FinCorp Limited (together referred as Transferor Company) with Family Credit Limited (Transferee Company) effective from April 01,2016 (Appointed date). The Honourable High Court of Calcutta at his hearing held on November 28,2016 and the National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on January 24,2017,have sanctioned the Scheme of Amalgamation of L&T Finance Ltd and L&T FinCorp Limited with Family Credit Limited. The certified copies of the Orders of the Court and NCLT,sanctioning the Scheme were filed with the Registrar of Companies, Kolkata on February 13, 2017 (the "Effective Date").

The purchase consideration of ₹ 6,424.60/- crore for acquisition of Transferor Company was settled by Transferee Company through issue of 123,57,37,684 (One twenty three crores fifty seven lakhs thirty seven thousand six hundred eighty four) equity shares of ₹10/- each at a price of ₹ 51.99/- per share to the shareholder of L&T Finance Limited and L&T FinCorp Limited as on the record date as stated in the Scheme as per following share exchange ratio

a) 350 equity shares of face value of ₹10 each for every 100 equity shares of face value of ₹10 each held in L&T Finance pre merger
b) 147 equity shares of face value of ₹10 each for every 100 equity shares of face value of ₹10 each held in L&T FinCorp pre merger

The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements and all assets and liabilities and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company. Accordingly, the financial statements have been recast for the year ended on March 31, 2017.

Consequent to the Scheme becoming effective, net assets of Transferor Company amounting to ₹3,157.29 crore as on the Appointed Date have been transferred to the Transferee Company at their respective fair values and the fair value of Distribution and Customer Network Rights ("DCNR") as determined by an independent Valuer, have been recognised as an intangible asset at a valuation of ₹438.80 crore. The balance amount of ₹2,828.51 crore has been recorded as goodwill on amalgamation. These intangible assets, i.e. the DCNR and goodwill on amalgamation, are being amortised on a straight line basis over a period of 5 years with effect from April 01, 2016.

Break down of the purchase consideration into net assets and goodwill is as under:

₹ in crore

Particulars	LTF	LTFC	Total
I. Consideration paid for acquisition	4,338.45	2,086.15	**6,424.60**
II. Assets acquired on appointed date			
Tangible assets	228.17	5.59	233.76
Intangible assets (including DCNR)	443.01	-	443.01
Non-current investments	140.50	129.66	270.16
Deferred tax assets (net)	148.30	47.09	195.39
Long-term loans and advances	97.59	51.70	149.29
Long-term loans and advances towards financing activities	7,862.45	4,696.40	12,558.85
Other non-current assets	73.37	82.16	155.53
Current investments	2.57	195.60	198.17
Trade receivables	7.44	0.88	8.32
Cash and bank balances	155.62	0.80	156.42
Short-term loans and advances	73.16	-	73.16
Current maturities of long-term loans and advances towards financing activities	3,687.48	1,233.04	4,920.52
Short-term Loans and advances towards financing activities	2,338.83	774.54	3,113.37
Other current assets	425.01	197.95	622.96
Total (A)	**15,683.50**	**7,415.41**	**23,098.91**
Long-term borrowings	6,304.38	4,303.28	10,607.66
Other long term liabilities	102.65	115.77	218.42
Long-term provisions	32.25	20.77	53.02
Short-term borrowings	2,357.10	1,305.96	3,663.06
Current maturities of long term borrowings	3,292.90	538.44	3,831.34
Trade payables	127.28	10.29	137.57
Other current liabilities	829.63	85.11	914.74
Short-term provisions	61.01	16.00	77.01
Total (B)	**13,107.20**	**6,395.62**	**19,502.82**
Net Assets (A - B)	**2,576.30**	**1,019.79**	**3,596.09**
III. Goodwill (I - II)	**1,762.15**	**1,066.36**	**2,828.51**

b) Statutory reserves, which have been created by Transferor Company pursuant to the requirements under different statue and are required to be preserved for specified period, are transferred to Transferee Company in the same form in which they appeared in the financials statements of the Transferor Company so long as their identity is required to be maintained to comply with the relevant statute. The statutory reserves are recorded in the financial statements of the transferee company by a corresponding debit to "Amalgamation Adjustment Account' which is disclosed as a part of 'Reserve and Surplus' in the balance sheet

Details of Statutory Reserves of Transferor Company recorded in Transferee Company is as under:

₹ in crore

Particulars	LTF	LTFC	Total
Debenture redemption reserve under Section 71(4) of the Companies Act	102.12	-	102.12
Reserve under section 45-IC of Reserve Bank of India Act	371.34	83.15	454.49
Reserve under section 36(1)(viii) of Income Tax Act	0.20	8.61	8.81
Total	**473.66**	**91.76**	**565.42**

c) Due to the amalgamation of Transferor Company with the Transferee Company from appointed date of April 01, 2016, the figures of the current year will not be comparable to the corresponding figures of the previous year.

29.16 Consequent to the above referred amalgamation, L&T Infra Debt Fund Limited was evaluated to be an Associate of the Company. Thus, the first set of Consolidated Financial Statements of the Company incorporating the appropriate share of the profit and equity was prepared for the year ended 31st March 2017. The corresponding previous period represents the standalone figures of the Company prior to the Appointed Date and were therefore not comparable. In view of the above, the Reformatted Consolidated Financial Statements have been drawn as at and for the years ended 31st March 2018 and 31st March, 2017.

29.17 Investment in Grameen capital India Limited, an associate of the company is accounted in consolidated financial statements in accordance with Accounting Standard (AS) 13, Accounting for Investments and not under the equity method as per Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements as the associate operates under severe long-term restrictions that significantly impair its ability to transfer funds to investor.

29.18 Previous year figures have been regrouped/ reclassified wherever necessary.

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : November 25, 2019

L&T Finance Limited
Statement of dividend (consolidated basis) **Annexure V**

Particulars		**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Equity Share Capital (₹ in crore)		1,599.14	1,440.05
Face Value Per Equity Share (₹)	(a)	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	-	-
Total dividend on Equity Shares (₹ in crore)		-	-*
Dividend Declared Rate (In %)	(c=b/a)	0.00%	0.00%
Dividend tax (gross) on dividend (₹ in crore)		-	-

* L&T Fincorp Ltd, one of the amalgamating company had declared and paid an interim dividend of ₹ 140.03 crore prior to the effective date of amalgamation and the Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2018.

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Gufran Ahmed Siddiqui
Company Secretary

Place: Mumbai
Date : November 25, 2019

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON REFORMATTED STANDALONE FINANCIAL INFORMATION

To the Board of Directors of L&T Finance Limited

Dear Sirs,

1. We have examined, as appropriate (refer paragraph 5 below), the attached Reformatted Standalone Financial Information of **L&T Finance Limited** (the "Company" or the "Issuer"), comprising the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016 and 2015, the Reformatted Standalone Statement of Profit and Loss and the Reformatted Standalone Cash Flow Statement for the years ended March 31, 2018, 2017, 2016 and 2015, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Reformatted Standalone Financial Information"). The Reformatted Standalone Financial Information have been prepared by the Management of the Company on the basis of Note 1 to the Reformatted Standalone Financial Information and have been approved by the Board of Directors of the Company vide circular resolution dated November 25, 2019 for the purpose of inclusion in the Draft Shelf Prospectus and Shelf Prospectus (the "Offer Documents") prepared by the Company in connection with its proposed public issue of secured and/or unsecured subordinated, redeemable, non-convertible debentures ("NCDs") prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
    b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations"); and
    c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Reformatted Standalone Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Kolkata, West Bengal in connection with the proposed public issue of NCDs. The Reformatted Standalone Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1 to the Reformatted Standalone Financial Information. The Company's Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Information. The Company's Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.

3. We have examined such Reformatted Standalone Financial Information taking into consideration:
    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 25, 2019 in connection with the proposed public issue of NCDs of the Company;
    b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
    c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information; and
    d) The requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed public issue of NCDs.

4. These Reformatted Standalone Financial Information have been compiled by the management from the audited standalone financial statements of the Company as at and for the years ended March 31, 2018, 2017, 2016 and 2015 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 2, 2018, May 2, 2017, April 29, 2016 and April 16, 2015 respectively.

5. For the purpose of our examination, we have relied on:

    a) Auditors' reports issued by us dated May 2, 2018 and May 2, 2017 on the standalone financial statements of the Company as at and for the years ended March 31, 2018 and 2017 as referred in Paragraph 4 above; and.
    b) Auditors' reports issued by the Previous Auditors dated April 29, 2016 and April 16, 2015 on the standalone financial statements of the Company as at and for the years ended March 31, 2016 and 2015, as referred in Paragraph 4 above.

    The audits for the financial years ended March 31, 2016 and 2015 were conducted by the Company's previous auditors (the "Previous Auditors"), and accordingly reliance has been placed on the reformatted standalone statement of assets and liabilities, the reformatted standalone statements of profit and loss and reformatted standalone cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2016 and 2015 Reformatted Standalone Financial Information") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors.

6. The audit reports on the standalone financial statements issued by us was unmodified and included following emphasis of matter paragraph on the standalone financial statements as at and for the year ended March 31, 2017:

    "We draw attention to Note 29.15 of the standalone financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the financial statements of the Company.

    Our opinion is not modified in respect of this matter."

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors for the respective years, we report that the Reformatted Standalone Financial Information are prepared, in all material aspects, on the basis described in Note 1 to the Reformatted Standalone Financial Information.

8. At the request of the Company, we have also examined the following financial information of the Company set out in the Annexure V prepared by management and approved by the Board of Directors on November 25, 2019 as at and for the years ended March 31, 2018, 2017, 2016 and 2015. In respect of the years ended March 31, 2016 and 2015, these information have been included based upon the reports submitted by the Previous auditors and relied upon by us:

    (i) Statement of dividend paid / proposed, enclosed as Annexure V.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. The Reformatted Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Kolkata, West Bengal in connection with proposed issue of NCDs. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Rupen K. Bhatt
Partner
(Membership No. 046930)
(UDIN: 19046930AAAAFZ6840)

Mumbai, November 25, 2019

L&T Finance Limited

Reformatted Standalone Statement of Assets and Liabilities

₹ in crore **Annexure I**

	Note No.	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
A. EQUITY AND LIABILITIES:									
1. Shareholders' funds									
Share capital	**2**	1,599.14		1,440.05		204.31		204.31	
Reserves and surplus	**3**	6,987.61		5,439.34		427.66		341.22	
			8,586.75		6,879.39		631.97		545.53
2. Non-current liabilities									
Long-term borrowings	**4**	21,216.81		15,314.40		2,803.99		1,459.70	
Other long term liabilities	**5**	44.99		147.93		22.80		26.38	
Long-term provisions	**6**	104.23		91.58		9.69		9.16	
			21,366.03		15,553.91		2,836.48		1,495.24
3. Current liabilities									
Short-term borrowings	**7**	7,250.00		9,970.52		1,142.91		1,182.08	
Current maturities of long-term borrowings	**4**	6,295.00		2,544.79		545.70		438.46	
Trade payables	**8**								
Total outstanding dues of micro enterprises and small enterprises		-		-		-		0.01	
Total outstanding dues of creditors other than micro enterprises and small enterprises		94.95		65.29		15.59		6.40	
Other current liabilities	**9**	983.85		912.75		136.46		93.55	
Short-term provisions	**10**	80.39		50.18		48.19		33.97	
			14,704.19		13,543.53		1,888.85		1,754.47
Total equity and liabilities			**44,656.97**		**35,976.83**		**5,357.30**		**3,795.24**
B. ASSETS:									
1. Non-current assets									
Property, plant and equipment	**11**	74.53		160.25		2.95		2.58	
Intangible assets	**11**	1,974.65		2,621.44		0.95		1.41	
Intangible assets under development		9.23		-		0.42		0.07	
Non-current investments	**12**	909.35		736.25		41.90		23.00	
Deferred tax assets (net)	**13**	524.95		372.54		51.70		43.19	
Long-term loans and advances	**14**	307.38		164.17		3.32		3.27	
Long-term loans and advances towards financing activities	**15**	25,403.53		17,818.34		2,770.88		1,821.59	
Other non-current assets	**16**	180.60		169.14		26.25		8.65	
			29,384.22		22,042.13		2,898.37		1,903.76
2. Current assets									
Current investments	**17**	1,503.59		2,360.72		1.71		153.15	
Trade receivables	**18**	9.12		10.29		-		-	
Cash and cash equivalents	**19**	348.72		294.88		44.31		24.69	
Short-term loans and advances	**20**	74.39		60.57		44.68		18.58	
Short-term loans and advances towards financing activities	**21**	1,866.46		2,171.24		-		65.66	
Current maturities of long term loans and advances towards financing activities	**15**	10,553.25		8,297.17		2,260.79		1,571.16	
Other current assets	**22**	917.22		739.83		107.44		58.24	
			15,272.75		13,934.70		2,458.93		1,891.48
Total assets			**44,656.97**		**35,976.83**		**5,357.30**		**3,795.24**
Significant accounting policies	**1**								
See accompanying notes forming part of reformatted standalone financial information	**Note 2 to 29**								

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Rupen K. Bhatt
Partner

Place : Mumbai
Date : November 25, 2019

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Place : Mumbai
Date : November 25, 2019

Gufran Ahmed Siddiqui
Company Secretary

L&T Finance Limited

Reformatted Standalone Statement of Profit and Loss

₹ in crore **Annexure II**

		Note No.	Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2016		Year ended March 31, 2015	
A.	**INCOME:**									
1.	Revenue from operations	**23**	4,997.45		4,082.05		771.15		634.84	
2.	Other income	**24**	248.24		62.93		1.70		3.18	
3.	**Total Income (1+2)**			**5,245.69**		**4,144.98**		**772.85**		**638.02**
B.	**EXPENSES:**									
	Employee benefits expense	**25**	318.07		300.87		53.26		29.26	
	Finance costs	**26**	2,496.85		1,959.52		305.99		267.87	
	Depreciation and amortisation	**11**	693.24		707.66		2.67		2.46	
	Administration and other expenses	**27**	398.54		360.17		163.56		169.67	
	Provisions and Contingencies	**28**	904.46		788.34		113.05		66.87	
4.	**Total expenses**			**4,811.16**		**4,116.56**		**638.53**		**536.13**
5.	**Profit before tax (3-4)**			**434.53**		**28.42**		**134.32**		**101.89**
6.	**Tax expense:**									
	Current tax			297.02		137.83		55.42		45.22
	Deferred tax			(152.41)		(125.45)		(8.50)		(16.19)
	Total Provision for tax			**144.61**		**12.38**		**46.92**		**29.03**
7.	**Profit after tax (5-6)**			**289.92**		**16.04**		**87.40**		**72.86**
	Earnings per equity share:	**29.6**								
	Basic earnings per equity share (₹)			2.00		0.11		4.28		3.57
	Diluted earnings per equity share (₹)			2.00		0.11		4.28		3.57
	Face value per equity share (₹)			10.00		10.00		10.00		10.00
	Significant accounting policies	**1**								
	See accompanying notes forming part of reformatted standalone financial information	**2 to 29**								

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the board of directors of
L&T Finance Limited

Rupen K.Bhatt
Partner

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : November 25, 2019

Place : Mumbai
Date : November 25, 2019

L&T Finance Limited

Reformatted Standalone Statement of Cash Flows

₹ in crore **Annexure III**

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash flow from operating activities				
Profit before tax	**434.53**	**28.42**	**134.32**	**101.89**
Adjustments for:				
Depreciation and amortisation	693.24	707.67	2.67	2.46
(Profit) / Loss on Sale of Property,Plant & Equipments (net)	5.47	14.67	(0.02)	(0.19)
Provision for gratuity	3.12	2.88	0.42	0.53
Income from investments (net)	(30.24)	(61.76)	(0.59)	(1.81)
Provision for diminution in value of investments	18.24	25.88	1.39	0.15
Loss on foreclosure of loans(net) / bad debts written offs	494.15	237.64	90.18	51.43
Provision for non-performing assets	531.35	359.01	29.45	6.02
Provision for standard assets	(130.62)	164.00	(3.47)	10.48
Provision for restructured assets	(8.67)	1.80	0.87	-
Unrealised gain on mutual fund (dividend)	-	-	-	(0.04)
Liabilities no longer required written back	-	-	-	(0.08)
Provision for interest on payment of income tax	-	-	-	1.13
Operating profit before working capital changes	**2,010.57**	**1,480.21**	**255.22**	**171.97**
Changes in working capital				
Adjustments for increase / (decrease) in operating liabilties				
Other non-current liabilities	(102.93)	(93.29)	-	24.42
Long-term provisions	(18.34)	-	-	-
Trade payable	29.66	(87.86)	-	5.60
Other current liabilities	72.86	(142.50)	49.35	38.44
Short-term provisions	1.88	(3.05)	-	0.28
Adjustments for (increase) / decrease in operating assets	-	-	-	-
Long-term loans and advance	(55.91)	0.73	-	(60.90)
Other non-current assets	(11.46)	2.47	(13.68)	(7.43)
Trade receivables	1.17	(3.39)	-	-
Short-term Loans and advances	(13.82)	51.86	-	23.23
Other current assets	(177.39)	(14.52)	(30.91)	(16.70)
Cash generated from operations	**1,736.29**	**1,190.66**	**259.98**	**178.91**
Direct taxes paid (net)	(356.96)	(213.60)	(27.45)	(18.94)
(Increase) / Decrease in loans & advances towards financing activities(net)	(10,381.26)	(3,456.38)	(1,753.19)	(549.24)
Net cash flow from/(used) in operating activities (A)	**(9,001.93)**	**(2,479.32)**	**(1,520.66)**	**(389.27)**
B. Cash flow from investing activities				
Add : Inflow from investing activities				
Proceeds from sale of Property, Plant & Equipments	65.09	26.01	0.03	0.20
Proceeds from sale of current investments not considered as Cash and cash equivalents	37,773.52	1,668.44	1,353.08	5,324.25
Proceeds from sale of non current investments	37.94	8.10	-	-
Interest received	-	-	-	*0.00
Decrease/(increase) in fixed deposits greater than three months	-	-	-	0.09
	37,876.55	**1,702.55**	**1,353.11**	**5,324.54**
Less : Outflow from investing activities				
Capital expenditure on Property, Plant & Equipments and Intangibles including capital advances	46.45	16.13	2.83	2.64
Purchase of non current investments				
- Associates	19.80	-	-	-
- Others	180.19	992.51	18.90	-
Purchase of current investments not considered as cash and cash equivalents	36,902.78	3,202.80	1,202.50	5,290.70
	37,149.22	**4,211.44**	**1,224.23**	**5,293.34**
Net cash from/(used in) investing activities ** **(B)**	**727.33**	**(2,508.89)**	**128.88**	**31.20**
*** Amount is less than ₹ 1 lakh**				
**FY 2017-18 :Net cash used in investing activities excludes investments aggregating to ₹ 21.99 crore (FY 2016-17 : ₹ 27.18 crore) acquired against claims.				
C. Cash flow from financing activities				
Add : Inflow from financing activities				
Proceeds from issue of share capital including securities premium	1,400.00	-	-	-
Proceeds from long term borrowings	1,11,599.21	66,506.81	11,396.59	5,320.50
Net Proceeds from short term borrowings	-	5,164.54	-	672.58
	1,12,999.21	**71,671.35**	**11,396.59**	**5,993.08**
Less : Outflow from financing activities				
Repayments of long term borrowings	1,01,946.19	66,415.00	9,818.47	5,623.99
Net Repayments of short term borrowings	2,720.52	-	165.75	-
Shares / Debenture issue expenses	4.05	1.90	0.96	0.20
Dividend paid (including dividend distribution tax)	-	168.90	-	-
	1,04,670.76	**66,585.80**	**9,985.18**	**5,624.19**
Net cash generated from/(used in) financing activities (C)	**8,328.45**	**5,085.55**	**1,411.41**	**368.89**
Net cash increase in cash and cash equivalents (A+B+C)	53.85	97.34	19.63	10.82
Cash and cash equivalents as at beginning of the year	294.82	44.27	24.64	13.83
Cash and cash equivalent transferred under Scheme of merger	-	153.21	-	-
Cash and cash equivalents as at end of the year	**348.67**	**294.82**	**44.27**	**24.65**

L&T Finance Limited

Reformatted Standalone Statement of Cash Flows

₹ in crore **Annexure III**

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Reconciliation of Cash and Cash Equivalents				
Closing balance as per Balance Sheet	348.72	294.88	44.31	24.69
Less : Deposits with original maturity for more than 3 months	0.05	0.06	0.04	0.04
Cash and cash equivalents as at end of the year (Refer Note No 19)	**348.67**	**294.82**	**44.27**	**24.65**

Notes:

1. Previous period figures have been regrouped/reclassified wherever applicable.
2. See accompanying notes forming part of reformatted standalone financial information.
3. Net cash used in operating activities is determined after adjusting the following:

Interest received	4,867.96	3,596.63	611.18	513.15
Interest paid	2,322.83	2,034.46	112.80	217.56

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the board of directors of
L&T Finance Limited

Rupen K. Bhatt
Partner

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : November 25, 2019

Place : Mumbai
Date : November 25, 2019

Annexure IV

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

1. Basis of accounting and preparation of financial statements and summary of significant accounting policies

1.1 Basis of accounting and preparation of financial statements
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

The Reformatted Standalone Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Reformatted Standalone Financial Statements to comply in all material respects with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended, and the relevant provisions of the Companies Act, 1956 ('the 1956 Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Systemically Important Non-Deposit accepting NBFC ('NBFC-ND-SI). The Reformatted Standalone Financial Statements have been prepared under historical cost convention and on an accrual basis except for interest and discounts on non-performing assets which are recognized on realization basis.
The Reformatted Standalone Financial Statements have been prepared in accordance with the requirements of Section 26(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Regulations") issued by the SEBI.

1.2 Summary of significant accounting policies

1.2.1 Use of Estimates
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expense during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.2.2 Cash flow Statements
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.2.3 Property, plant and equipment and Intangible Assets
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

Property, plant and equipment are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Property, plant and equipment acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Property, plant and equipment acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital Work in Progress: projects under which property, plant and equipment are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets not ready for the intended use on the date of balance sheet are disclosed as "Intangible assets under development"

1.2.4 Depreciation on Property, plant and equipment and Intangible Assets
(FY 2017-18, FY 2016-17)

Depreciation on property, plant and equipment is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

Intangible assets are amortised over their estimated useful life on straight line method as follows:
Computer software- 3 years
Distribution and Customer Network Rights-5 years
Goodwill-5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Particulars	**Nature**	**Useful Life adopted**	**Useful Life as per Schedule II**
		(in years)	**(in years)**
Plant & Equipments	Operating Lease	8.84	15
Motor car	Operating Lease	6.67	8

Property, plant and equipment costing upto `5,000 individually are depreciated fully in the year of purchase.

(FY 2015-16, FY 2014-15)

Tangible Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from sale of Property, plant and equipment are measured as difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Depreciation on Tangible Property, plant and equipment

i. Depreciation on Tangible Property, plant and equipment is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also the management's estimate of useful life of the assets.
ii. Leasehold improvements are amortised over the primary lease period.
iii. Property, plant and equipment costing upto Rs.5,000 individually are depreciated fully in the year of purchase.
iv. Residual value has been taken at 5% of the cost.

Intangible assets

Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on the straight line basis over the estimated useful economic life. Computer software is amortised on a straight line basis over a period of three years.

1.2.5 Impairment of assets
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.2.6 Investments
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

Investments which are readily realisable and intended to be held for not more than a 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 valued scrip-wise and depreciation / appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for.

Long-term investments are carried at acquisition/amortised cost. Investment in debentures which are, in substance, in the nature of credit substitutes are classified as a part of loans towards financing activities and are measured in accordance with the criteria applied for the measurement of loans towards financing activities. Provision is made for diminution other than temporary on an individual investment basis.

1.2.7 Revenue Recognition
(FY 2017-18, FY 2016-17)

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

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

(FY 2015-16, FY 2014-15)

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.

Interest income on loans given is recognised under the accrual method. Income including interest or any other charges on non-performing asset is recognized only when realized. Any such income recognized before the asset became non-performing and remaining unrealized is reversed.

Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

Loan origination income i.e. processing fees and other charges collected upfront, are recognised at the inception of the loan.

1.2.8 Other Income
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

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

1.2.9 Classification and provisioning of loan portfolio
(FY 2017-18, FY 2016-17)

Loans towards financing activities are classified under four categories i.e. (i) Standard Assets (ii) Sub-Standard Assets (iii) Doubtful Assets and (iv) Loss Assets in accordance with RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of advances where interest is not serviced, provision for diminution is made as per the parameters applicable to Non-Performing Advances.

Provision on restructured advances/corporate debt restructured 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 identifications.

(FY 2015-16, FY 2014-15)

Loans and other credit facilities are classified as standard, sub-standard, doubtful and loss assets in accordance with Systemically Important Non - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended from time to time.

Provision in respect of non-performing assets are made based on management's assessment of the degree of impairment of the loans and advances subject to the minimum provision required as per Systemically Important Non - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended from time to time.

1.2.10 Retirement and other employee benefits
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

i) Defined–Contribution Plans

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

ii) Defined–Benefits Plans

The Company makes annual contributions to the Fund administered by trustees and managed by an insurance company. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the "Projected Unit Credit" method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

iii) Other Employee Benefits

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

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

1.2.11 Foreign Currency Transactions
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

(i) All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

(ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

(iii) Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

1.2.12 Derivative contracts
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

1.2.13 Borrowing Costs
(FY 2017-18, FY 2016-17)

Borrowing costs include interest and amortisation of ancillary costs incurred. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

(FY 2015-16, FY 2014-15)

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that that the company incurs in connection with the arrangement of borrowings.

1.2.14 Income Taxes
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

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.

1.2.15 Provisions, Contingent liabilities and Contingent Assets
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements.

1.2.16 Leases
(FY 2017-18, FY 2016-17)

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

Where the company is lessor

Finance Lease:

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

Operating Lease:

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

(FY 2015-16, FY 2014-15)

Where the Company is Lessee:

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.

1.2.17 Cash and Cash Equivalents

(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.2.18 Employee Stock Option Plan

(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

The Employees Stock Options Scheme (“the Scheme”) has been established by the holding company (i.e. L&T Finance Holdings Limited). The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest in a graded manner. The options may be exercised with in specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the intrinsic value method to account for its stock based employee compensation plans. Stock options were granted to the employees of the Company during the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The cost incurred by the holding company, in respect of options granted to employees of the Company are being charged to the statement of profit and loss during the period and recovered by the holding Company.

1.2.19 Earnings Per Share (EPS)
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

The Company reports basic and diluted earnings per share 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 share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.2.20 Share & Debenture Issue Expenses
(FY 2017-18,FY 2016-17 FY 2015-16, FY 2014-15)

Expenses incurred on issue of shares and debentures are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

1.2.21 Indirect tax input credit (Including Service tax and Goods and Service tax)
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)

Indirect tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

1.2.22 Operating Cycle
(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)
Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.2.23 Segment reporting
(FY 2017-18, FY 2016-17)

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

(FY 2015-16, FY 2014-15)

The Company has a single reportable segment i.e. financing which has similar risk and return for the purpose of AS-17 on ‘Segment Reporting’ notified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules,2014. The Company operates in a single geographical segment i.e domestic.

Notes forming part of the Reformatted Standalone Financial Information

Note No.

2 Share capital

(I) Share capital authorised, issued and subscribed

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
Authorised Shares	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**
Equity shares of ₹ 10 each	2,65,43,09,610	2,654.31	2,65,43,09,610	2,654.31	35,43,09,610	354.31	35,43,09,610	354.31
Preference Shares of ₹ 100 each	10,00,000	10.00	10,00,000	10.00	10,00,000	10.00	10,00,000	10.00
Issued, Subscribed & Paid up shares								
Equity shares of ₹ 10 each fully paid up	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05	20,43,09,610	204.31	20,43,09,610	204.31
		1,599.14		**1,440.05**		**204.31**		**204.31**

(II) Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
Equity Shares	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**
At the beginning of the year	1,44,00,47,294	1,440.05	20,43,09,610	204.31	20,43,09,610	204.31	20,43,09,610	204.31
Issued during the year	15,90,90,905	159.09	1,23,57,37,684	1,235.74	-	-	-	-
Outstanding at the end of the year	**1,59,91,38,199**	**1,599.14**	**1,44,00,47,294**	**1,440.05**	**20,43,09,610**	**204.31**	**20,43,09,610**	**204.31**

(III) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Equity Shares	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**
	No. of Shares	**No. of Shares**	**No. of Shares**	**No. of Shares**
Fully paid up pursuant to contract(s) without payment being received in cash	1,23,57,37,684	1,23,57,37,684	-	-

(IV) 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.

FY 2017-18:- During the year, the company has not declared any dividend.

FY 2016-17:- During the year, the company has declared and paid interim dividend of ₹ 5.141 per equity share.

FY 2015-16 & FY 2014-15:-
The company has not declared any dividend.

(V) Shares held by holding company

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
Equity Shares	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**	**No. of Shares**	**₹ in crore**
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity Shares of ₹ 10 each fully paid)	1,59,91,38,199	1,599.14	1,44,00,47,294	1,440.05	20,43,09,610	204.31	20,43,09,610	204.31

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

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
Equity Shares	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**
L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee (Equity Shares of ₹ 10 each fully paid)	1,59,91,38,199	100%	1,44,00,47,294	100%	20,43,09,610	100%	20,43,09,610	100%

	As at March 31, 2018 ₹ in crore	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at March 31, 2015 ₹ in crore
3 Reserves & Surplus				
(I) Securities premium account				
Balance as per last financial statements	5,644.72	457.10	458.06	458.26
Add: Addition during the year	1,240.91	5,188.86	-	-
Less: Share issue expenses adjusted during the year	1.40	-	-	-
Less: Debenture issue expenses adjusted during the year (Net of tax FY 2017-18 ₹ 0.92 crore, FY 2016-17 ₹ 0.66 crore, FY 2015-16 ₹ 0.96 crore, FY 2014-15 ₹ 0.20 crore)	1.74	1.24	0.96	0.20
Closing Balance	**6,882.49**	**5,644.72**	**457.10**	**458.06**
(II) Debenture redemption reserve				
Balance as per last financial statements	75.22	-	-	-
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	102.12	-	-
Add: Transferred from surplus in the statement of profit and loss	23.10	-	-	-
Less: Transferred to general reserve	0.24	-	-	-
Less: Transferred to amalgamation adjustment account	0.46	26.90	-	-
Closing Balance	**97.62**	**75.22**	**-**	**-**
(III) Reserve u/s 45-IC of RBI Act, 1934				
Balance as per last financial statements	526.42	68.72	51.24	36.67
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	454.49	-	-
Add: Transferred from surplus in the statement of profit and loss	57.98	3.21	17.48	14.57
Closing balance	**584.40**	**526.42**	**68.72**	**51.24**
(IV) Capital redemption reserve				
Balance as per last financial statements	3.20	3.20	3.20	3.20
Closing balance	**3.20**	**3.20**	**3.20**	**3.20**
(V) General reserves				
Balance as per last financial statements	-	-	-	-
Add: Transferred from debenture redemption reserve	0.24	-	-	-
Closing balance	**0.24**	-	-	-
(VI) Reserve u/s 36(1)(viii) of Income tax Act				
Balance as per last financial statements	8.81	-	-	-
Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	8.81	-	-
Add: Transferred from surplus in the statement of profit and loss	14.75	-	-	-
Closing balance	**23.56**	**8.81**	**-**	**-**
(VII) Amalgamation adjustment reserve				
Balance as per last financial statements	(538.52)	-	-	-
Add : Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation	-	(565.42)	-	-
Add : Transferred from debenture redemption reserve	0.46	26.90	-	-
Closing balance	**(538.06)**	**(538.52)**	**-**	**-**

Notes forming part of the Reformatted Standalone Financial Information

	As at March 31, 2018 ₹ in crore	As at March 31, 2017 ₹ in crore	As at March 31, 2016 ₹ in crore	As at March 31, 2015 ₹ in crore
(VIII) Unamortised loss on sale of loans				
Balance as per last financial statements	(23.08)	-	-	-
Amortised during the year	23.08	(23.08)	-	-
Closing balance	-	**(23.08)**	**-**	**-**
(IX) Surplus in the Statement of Profit and Loss				
Balance as per last financial statements	(257.43)	(101.36)	(171.28)	(229.57)
Add: Net profit for the year	289.92	16.04	87.40	72.86
Less : Appropriations		-	-	-
Interim dividend paid during the year	-	140.33	-	-
Dividend distribution tax	-	28.57	-	-
Transfer to debenture redemption reserve	23.10	-	-	-
Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	14.75	-	-	-
Unamortised write down on Investment	2.50	-	-	-
Transfer to reserve u/s 45-IC of RBI Act, 1934 (@20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)	57.98	3.21	17.48	14.57
Net surplus in the Statement of Profit and Loss	**(65.84)**	**(257.43)**	**(101.36)**	**(171.28)**
Total reserves and surplus	**6,987.61**	**5,439.34**	**427.66**	**341.22**

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Non current portion ₹ in crore	Current maturities ₹ in crore	Non current portion ₹ in crore	Current maturities ₹ in crore	Non current portion ₹ in crore	Current maturities ₹ in crore	Non current portion ₹ in crore	Current maturities ₹ in crore
4 Long-term borrowings								
(I) Secured								
Redeemable non convertible debentures (refer note 4(a))	8,210.08	1,596.75	4,801.82	2,154.25	614.00	504.00	878.00	188.50
Term loans								
- From banks (refer note 4(b))	5,318.67	3,532.25	4,047.58	185.84	824.99	41.70	41.70	249.96
- Foreign currency loan	101.06	-	-	129.70	-	-	-	-
Line of Credit (refer note 4(c))	1,700.00	-	1,900.00	-	-	-	-	-
Working capital demand loan (refer note 4(c))	-	536.00	20.00	-	-	-	-	-
Total I	**15,329.81**	**5,665.00**	**10,769.40**	**2,469.79**	**1,438.99**	**545.70**	**919.70**	**438.46**
(II) Unsecured								
Redeemable non convertible debentures (refer note 4(a))	840.00	-	840.00	75.00	265.00	-	115.00	-
Perpetual debt (refer note 4(a))	250.00	-	250.00	-	-	-	-	-
Line of Credit (refer note 4(c))	4,797.00	-	3,455.00	-	-	-	425.00	-
Working capital demand loan (refer note 4(c))	-	630.00	-	-	1,100.00	-	-	-
Total II	**5,887.00**	**630.00**	**4,545.00**	**75.00**	**1,365.00**	**-**	**540.00**	**-**
Total Long-term borrowings (I + II)	**21,216.81**	**6,295.00**	**15,314.40**	**2,544.79**	**2,803.99**	**545.70**	**1,459.70**	**438.46**

Foot notes:

FY 2017-18 ; FY 2016-17 ; FY 2015-16:

(i) 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.

(ii) Term loan from bank is secured by hypothecation of specified lease/term loan receivables.

FY 2014-15 :

(i) Term Loans from Banks are secured by exclusive charge on specific book debts and future receivables.

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2018 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A OF FY 2013-14	₹ 10 Lakh each	03-01-14	400.00	-	400.00	9.05%	05-04-18	Redeemable at par at the end of 1553 days from the date of allotment
Series P FY 2014-15 Opt IV	₹ 25 Lakh each	24-02-15	25.00	25.00	-	9.25%	24-02-20	Redeemable at par at the end of 1826 days from the date of allotment
Series P FY 14-15 OPT III	₹ 25 Lakh each	24-02-15	150.00	-	150.00	9.22%	15-06-18	Redeemable at par at the end of 1207 days from the date of allotment
Series A FY 2015-16 OPT 7	₹ 25 Lakh each	17-04-15	110.00	-	110.00	8.85%	17-04-18	Redeemable at par at the end of 1096 days from the date of allotment
Series A FY 2015-16 OPT 9	₹ 25 Lakh each	17-04-15	18.00	-	18.00	8.86%	24-04-18	Redeemable at par at the end of 1103 days from the date of allotment
Series A FY 2015-16 OPT 8	₹ 25 Lakh each	17-04-15	22.25	-	22.25	8.86%	19-04-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 OPT 6	₹ 25 Lakh each	17-04-15	60.00	-	60.00	8.86%	16-04-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 OPT 5	₹ 25 Lakh each	17-04-15	1.75	-	1.75	8.86%	12-04-18	Redeemable at par at the end of 1091 days from the date of allotment
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	29-04-15	8.50	-	8.50	8.92%	23-04-18	Redeemable at par at the end of 1090 days from the date of allotment
Series B FY 2015-16 OPT 5	₹ 25 Lakh each	11-05-15	2.00	-	2.00	8.86%	07-05-18	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2015-16 OPT 4	₹ 25 Lakh each	11-05-15	6.00	-	6.00	8.85%	30-04-18	Redeemable at par at the end of 1085 days from the date of allotment
Series C FY 2015-16 OPT 5	₹ 25 Lakh each	20-05-15	26.00	26.00	-	8.87%	20-05-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 OPT 3	₹ 25 Lakh each	20-05-15	15.00	-	15.00	8.91%	18-05-18	Redeemable at par at the end of 1094 days from the date of allotment
Series C FY 2015-16 OPT 8	₹ 25 Lakh each	20-05-15	32.00	-	32.00	8.91%	22-05-18	Redeemable at par at the end of 1098 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	20-05-15	47.00	-	47.00	8.90%	11-06-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	20-05-15	30.00	-	30.00	8.91%	15-05-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	20-05-15	6.25	-	6.25	8.91%	14-05-18	Redeemable at par at the end of 1090 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	27-05-15	40.50	40.50	-	8.88%	27-05-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 4	₹ 25 Lakh each	04-06-15	5.00	-	5.00	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 OPT 7	₹ 25 Lakh each	04-06-15	25.00	25.00	-	8.88%	04-06-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 6	₹ 25 Lakh each	04-06-15	20.00	-	20.00	8.85%	24-12-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 OPT 5	₹ 25 Lakh each	04-06-15	17.00	-	17.00	8.85%	22-11-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	04-06-15	37.00	-	37.00	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	23-06-15	5.00	-	5.00	8.95%	07-01-19	Redeemable at par at the end of 1294 days from the date of allotment
Series G FY 2015-16 OPT 4	₹ 25 Lakh each	26-06-15	5.00	-	5.00	8.90%	26-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2015-16 OPT 3	₹ 25 Lakh each	26-06-15	10.00	-	10.00	8.91%	20-06-18	Redeemable at par at the end of 1090 days from the date of allotment
Series H FY 2015-16 OPT 3	₹ 25 Lakh each	08-07-15	60.00	-	60.00	8.92%	06-07-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 OPT 4	₹ 25 Lakh each	08-07-15	26.00	-	26.00	8.93%	17-07-18	Redeemable at par at the end of 1105 days from the date of allotment
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	08-07-15	35.00	-	35.00	8.93%	05-07-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	08-07-15	35.00	-	35.00	8.93%	02-07-18	Redeemable at par at the end of 1090 days from the date of allotment
Series I FY 2015-16 OPT 2	₹ 25 Lakh each	19-08-15	25.00	-	25.00	8.80%	17-08-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 OPT 3	₹ 25 Lakh each	19-08-15	18.00	-	18.00	8.80%	03-09-18	Redeemable at par at the end of 1111 days from the date of allotment
Series I FY 2015-16 OPT 1	₹ 25 Lakh each	19-08-15	30.00	-	30.00	8.80%	16-08-18	Redeemable at par at the end of 1093 days from the date of allotment
Series J FY 15-16 OPT I	₹ 25 Lakh each	27-08-15	30.00	-	30.00	8.81%	20-08-18	Redeemable at par at the end of 1089 days from the date of allotment
Series N OF FY 15-16	₹ 25 Lakh each	29-03-16	185.00	185.00	-	8.90%	29-04-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 OPT 7	₹ 25 Lakh each	13-04-16	4.00	4.00	-	8.68%	30-09-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17 OPT 6	₹ 25 Lakh each	13-04-16	75.00	75.00	-	8.68%	12-09-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 OPT 5	₹ 25 Lakh each	13-04-16	275.00	275.00	-	8.69%	13-06-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 OPT 4	₹ 25 Lakh each	13-04-16	25.00	25.00	-	8.69%	31-05-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 OPT 3	₹ 25 Lakh each	13-04-16	10.00	10.00	-	8.70%	12-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 OPT 2	₹ 25 Lakh each	13-04-16	170.00	-	170.00	8.69%	12-03-19	Redeemable at par at the end of 1063 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	20-04-16	10.00	10.00	-	8.80%	19-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 Lakh each	20-04-16	300.00	300.00	-	8.65%	20-08-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	20-05-16	20.00	20.00	-	8.80%	20-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	24-05-16	3.00	3.00	-	8.64%	28-06-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	24-05-16	50.00	50.00	-	8.65%	24-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	13-06-16	10.00	10.00	-	8.80%	11-06-21	Redeemable at par at the end of 1824 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	13-06-16	10.00	10.00	-	8.80%	13-06-19	Redeemable at par at the end of 1095 days from the date of allotment

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2018 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series D OF FY 2016-17 OPT 1	₹ 25 Lakh each	14-06-16	50.00	50.00	-	8.72%	14-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E OF FY 2016-17 OPT 2	₹ 25 Lakh each	29-06-16	2.50	2.50	-	8.71%	22-07-19	Redeemable at par at the end of 1118 days from the date of allotment
Series E OF FY 2016-17 OPT 1	₹ 25 Lakh each	29-06-16	130.00	130.00	-	8.72%	28-06-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT II	₹ 25 Lakh each	03-08-16	75.00	75.00	-	8.45%	02-08-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT I	₹ 25 Lakh each	03-08-16	50.00	-	50.00	8.40%	03-08-18	Redeemable at par at the end of 730 days from the date of allotment
Series H OF FY 2016-17 OPT 1	₹ 25 Lakh each	05-08-16	75.00	75.00	-	7.37%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	05-08-16	5.00	5.00	-	8.65%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	05-08-16	10.00	-	10.00	8.65%	03-08-18	Redeemable at par at the end of 728 days from the date of allotment
Series I FY 16-17	₹ 25 Lakh each	09-08-16	50.00	50.00	-	8.40%	09-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D OF FY 2016-17 OPT 1	₹ 25 Lakh each	18-08-16	2.50	2.50	-	8.55%	05-08-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E OF FY 2016-17 OPT 1	₹ 25 Lakh each	23-08-16	11.75	11.75	-	8.54%	30-09-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F OF FY 16-17	₹ 25 Lakh each	08-09-16	50.00	50.00	-	8.31%	06-09-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G 16-17	₹ 25 Lakh each	12-09-16	200.00	200.00	-	8.31%	12-09-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 16-17 OPT II	₹ 25 Lakh each	19-01-17	150.00	150.00	-	7.83%	20-01-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 16-17 OPT I	₹ 25 Lakh each	19-01-17	50.00	-	50.00	7.66%	18-01-19	Redeemable at par at the end of 729 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	22-03-17	50.00	-	50.00	7.71%	22-06-18	Redeemable at par at the end of 457 days from the date of allotment
Series D OPT II 16-17	₹ 25 Lakh each	27-03-17	25.00	25.00	-	7.90%	27-03-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D OPT I 16-17	₹ 25 Lakh each	27-03-17	50.00	50.00	-	7.75%	26-04-19	Redeemable at par at the end of 760 days from the date of allotment
Series E FY 16-17	₹ 25 Lakh each	29-03-17	100.00	100.00	-	7.90%	29-06-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 16-17	₹ 25 Lakh each	31-03-17	300.00	300.00	-	8.07%	29-05-20	Redeemable at par at the end of 1155 days from the date of allotment
Series A FY 2017-18 Opt I	₹ 25 Lakh each	10-04-17	150.00	150.00	-	7.71%	10-04-19	Redeemable at par at the end of 730 days from the date of allotment
Series A FY 2017-18 Opt II	₹ 25 Lakh each	10-04-17	100.00	100.00	-	7.80%	08-05-20	Redeemable at par at the end of 1124 days from the date of allotment
Series C FY 2017-18	₹ 25 Lakh each	25-05-17	25.00	25.00	-	7.85%	25-05-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2017-18	₹ 25 Lakh each	09-06-17	210.00	210.00	-	7.85%	09-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series E FY 2017-18	₹ 25 Lakh each	16-06-17	250.00	250.00	-	7.75%	16-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series F FY 2017-18	₹ 25 Lakh each	19-06-17	200.00	200.00	-	7.85%	19-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series G FY 2017-18	₹ 25 Lakh each	20-06-17	375.00	375.00	-	7.85%	20-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series H FY 2017-18 Opt I	₹ 25 Lakh each	21-06-17	50.00	50.00	-	7.76%	10-08-20	Redeemable at par at the end of 1146 days from the date of allotment
Series H FY 2017-18 Opt II	₹ 25 Lakh each	21-06-17	25.00	25.00	-	7.81%	21-07-22	Redeemable at par at the end of 1856 days from the date of allotment
Series I FY 2017-18	₹ 25 Lakh each	23-06-17	125.00	125.00	-	7.75%	23-06-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 2017-18	₹ 25 Lakh each	28-06-17	125.00	125.00	-	7.75%	26-06-20	Redeemable at par at the end of 1094 days from the date of allotment
Series K FY 2017-18	₹ 25 Lakh each	19-07-17	400.00	400.00	-	7.65%	19-07-19	Redeemable at par at the end of 730 days from the date of allotment
Series L FY 2017-18	₹ 25 Lakh each	25-07-17	290.00	290.00	-	7.65%	20-08-20	Redeemable at par at the end of 1122 days from the date of allotment
Series M FY 2017-18	₹ 25 Lakh each	08-08-17	465.00	465.00	-	7.71%	08-08-22	Redeemable at par at the end of 1826 days from the date of allotment
Series N FY 2017-18	₹ 25 Lakh each	06-10-17	310.00	310.00	-	7.70%	06-10-22	Redeemable at par at the end of 1826 days from the date of allotment
Series O FY 2017-18	₹ 25 Lakh each	13-10-17	500.00	500.00	-	7.65%	13-11-20	Redeemable at par at the end of 1127 days from the date of allotment
Series P FY 2017-18	₹ 25 Lakh each	17-10-17	150.00	150.00	-	7.68%	18-12-20	Redeemable at par at the end of 1158 days from the date of allotment
Series Q FY 2017-18	₹ 25 Lakh each	24-11-17	305.00	305.00	-	7.85%	11-12-20	Redeemable at par at the end of 1113 days from the date of allotment
Series R FY 2017-18	₹ 25 Lakh each	04-12-17	750.00	750.00	-	7.90%	04-12-20	Redeemable at par at the end of 1096 days from the date of allotment
Series S FY 2017-18	₹ 25 Lakh each	06-12-17	215.00	215.00	-	7.84%	06-01-21	Redeemable at par at the end of 1127 days from the date of allotment
Series T FY 2017-18	₹ 25 Lakh each	12-12-17	85.00	85.00	-	7.95%	12-12-22	Redeemable at par at the end of 1826 days from the date of allotment
Series U FY 2017-18	₹ 25 Lakh each	29-12-17	100.00	100.00	-	8.00%	27-11-20	Redeemable at par at the end of 1064 days from the date of allotment
Series V FY 2017-18	₹ 25 Lakh each	27-03-18	82.50	82.50	-	8.25%	08-04-21	Redeemable at par at the end of 1108 days from the date of allotment
Series W FY 2017-18	₹ 25 Lakh each	28-03-18	95.00	95.00	-	8.25%	21-06-21	Redeemable at par at the end of 1181 days from the date of allotment
NCD 2009 SERIES 4	₹ 1000 each	17-09-09	457.33	457.33	-	10.24%	17-09-19	Redeemable at par at the end of 3652 days from the date of allotment
			9,806.83	**8,210.08**	**1,596.75**			

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note 4 (a)
Unsecured Redeemable Non Convertible Debentures as on March 31,2018

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2018 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series F of FY 2011-12	₹ 10 Lakh each	30-12-11	200.00	200.00	-	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series J of FY 2012-13	₹ 10 Lakh each	21-12-12	275.00	275.00	-	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C of FY 2013-14	₹ 10 Lakh each	28-02-14	25.00	25.00	-	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F of FY 2013-14	₹ 10 Lakh each	27-03-14	50.00	50.00	-	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I of FY 2013-14	₹ 10 Lakh each	27-03-14	50.00	50.00	-	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E of FY 2014-15	₹ 10 Lakh each	30-06-14	40.00	40.00	-	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M of FY 2014-15	₹ 10 Lakh each	31-12-14	50.00	50.00	-	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S of FY 2014-15	₹ 10 Lakh each	30-03-15	50.00	50.00	-	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J of FY 2015-16	₹ 10 Lakh each	09-09-15	100.00	100.00	-	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2015-16	₹ 10 Lakh each	29-01-16	32.00	32.00	-	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G of FY 2015-16	₹ 10 Lakh each	09-02-16	18.00	18.00	-	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H of FY 2015-16	₹ 10 Lakh each	04-03-16	50.00	50.00	-	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M of FY 15-16	₹ 10 Lakh each	23-03-16	100.00	100.00	-	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series I - PD	₹ 10 Lakh each	30-03-16	50.00	50.00	-	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
			1,090.00	**1,090.00**	**-**			

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note 4 (b)

Term loans from bank (Secured) as on March 31,2018

Repayment Term	Tenure	Interest Range	Balance as at March 31,2018 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Annually	Up to 5 Years	8.00% - 9.00%	60.00	45.00	15.00
	Above 5 Years	8.00% - 9.00%	40.00	40.00	-
Bullet	Up to 5 Years	7.00% - 8.00%	500.00	500.00	-
	Up to 5 Years	8.00% - 9.00%	4,350.00	1,325.00	3,025.00
	Above 5 Years	9.00% - 10.00%	775.00	775.00	-
Half Yearly	Up to 5 Years	8.00% - 9.00%	1,696.17	1,314.34	381.83
	Above 5 Years	8.00% - 9.00%	119.33	119.33	-
Quartely	Up to 5 Years	7.00% - 8.00%	1,075.00	1,075.00	-
	Up to 5 Years	8.00% - 9.00%	110.42	-	110.42
	Above 5 Years	7.00% - 8.00%	125.00	125.00	-
Total			**8,850.92**	**5,318.67**	**3,532.25**

Note 4 (c)

Line of Credit (Secured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31,2018 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Bullet	Up to 5 Years	8.00% - 9.00%	1,700.00	1,700.00	-
Total			**1,700.00**	**1,700.00**	-

Working capital demand loan (Secured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31,2018 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Bullet	Up to 5 Years	8.00% - 9.00%	390.00	-	390.00
	Up to 5 Years	9.00% - 10.00%	146.00	-	146.00
Total			**536.00**	**-**	**536.00**

Line of Credit (Unsecured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31,2018 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Bullet	Up to 5 Years	8.00% - 9.00%	4,797.00	4,797.00	-
Total			**4,797.00**	**4,797.00**	**-**

Working capital demand loan (Unsecured) as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at March 31,2018 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Bullet	Up to 5 Years	8.00% - 9.00%	630.00	-	630.00
Total			**630.00**	**-**	**630.00**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information
Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A of FY 2013-14	₹ 10 Lakh each	03-01-14	400.00	400.00	-	9.05%	05-04-18	Redeemable at par at the end of 1553 days from the date of allotment
Series L of FY 2014-15	₹ 100 Lakh each	13-03-15	100.00	-	100.00	9.10%	28-03-18	Redeemable at par at the end of 1111 days from the date of allotment
Series Q FY 2014-15	₹ 100 Lakh each	13-03-15	150.00	-	150.00	9.10%	28-03-18	Redeemable at par at the end of 1111 days from the date of allotment
Series A FY 2016-17 OPT 1	₹ 25 Lakh each	13-04-16	145.00	-	145.00	8.64%	28-03-18	Redeemable at par at the end of 714 days from the date of allotment
Series P FY 2014-15 Opt V	₹ 25 Lakh each	24-02-15	22.00	-	22.00	9.24%	06-03-18	Redeemable at par at the end of 1106 days from the date of allotment
Series P FY 2014-15 Opt II	₹ 25 Lakh each	24-02-15	5.00	-	5.00	9.24%	23-02-18	Redeemable at par at the end of 1095 days from the date of allotment
Series P FY 14-15 OPT I	₹ 25 Lakh each	24-02-15	5.00	-	5.00	9.15%	07-02-18	Redeemable at par at the end of 1079 days from the date of allotment
Series N - OPT II FY 14-15	₹ 25 Lakh each	21-01-15	120.00	-	120.00	9.20%	19-01-18	Redeemable at par at the end of 1094 days from the date of allotment
Series L FY 14-15 OPT III	₹ 25 Lakh each	26-12-14	9.00	-	9.00	9.06%	06-12-17	Redeemable at par at the end of 1076 days from the date of allotment
Series P FY 2014-15 Opt IV	₹ 25 Lakh each	24-02-15	25.00	25.00	-	9.25%	24-02-20	Redeemable at par at the end of 1826 days from the date of allotment
Series I FY 14-15 OPT III	₹ 25 Lakh each	07-11-14	9.00	-	9.00	9.31%	07-11-17	Redeemable at par at the end of 1096 days from the date of allotment
Series I FY 14-15 OPT II	₹ 25 Lakh each	28-10-14	10.00	-	10.00	9.57%	27-10-17	Redeemable at par at the end of 1095 days from the date of allotment
Series P FY 14-15 OPT III	₹ 25 Lakh each	24-02-15	150.00	150.00	-	9.22%	15-06-18	Redeemable at par at the end of 1207 days from the date of allotment
Series L FY 15-16 OPT I	₹ 25 Lakh each	29-10-15	125.00	-	125.00	8.61%	29-09-17	Redeemable at par at the end of 701 days from the date of allotment
Series K FY 15-16	₹ 25 Lakh each	26-10-15	100.00	-	100.00	8.61%	25-09-17	Redeemable at par at the end of 700 days from the date of allotment
Series L FY 15-16 OPT II	₹ 25 Lakh each	29-10-15	100.00	-	100.00	8.61%	25-09-17	Redeemable at par at the end of 697 days from the date of allotment
Series A FY 2015-16 OPT 7	₹ 25 Lakh each	17-04-15	110.00	110.00	-	8.85%	17-04-18	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2015-16 OPT 1	₹ 25 Lakh each	31-08-15	125.00	-	125.00	8.93%	31-08-17	Redeemable at par at the end of 731 days from the date of allotment
Series A FY 2015-16 OPT 9	₹ 25 Lakh each	17-04-15	18.00	18.00	-	8.86%	24-04-18	Redeemable at par at the end of 1103 days from the date of allotment
Series A FY 2015-16 OPT 8	₹ 25 Lakh each	17-04-15	22.25	22.25	-	8.86%	19-04-18	Redeemable at par at the end of 1098 days from the date of allotment
Series A FY 2015-16 OPT 6	₹ 25 Lakh each	17-04-15	60.00	60.00	-	8.86%	16-04-18	Redeemable at par at the end of 1095 days from the date of allotment
Series A FY 2015-16 OPT 5	₹ 25 Lakh each	17-04-15	1.75	1.75	-	8.86%	12-04-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	07-08-15	100.00	-	100.00	8.97%	07-08-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	07-08-15	40.00	-	40.00	8.98%	04-08-17	Redeemable at par at the end of 728 days from the date of allotment
Series F FY 15-16 OPT VI	₹ 25 Lakh each	12-06-15	22.00	-	22.00	8.80%	01-08-17	Redeemable at par at the end of 781 days from the date of allotment
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	29-04-15	8.50	8.50	-	8.92%	23-04-18	Redeemable at par at the end of 1090 days from the date of allotment
Series K FY 14-15 OPT II	₹ 25 Lakh each	30-01-15	125.00	-	125.00	8.62%	28-07-17	Redeemable at par at the end of 910 days from the date of allotment
Series G FY 2015-16 OPT 2	₹ 25 Lakh each	26-06-15	29.25	-	29.25	8.90%	27-07-17	Redeemable at par at the end of 762 days from the date of allotment
Series F FY 15-16 OPT V	₹ 25 Lakh each	12-06-15	1.50	-	1.50	8.80%	24-07-17	Redeemable at par at the end of 773 days from the date of allotment
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	21-07-15	50.00	-	50.00	8.91%	21-07-17	Redeemable at par at the end of 731 days from the date of allotment
Series B FY 2015-16 OPT 5	₹ 25 Lakh each	11-05-15	2.00	2.00	-	8.86%	07-05-18	Redeemable at par at the end of 1092 days from the date of allotment
Series B FY 2015-16 OPT 4	₹ 25 Lakh each	11-05-15	6.00	6.00	-	8.85%	30-04-18	Redeemable at par at the end of 1085 days from the date of allotment
Series G FY 2015-16 OPT 2	₹ 25 Lakh each	13-07-15	10.00	-	10.00	8.98%	13-07-17	Redeemable at par at the end of 731 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	21-07-15	15.50	-	15.50	8.92%	12-07-17	Redeemable at par at the end of 722 days from the date of allotment
Series G FY 2015-16 OPT 1	₹ 25 Lakh each	13-07-15	50.00	-	50.00	8.99%	06-07-17	Redeemable at par at the end of 724 days from the date of allotment
Series C FY 2015-16 OPT 5	₹ 25 Lakh each	20-05-15	26.00	26.00	-	8.87%	20-05-20	Redeemable at par at the end of 1827 days from the date of allotment
Series C FY 2015-16 OPT 3	₹ 25 Lakh each	20-05-15	15.00	15.00	-	8.91%	18-05-18	Redeemable at par at the end of 1094 days from the date of allotment
Series C FY 2015-16 OPT 8	₹ 25 Lakh each	20-05-15	32.00	32.00	-	8.91%	22-05-18	Redeemable at par at the end of 1098 days from the date of allotment
Series G FY 2015-16 OPT 1	₹ 25 Lakh each	26-06-15	175.00	-	175.00	8.90%	26-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	20-05-15	47.00	47.00	-	8.90%	11-06-18	Redeemable at par at the end of 1118 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	20-05-15	30.00	30.00	-	8.91%	15-05-18	Redeemable at par at the end of 1091 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	20-05-15	6.25	6.25	-	8.91%	14-05-18	Redeemable at par at the end of 1090 days from the date of allotment
Series F 15-16	₹ 25 Lakh each	30-06-15	18.00	-	18.00	8.96%	26-06-17	Redeemable at par at the end of 727 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	27-05-15	40.50	40.50	-	8.88%	27-05-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 2	₹ 25 Lakh each	04-06-15	3.00	-	3.00	8.80%	20-06-17	Redeemable at par at the end of 747 days from the date of allotment
Series C F.Y.14-15 - III	₹ 25 Lakh each	25-06-14	24.00	-	24.00	9.76%	19-06-17	Redeemable at par at the end of 1090 days from the date of allotment
Series F FY 15-16 OPT IV	₹ 25 Lakh each	12-06-15	2.25	-	2.25	8.82%	19-06-17	Redeemable at par at the end of 738 days from the date of allotment
Series E FY 2015-16 OPT 2	₹ 25 Lakh each	23-06-15	28.00	-	28.00	8.96%	19-06-17	Redeemable at par at the end of 727 days from the date of allotment
Series F FY 15-16 OPT III	₹ 25 Lakh each	12-06-15	3.00	-	3.00	8.82%	12-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series E FY 2015-16 OPT 4	₹ 25 Lakh each	04-06-15	5.00	5.00	-	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information
Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31, 2017 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series E FY 2015-16 OPT 7	₹ 25 Lakh each	04-06-15	25.00	25.00	-	8.88%	04-06-19	Redeemable at par at the end of 1461 days from the date of allotment
Series E FY 2015-16 OPT 6	₹ 25 Lakh each	04-06-15	20.00	20.00	-	8.85%	24-12-18	Redeemable at par at the end of 1299 days from the date of allotment
Series E FY 2015-16 OPT 5	₹ 25 Lakh each	04-06-15	17.00	17.00	-	8.85%	22-11-18	Redeemable at par at the end of 1267 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	04-06-15	37.00	37.00	-	8.85%	04-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series D FY 2015-16 OPT 4	₹ 25 Lakh each	12-06-15	6.00	-	6.00	8.91%	12-06-17	Redeemable at par at the end of 731 days from the date of allotment
Series D FY 2015-16 OPT 3	₹ 25 Lakh each	12-06-15	25.00	-	25.00	8.91%	07-06-17	Redeemable at par at the end of 726 days from the date of allotment
Series E FY 2015-16 OPT 1	₹ 25 Lakh each	23-06-15	2.00	-	2.00	8.95%	06-06-17	Redeemable at par at the end of 714 days from the date of allotment
Series D FY 2015-16 OPT 2	₹ 25 Lakh each	12-06-15	4.00	-	4.00	8.91%	05-06-17	Redeemable at par at the end of 724 days from the date of allotment
Series F FY 15-16 OPT II	₹ 25 Lakh each	12-06-15	2.50	-	2.50	8.82%	31-05-17	Redeemable at par at the end of 719 days from the date of allotment
Series C FY 2015-16 OPT 4	₹ 25 Lakh each	27-05-15	15.00	-	15.00	8.91%	29-05-17	Redeemable at par at the end of 733 days from the date of allotment
Series D FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	5.00	-	5.00	8.80%	26-05-17	Redeemable at par at the end of 730 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	5.00	-	5.00	8.91%	24-05-17	Redeemable at par at the end of 728 days from the date of allotment
Series C FY 2015-16 OPT 2	₹ 25 Lakh each	27-05-15	16.50	-	16.50	8.91%	22-05-17	Redeemable at par at the end of 726 days from the date of allotment
Series E FY 2015-16 OPT 3	₹ 25 Lakh each	23-06-15	5.00	5.00	-	8.95%	07-01-19	Redeemable at par at the end of 1294 days from the date of allotment
Series B FY 2015-16 OPT 3	₹ 25 Lakh each	11-05-15	10.50	-	10.50	8.86%	15-05-17	Redeemable at par at the end of 735 days from the date of allotment
Series C FY 2015-16 OPT 7	₹ 25 Lakh each	20-05-15	12.25	-	12.25	8.81%	15-05-17	Redeemable at par at the end of 726 days from the date of allotment
Series G FY 2015-16 OPT 4	₹ 25 Lakh each	26-06-15	5.00	5.00	-	8.90%	26-06-18	Redeemable at par at the end of 1096 days from the date of allotment
Series C FY 2015-16 OPT 1	₹ 25 Lakh each	27-05-15	2.50	-	2.50	8.90%	09-05-17	Redeemable at par at the end of 713 days from the date of allotment
Series G FY 2015-16 OPT 3	₹ 25 Lakh each	26-06-15	10.00	10.00	-	8.91%	20-06-18	Redeemable at par at the end of 1090 days from the date of allotment
Series A FY 2015-16 OPT 3	₹ 25 Lakh each	29-04-15	18.25	-	18.25	8.87%	04-05-17	Redeemable at par at the end of 736 days from the date of allotment
Series B FY 2015-16 OPT 2	₹ 25 Lakh each	11-05-15	49.00	-	49.00	8.80%	02-05-17	Redeemable at par at the end of 722 days from the date of allotment
Series H FY 2015-16 OPT 3	₹ 25 Lakh each	08-07-15	60.00	60.00	-	8.92%	06-07-18	Redeemable at par at the end of 1094 days from the date of allotment
Series H FY 2015-16 OPT 4	₹ 25 Lakh each	08-07-15	26.00	26.00	-	8.93%	17-07-18	Redeemable at par at the end of 1105 days from the date of allotment
Series H FY 2015-16 OPT 2	₹ 25 Lakh each	08-07-15	35.00	35.00	-	8.93%	05-07-18	Redeemable at par at the end of 1093 days from the date of allotment
Series H FY 2015-16 OPT 1	₹ 25 Lakh each	08-07-15	35.00	35.00	-	8.93%	02-07-18	Redeemable at par at the end of 1090 days from the date of allotment
Series A FY 2015-16 OPT 4	₹ 25 Lakh each	17-04-15	22.00	-	22.00	8.81%	27-04-17	Redeemable at par at the end of 741 days from the date of allotment
Series D FY 2015-16 OPT 1	₹ 25 Lakh each	27-05-15	15.00	-	15.00	8.80%	27-04-17	Redeemable at par at the end of 701 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	29-04-15	17.00	-	17.00	8.87%	26-04-17	Redeemable at par at the end of 728 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	29-04-15	24.50	-	24.50	8.87%	25-04-17	Redeemable at par at the end of 727 days from the date of allotment
Series L FY 14-15 OPT IV	₹ 25 Lakh each	13-02-15	10.25	-	10.25	9.02%	17-04-17	Redeemable at par at the end of 794 days from the date of allotment
Series A FY 2015-16 OPT 3	₹ 25 Lakh each	17-04-15	55.00	-	55.00	8.80%	17-04-17	Redeemable at par at the end of 731 days from the date of allotment
Series I FY 2015-16 OPT 2	₹ 25 Lakh each	19-08-15	25.00	25.00	-	8.80%	17-08-18	Redeemable at par at the end of 1094 days from the date of allotment
Series I FY 2015-16 OPT 3	₹ 25 Lakh each	19-08-15	18.00	18.00	-	8.80%	03-09-18	Redeemable at par at the end of 1111 days from the date of allotment
Series I FY 2015-16 OPT 1	₹ 25 Lakh each	19-08-15	30.00	30.00	-	8.80%	16-08-18	Redeemable at par at the end of 1093 days from the date of allotment
Series J FY 15-16 OPT I	₹ 25 Lakh each	27-08-15	30.00	30.00	-	8.81%	20-08-18	Redeemable at par at the end of 1089 days from the date of allotment
Series A FY 2015-16 OPT 2	₹ 25 Lakh each	17-04-15	35.75	-	35.75	8.81%	06-04-17	Redeemable at par at the end of 720 days from the date of allotment
Series L FY 14-15 OPT III	₹ 25 Lakh each	13-02-15	5.00	-	5.00	9.03%	04-04-17	Redeemable at par at the end of 781 days from the date of allotment
Series A FY 2015-16 OPT 1	₹ 25 Lakh each	17-04-15	4.75	-	4.75	8.81%	04-04-17	Redeemable at par at the end of 718 days from the date of allotment
Series B FY 2015-16 OPT 6	₹ 25 Lakh each	11-05-15	40.00	-	40.00	8.85%	04-04-17	Redeemable at par at the end of 694 days from the date of allotment
Series N of FY 15-16	₹ 25 Lakh each	29-03-16	185.00	185.00	-	8.90%	29-04-19	Redeemable at par at the end of 1126 days from the date of allotment
Series A FY 2016-17 OPT 7	₹ 25 Lakh each	13-04-16	4.00	4.00	-	8.68%	30-09-19	Redeemable at par at the end of 1265 days from the date of allotment
Series A FY 2016-17 OPT 6	₹ 25 Lakh each	13-04-16	75.00	75.00	-	8.68%	12-09-19	Redeemable at par at the end of 1247 days from the date of allotment
Series A FY 2016-17 OPT 5	₹ 25 Lakh each	13-04-16	275.00	275.00	-	8.69%	13-06-19	Redeemable at par at the end of 1156 days from the date of allotment
Series A FY 2016-17 OPT 4	₹ 25 Lakh each	13-04-16	25.00	25.00	-	8.69%	31-05-19	Redeemable at par at the end of 1143 days from the date of allotment
Series A FY 2016-17 OPT 3	₹ 25 Lakh each	13-04-16	10.00	10.00	-	8.70%	12-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series A FY 2016-17 OPT 2	₹ 25 Lakh each	13-04-16	170.00	170.00	-	8.69%	12-03-19	Redeemable at par at the end of 1063 days from the date of allotment
Series B FY 2015-16 OPT 1	₹ 25 Lakh each	11-05-15	30.00	-	30.00	8.78%	03-04-17	Redeemable at par at the end of 693 days from the date of allotment
Series A FY 16-17	₹ 25 Lakh each	20-04-16	10.00	10.00	-	8.80%	19-04-19	Redeemable at par at the end of 1094 days from the date of allotment
Series B FY 2016-17	₹ 25 Lakh each	20-04-16	300.00	300.00	-	8.65%	20-08-19	Redeemable at par at the end of 1217 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	20-05-16	20.00	20.00	-	8.80%	20-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	20-05-16	50.00	50.00	-	8.80%	18-05-18	Redeemable at par at the end of 728 days from the date of allotment

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note 4 (a)
Secured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)	Interest Rate % p.a.	Date of Redemption	Redeemable Terms
Series A of FY 2016-17 Option 1	₹ 25 Lakh each	20-05-16	125.00	125.00	-	8.80%	21-06-19	Redeemable at par at the end of 1127 days from the date of allotment
Series C of FY 2016-17 Option 2	₹ 25 Lakh each	24-05-16	3.00	3.00	-	8.64%	28-06-19	Redeemable at par at the end of 1130 days from the date of allotment
Series C of FY 2016-17 OPT 1	₹ 25 Lakh each	24-05-16	50.00	50.00	-	8.65%	24-05-19	Redeemable at par at the end of 1095 days from the date of allotment
Series C FY 16-17 OPT 2	₹ 25 Lakh each	13-06-16	10.00	10.00	-	8.80%	11-06-21	Redeemable at par at the end of 1824 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	13-06-16	10.00	10.00	-	8.80%	13-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D of FY 2016-17 OPT 1	₹ 25 Lakh each	14-06-16	50.00	50.00	-	8.72%	14-06-19	Redeemable at par at the end of 1095 days from the date of allotment
Series E of FY 2016-17 OPT 2	₹ 25 Lakh each	29-06-16	2.50	2.50	-	8.71%	22-07-19	Redeemable at par at the end of 1118 days from the date of allotment
Series E of FY 2016-17 OPT 1	₹ 25 Lakh each	29-06-16	130.00	130.00	-	8.72%	28-06-19	Redeemable at par at the end of 1094 days from the date of allotment
Series F of FY 2016-17 OPT 1	₹ 25 Lakh each	22-07-16	200.00	200.00	-	8.70%	20-07-18	Redeemable at par at the end of 728 days from the date of allotment
Series G FY 16-17 OPT II	₹ 25 Lakh each	03-08-16	75.00	75.00	-	8.45%	02-08-19	Redeemable at par at the end of 1094 days from the date of allotment
Series G FY 16-17 OPT I	₹ 25 Lakh each	03-08-16	50.00	50.00	-	8.40%	03-08-18	Redeemable at par at the end of 730 days from the date of allotment
Series H of FY 2016-17 OPT 1	₹ 25 Lakh each	05-08-16	75.00	75.00	-	7.37%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 2	₹ 25 Lakh each	05-08-16	5.00	5.00	-	8.65%	05-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series B FY 16-17 OPT 1	₹ 25 Lakh each	05-08-16	10.00	10.00	-	8.65%	03-08-18	Redeemable at par at the end of 728 days from the date of allotment
Series I FY 16-17	₹ 25 Lakh each	09-08-16	50.00	50.00	-	8.40%	09-08-19	Redeemable at par at the end of 1095 days from the date of allotment
Series D of FY 2016-17 OPT 1	₹ 25 Lakh each	18-08-16	2.50	2.50	-	8.55%	05-08-19	Redeemable at par at the end of 1082 days from the date of allotment
Series E of FY 2016-17 OPT 1	₹ 25 Lakh each	23-08-16	11.75	11.75	-	8.54%	30-09-19	Redeemable at par at the end of 1133 days from the date of allotment
Series F of FY 16-17	₹ 25 Lakh each	08-09-16	50.00	50.00	-	8.31%	06-09-19	Redeemable at par at the end of 1093 days from the date of allotment
Series G 16-17	₹ 25 Lakh each	12-09-16	200.00	200.00	-	8.31%	12-09-19	Redeemable at par at the end of 1095 days from the date of allotment
Series J FY 16-17 OPT II	₹ 25 Lakh each	19-01-17	150.00	150.00	-	7.83%	20-01-20	Redeemable at par at the end of 1096 days from the date of allotment
Series J FY 16-17 OPT I	₹ 25 Lakh each	19-01-17	50.00	50.00	-	7.66%	18-01-19	Redeemable at par at the end of 729 days from the date of allotment
Series C FY 2016-17 OPT 1	₹ 25 Lakh each	22-03-17	50.00	50.00	-	7.71%	22-06-18	Redeemable at par at the end of 457 days from the date of allotment
Series D OPT II 16-17	₹ 25 Lakh each	27-03-17	25.00	25.00	-	7.90%	27-03-20	Redeemable at par at the end of 1096 days from the date of allotment
Series D OPT I 16-17	₹ 25 Lakh each	27-03-17	50.00	50.00	-	7.75%	26-04-19	Redeemable at par at the end of 760 days from the date of allotment
Series E FY 16-17	₹ 25 Lakh each	29-03-17	100.00	100.00	-	7.90%	29-06-20	Redeemable at par at the end of 1188 days from the date of allotment
Series F FY 16-17	₹ 25 Lakh each	31-03-17	300.00	300.00	-	8.07%	29-05-20	Redeemable at par at the end of 1155 days from the date of allotment
NCD 2009 Series 4	₹ 1000 each	17-09-09	459.82	459.82	-	10.24%	17-09-19	Redeemable at par at the end of 3652 days from the date of allotment
Total			**6,956.07**	**4,801.82**	**2,154.25**			

Note 4 (a)
Unsecured Redeemable Non Convertible Debentures as on March 31,2017

Series Details	Face Value per Debenture	Date of Allotment	Balance as at March 31,2017 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series H of FY 2007-08	₹10 Lakh each	20-02-08	75.00	-	75.00	10.50%	20-02-18	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2011-12	₹10 Lakh each	30-12-11	200.00	200.00	-	11.50%	30-12-21	Redeemable at par at the end of 3653 days from the date of allotment
Series J of FY 2012-13	₹10 Lakh each	21-12-12	275.00	275.00	-	9.80%	21-12-22	Redeemable at par at the end of 3652 days from the date of allotment
Series C of FY 2013-14	₹10 Lakh each	28-02-14	25.00	25.00	-	10.90%	28-04-24	Redeemable at par at the end of 3712 days from the date of allotment
Series F of FY 2013-14	₹10 Lakh each	27-03-14	50.00	50.00	-	10.90%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series I of FY 2013-14	₹10 Lakh each	27-03-14	50.00	50.00	-	10.35%	27-03-24	Redeemable at par at the end of 3653 days from the date of allotment
Series E of FY 2014-15	₹10 Lakh each	30-06-14	40.00	40.00	-	10.40%	28-06-24	Redeemable at par at the end of 3651 days from the date of allotment
Series M of FY 2014-15	₹10 Lakh each	31-12-14	50.00	50.00	-	9.95%	31-12-24	Redeemable at par at the end of 3653 days from the date of allotment
Series S of FY 2014-15	₹10 Lakh each	30-03-15	50.00	50.00	-	9.95%	28-03-25	Redeemable at par at the end of 3651 days from the date of allotment
Series J of FY 2015-16	₹10 Lakh each	09-09-15	100.00	100.00	-	9.25%	09-09-25	Redeemable at par at the end of 3653 days from the date of allotment
Series F of FY 2015-16	₹10 Lakh each	29-01-16	32.00	32.00	-	9.35%	29-01-27	Redeemable at par at the end of 4018 days from the date of allotment
Series G of FY 2015-16	₹10 Lakh each	09-02-16	18.00	18.00	-	9.35%	09-02-26	Redeemable at par at the end of 3653 days from the date of allotment
Series H of FY 2015-16	₹10 Lakh each	04-03-16	50.00	50.00	-	9.48%	04-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series M of FY 2015-16	₹10 Lakh each	23-03-16	100.00	100.00	-	9.30%	23-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Series I - PD	₹10 Lakh each	30-03-16	50.00	50.00	-	10.10%	30-03-26	Redeemable at par at the end of 3652 days from the date of allotment
Total			**1,165.00**	**1,090.00**	**75.00**			

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note 4 (b)

Term loans from bank (Secured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Bullet	Above 5 Years	8.00% - 9.00%	2,250.00	2,250.00	-
	Above 5 Years	9.00% - 10.00%	400.00	400.00	-
Half Yearly	Up to 5 Years	8.00% - 9.00%	2.50	-	2.50
	Up to 5 Years	9.00% - 10.00%	127.09	-	127.09
	Above 5 Years	8.00% - 9.00%	583.00	583.00	-
	Above 5 Years	9.00% - 10.00%	622.91	622.91	-
Quartely	Up to 5 Years	8.00% - 9.00%	16.67	-	16.67
	Up to 5 Years	9.00% - 10.00%	39.58	-	39.58
	Above 5 Years	8.00% - 9.00%	175.00	175.00	-
	Above 5 Years	9.00% - 10.00%	16.67	16.67	-
Total			**4,233.42**	**4,047.58**	**185.84**

Note 4 (c)

Line of Credit (Secured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Bullet	Up to 5 Years	8.00% - 9.00%	1,900.00	1,900.00	-
Total			**1,900.00**	**1,900.00**	-

Working capital demand loan (Secured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Bullet	Up to 5 Years	8.00% - 9.00%	20.00	20.00	
Total			**20.00**	**20.00**	-

Line of Credit (Unsecured) as on March 31,2017

Repayment Term	Tenure	Interest Range	Balance as at March 31, 2017 (₹ crore)	Non-Current Portion (₹ crore)	Current Maturities (₹ crore)
Bullet	Up to 5 Years	8.00% - 9.00%	2,955.00	2,955.00	-
		9.00% - 10.00%	500.00	500.00	-
Total			**3,455.00**	**3,455.00**	-

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note 4a
Secured Redeemable Non Convertible Debentures as on March 31,2016 **(₹ in crore)**

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Bullet repayment schedule										
1-3 Yrs	8.01% - 9.00%	1	100.00	-	-	-	-	-	-	100.00
	9.01% - 10.00%	4	395.00	-	-	-	-	-	-	395.00
	10.01% - 11.00%	1	9.00	-	-	-	-	-	-	9.00
Above 3 years	8.01%-9.00%	-	-	-	-	-	-	4	390.00	390.00
	9.01% - 10.00%	-	-	-	-	-	-	3	224.00	224.00
Total			**504.00**		**-**		**-**		**614.00**	**1,118.00**

Unsecured Redeemable Non Convertible Debentures as on March 31,2016 **(₹ in crore)**

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Bullet repayment schedule										
Above 3 years	10%-11%	-	-	-	-	-	-	3	265.00	265.00
Total			**-**		**-**		**-**		**265.00**	**265.00**

Note 4 (b)
Term loan from bank (Secured) as on March 31,2016 **(₹ in crore)**

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Quarterly repayment schedule		-	-	-	-					
1-3 Yrs	10.01%-11%	6	41.70	6	209.50	12.00	615.49	-	-	866.69
Total			**41.70**		**209.50**		**615.49**		**-**	**866.69**

Note 4 (c)
Line of Credit (Secured) as on March 31,2016 **(₹ in crore)**

Original maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Above 3 years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Bullet repayment schedule										
1-3 Yrs	10%-11%	-	-	-	1,100.00	-	-	-	-	1,100.00
Total			**-**		**1,100.00**		**-**		**-**	**1,100.00**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Refer note 4(a) long-term borrowings
Terms of repayment of NCD (Secured) as on March 31, 2015 **(₹ in crore)**

Oringinal maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Bullet repayment schedule										
1-3 Yrs	8.01% - 9.00%	2	68.50	1	100.00	-	-	-	-	168.50
	9.01% - 10.00%	1	100.00	6	645.00	1	24.00	-	-	769.00
	10.01% - 11.00%	1	20.00	1	9.00	-	-	-	-	29
Above 3 years	9.01% - 10.00%	-	-	-	-	1	100.00	-	-	100.00
Total			**188.50**		**754.00**		**124.00**		**-**	**1,066.50**

Refer note 4(a) long-term borrowings
Terms of repayment of NCD (Unsecured) as on March 31, 2015 **(₹ in crore)**

Oringinal maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Bullet repayment schedule										
Above 3 years	10%-11%	-	-	-	-	-	-	3	115.00	115.00
Total			**-**		**-**		**-**		**115.00**	**115.00**

Refer note 4(b)long-term borrowings
Terms of repayment of Term Loan borrowings as on March 31, 2015 **(₹ in crore)**

Oringinal maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Half Yearly repayment schedule										
1-3 Yrs	9.01%-10%	1	8.33	-	-	-	-	-	-	8.33
Quarterly repayment schedule										
1-3 Yrs	10%-11%	2	75.00	-	-	-	-	-	-	75.00
		4	33.32	1	8.37	-	-	-	-	41.69
		3	75.00	-	-	-	-	-	-	75.00
		2	24.98	-	-	-	-	-	-	24.98
Total			**216.63**		**8.37**		**-**		**-**	**225.00**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Refer note 4(c) long-term borrowings
Terms of repayment of Demand Loan borrowings as on March 31, 2015 **(₹ in crore)**

Oringinal maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due after 3 Years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Bullet repayment schedule										
1-3 Yrs	10%-11%	4	33.33	5	33.33	-	-	-	-	66.66
Total			**33.33**		**33.33**		**-**		**-**	**66.66**

Refer note 4(c) long-term borrowings
Terms of repayment of Unsecured Revolving Limit as on March 31, 2015 **(₹ in crore)**

Oringinal maturity of loan	Interest rate	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Above 3 years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Bullet repayment schedule										
1-3 Yrs	10%-11%	-	-	1	125.00	-	-	-	-	125.00
		-	-	1	300.00	-	-	-	-	300.00
Total					**425.00**		**-**		**-**	**425.00**

		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
5	**Other long term liabilities**								
	Interest accrued but not due on borrowings		40.99		125.88		22.47		24.27
	Security deposits and margin money received		3.33		13.49		-		-
	Debt service reserve account		-		4.53		0.33		2.11
	Others		0.67		4.03		-		-
	Total other long term liabilities		**44.99**		**147.93**		**22.80**		**26.38**
6	**Long-term provisions**								
	Others:								
	Contingency provision against standard assets		96.85		64.28		9.12		9.16
	Interest capitalised on restructured assets		5.75		24.10		-		-
	For Employee benefits		-		-		-		-
	- Gratuity		1.63		3.20		0.57		-
	Total long-term provisions		**104.23**		**91.58**		**9.69**		**9.16**
7	**Short-term borrowings**								
	(I) Secured *								
	Bank overdraft/ Cash Credit		58.47		76.59		112.59		-
	Total I		**58.47**		**76.59**		**112.59**		**-**
	(II) Unsecured								
	Commercial papers	6,700.00		9,850.50		1,045.00		1,200.00	
	Less : Unexpired discounting charge	174.18	6,525.82	200.08	9,650.42	14.68	1,030.32	17.92	1,182.08
	Loans and advances from related parties (Inter Corporate Deposits)		665.71		243.51		*0.00		-
	Revolving credit from bank		-		-		-		-
	Total II		**7,191.53**		**9,893.93**		**1,030.32**		**1,182.08**
	Total short-term borrowings	**Total (I + II)**	**7,250.00**		**9,970.52**		**1,142.91**		**1,182.08**
	* Secured by first exclusive charge on specific receivables.								
	** Amount less than ₹1 lakh.								
8	**Trade payables**								
	- Dues to Micro and Small Enterprises (see note below)		-		-		-		0.01
	- Others		94.95		65.29		15.59		6.40
	Total trade payable		**94.95**		**65.29**		**15.59**		**6.41**

Note : On the basis of replies received by the Company in response to enquiries made, there are no dues payable at the year end to Micro and Small Enterprises nor are there other particulars that are required to be disclosed under the Companies Act, 2013 or the Micro, Small and Medium Enterprises Development Act, 2006.

Notes forming part of the Reformatted Standalone Financial Information

		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
9	**Other current liabilities**								
	Interest accrued but not due on borrowings		660.98		423.28		94.86		28.43
	Deferred income on loan processing and assignments		1.66		5.30		-		-
	Security deposits and cash margin money received		15.48		11.06		-		-
	Short-term obligations		10.38		13.08		-		-
	Statutory dues		31.80		34.05		3.74		2.55
	Advance from customers		162.26		229.58		12.10		11.13
	Trade payables for capital goods		0.12		0.12		-		-
	Overdraft as per books of account		0.07		18.52		-		30.50
	Accrued expenses		77.96		111.58		24.41		19.20
	Other liabilities (Refer note 29.3 for related parties' balances)		23.14		66.18		1.35		1.74
	Total other current liabilities		**983.85**		**912.75**		**136.46**		**93.55**
	Note : No amount was due for transfer to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.								
10	**Short-term provisions**								
	For employee benefits :								
	Compensated absences		10.20		8.31		2.60		1.68
	Gratuity		-		-		-		0.24
	Others :								
	Contingency provision against standard assets		49.68		41.87		7.98		11.41
	Provision for tax (net of advance tax)		20.51		-		37.61		20.64
	Total short-term provisions		**80.39**		**50.18**		**48.19**		**33.97**

L&T Finance Limited

Notes forming part of the Reformatted Standalone Financial Information

Notes 11 : Property, plant and equipment and Intangible assets

₹ in crore

Particulars	Gross Block					Accumulated Depreciation				Net Block
	As at 1-Apr-17	Acquisition through business combination*	Additions	Sale / Adjustment	As at 31-Mar-18	Upto 1-Apr-17	For the year	Deductions	Upto 31-Mar-18	As at 31-Mar-18
Property, plant and equipment										
Owned assets										
Buildings	26.64	-	-	26.18	0.46	0.53	0.50	0.94	0.09	**0.37**
Office equipment	6.45	-	0.47	0.92	6.00	2.54	1.49	0.85	3.18	**2.82**
Furniture and fixtures	8.50	-	1.06	1.19	8.37	2.84	2.24	0.95	4.13	**4.24**
Leasehold renovation	20.80	-	0.62	1.58	19.84	8.79	4.37	1.52	11.64	**8.20**
Computers	23.12	-	9.87	8.49	24.50	11.92	6.71	7.81	10.82	**13.68**
Motor car	0.10	-	1.20	0.10	1.20	0.10	0.21	0.10	0.21	**0.99**
Owned Assets Leased out										
Plant and Machinery	40.51	-	-	7.94	32.57	7.96	5.98	2.10	11.84	**20.73**
Office Equipment	0.77	-	-	-	0.77	0.31	0.31	-	0.62	**0.15**
Furniture and fixtures	9.88	-	-	-	9.88	1.92	2.08	-	4.00	**5.88**
Motor car	77.91	-	4.25	51.99	30.17	19.01	8.20	14.32	12.89	**17.28**
Vehicles	0.50	-	-	-	0.50	0.50	-	-	0.50	**-**
Computers	2.19	-	-	0.75	1.44	0.70	0.55	-	1.25	**0.19**
(A)	**217.37**	**-**	**17.47**	**99.14**	**135.70**	**57.12**	**32.64**	**28.59**	**61.17**	**74.53**
Intangible assets										
Specialised software	26.53	-	13.81	-	40.34	18.94	7.14	-	26.08	**14.26**
Distribution and Customer Network Rights	438.80	-	-	-	438.80	87.76	87.76	-	175.52	**263.28**
Goodwill	2,828.51	-	-	-	2,828.51	565.70	565.70	-	1,131.40	**1,697.11**
(B)	**3,293.84**	**-**	**13.81**	**-**	3,307.65	**672.40**	**660.60**	**-**	**1,333.00**	**1,974.65**
Total (A) + (B)	**3,511.21**	**-**	**31.28**	**99.14**	**3,443.35**	**729.52**	**693.24**	**28.59**	**1,394.17**	**2,049.18**

* Transfer on account of acquisition through business combination

L&T Finance Limited

Notes forming part of the Reformatted Standalone Financial Information
Notes 11 : Property, plant and equipment and Intangible assets

₹ in crore

Particulars	Gross Block						Accumulated Depreciation				Net Block
	As at 1-Apr-16	Acquisition through business combination*	Additions	Amalgamation Adjustments	Sale / Adjustment	As at 31-Mar-17	Upto 1-Apr-16	For the year	Deductions	Upto 31-Mar-17	As at 31-Mar-17
Tangible Assets											
Owned Assets											
Buildings	-	26.64	-	-	-	26.64	-	0.53	-	0.53	26.11
Office Equipment	3.05	4.23	1.00	-	1.83	6.45	2.45	1.75	1.66	2.54	3.91
Furniture and fixtures	1.65	6.77	1.24	-	1.16	8.50	1.63	2.05	0.84	2.84	5.66
Leasehold Renovation	6.33	12.95	4.33	-	2.81	20.80	5.56	5.60	2.37	8.79	12.01
Computers	12.72	13.22	3.89	-	6.71	23.12	11.16	7.49	6.73	11.92	11.20
Motor car	0.10	-	-	-	-	0.10	0.10	-	-	0.10	-
Owned Assets Leased out											
Plant and Machinery	-	52.99	-	-	12.48	40.51	-	7.96	-	7.96	32.55
Office Equipment	-	0.81	-	-	0.04	0.77	-	0.35	0.04	0.31	0.46
Furniture and fixtures	-	10.32	-	-	0.44	9.88	-	2.12	0.20	1.92	7.96
Motor car	-	102.00	1.82	-	25.91	77.91	-	19.01	-	19.01	58.90
Vehicles	-	1.40	-	-	0.90	0.50	-	0.50	-	0.50	-
Computers	-	2.43	-	-	0.24	2.19	-	0.70	-	0.70	1.49
(A)	**23.85**	**233.76**	**12.28**	**-**	**52.52**	**217.37**	**20.90**	**48.06**	**11.84**	**57.12**	**160.25**
Intangible Assets											
Specialised software	13.81	4.21	8.56	-	0.05	26.53	12.85	6.14	0.05	18.94	7.59
Distribution and Customer Network Rights	-	438.80	-	-	-	438.80	-	87.76	-	87.76	351.04
Goodwill	-	2,828.51	-	-	-	2,828.51	-	565.70	-	565.70	2,262.81
(B)	**13.81**	**3,271.52**	**8.56**	**-**	**0.05**	**3,293.84**	**12.85**	**659.60**	**0.05**	**672.40**	**2,621.44**
Total (A) + (B)	**37.66**	**3,505.28**	**20.84**	**-**	**52.57**	**3,511.21**	**33.75**	**707.66**	**11.89**	**729.52**	**2,781.69**

* Transfer on account of amalgamation

L&T Finance Limited

Notes forming part of the Reformatted Standalone Financial Information

Notes 11 : Property, plant and equipment and Intangible assets

₹ in crore

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at 1-Apr-15	Additions	Sale / Adjustment	As at 31-Mar-16	Upto 1-Apr-15	For the year	Deductions	Upto 31-Mar-16	As at 31-Mar-16
Property, plant and equipment									
Owned assets									
Buildings	-	-	-	-	-	-	-	-	**-**
Office equipment	2.97	0.15	0.08	3.04	2.25	0.27	0.07	2.45	**0.59**
Furniture and fixtures	1.68	0.06	0.08	1.66	1.66	0.05	0.08	1.63	**0.03**
Leasehold renovation	5.97	0.91	0.55	6.33	5.89	0.22	0.55	5.56	**0.77**
Computers	12.03	0.74	0.05	12.72	10.27	0.94	0.05	11.16	**1.56**
Motor car	0.10	-	-	0.10	0.10	-	-	0.10	**-**
Owned assets leased out	-	-	-	**-**	-	-	-	**-**	**-**
Plant and Machinery	-	-	-	-	-	-	-	-	**-**
Office Equipment	-	-	-	-	-	-	-	-	**-**
Furniture and fixtures	-	-	-	-	-	-	-	-	**-**
Motor car	-	-	-	-	-	-	-	-	**-**
Vehicles	-	-	-	-	-	-	-	-	**-**
Computers	-	-	-	-	-	-	-	-	**-**
(A)	**22.75**	**1.86**	**0.76**	**23.85**	**20.17**	**1.48**	**0.75**	**20.90**	**2.95**
Intangible assets									
Specialised software	13.07	0.73	-	13.80	11.66	1.19	-	12.85	**0.95**
Distribution and Customer Network Rights	-	-	-	-	-	-	-	-	**-**
Goodwill	-	-	-	-	-	-	-	-	**-**
(B)	**13.07**	**0.73**	**-**	**13.80**	**11.66**	**1.19**	**-**	**12.85**	**0.95**
Total (A) + (B)	**35.82**	**2.59**	**0.76**	**37.65**	**31.83**	**2.67**	**0.75**	**33.75**	**3.90**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information
Notes 11 : Property, plant and equipment and Intangible assets

₹ in crore

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at 1-Apr-14	Additions	Sale / Adjustment	As at 31-Mar-15	Upto 1-Apr-14	For the year	Deductions	Upto 31-Mar-15	As at 31-Mar-15
Property, plant and equipment									
Owned assets									
Buildings	-	-	-	-	-	-	-	-	**-**
Office equipment	3.32	0.28	0.63	2.97	2.58	0.29	0.62	2.25	**0.72**
Furniture and fixtures	1.85	0.05	0.23	1.67	1.84	0.05	0.23	1.66	**0.01**
Leasehold renovation	6.94	0.07	1.04	5.97	6.83	0.10	1.04	5.89	**0.08**
Computers	11.98	0.83	0.77	12.04	10.33	0.71	0.77	10.27	**1.77**
Motor car	0.10	-	-	0.10	0.10	-	-	0.10	**-**
Owned assets leased out									
Plant and Machinery	-	-	-	-	-	-	-	-	**-**
Office Equipment	-	-	-	-	-	-	-	-	**-**
Furniture and fixtures	-	-	-	-	-	-	-	-	**-**
Motor car	-	-	-	-	-	-	-	-	**-**
Vehicles	-	-	-	-	-	-	-	-	**-**
Computers	-	-	-	-	-	-	-	-	**-**
(A)	**24.19**	**1.23**	**2.67**	**22.75**	**21.68**	**1.15**	**2.66**	**20.17**	**2.58**
Intangible assets									
Specialised software	12.49	0.58	-	13.07	10.35	1.31	-	11.66	**1.41**
Distribution and Customer Network Rights	-	-	-	-	-	-	-	-	**-**
Goodwill	-	-	-	-	-	-	-	-	**-**
(B)	**12.49**	**0.58**	**-**	**13.07**	**10.35**	**1.31**	**-**	**11.66**	**1.41**
Total (A) + (B)	**36.68**	**1.81**	**2.67**	**35.82**	**32.03**	**2.46**	**2.66**	**31.83**	**3.99**

		Face Value	As at March 31, 2018		Face Value	As at March 31, 2017		Face Value	As at March 31, 2016		Face Value	As at March 31, 2015	
		₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore
12	**Non current investments**												
	12.(I) Trade Investments (valued at cost unless stated otherwise)												
	Investment in Associates												
	Unquoted equity shares												
	L&T Infra Debt Fund Limited	10	13,86,52,953	176.50	10	13,31,33,329	156.70	10	3,55,99,996	41.90	10	2,29,99,996	23.00
	Grameen Capital India Private Limited	10	21,26,000	2.13	10	21,26,000	2.13	-	-	-	-	-	-
	Preference shares												
	Grameen Capital India Private Limited	10	38,74,000	3.87	10	38,74,000	3.87	-	-	-	-	-	-
	Total (A)			**182.50**			**162.70**			**41.90**			**23.00**
	12.(II) Other Investments (valued at cost unless stated otherwise)												
	A) Quoted instruments												
	Investment in equity												
	Integrated Digital Info Services Limited	10	3,83,334	0.12	10	3,83,334	0.12	-	-	-	-	-	-
	Elque Polyesters Limited	10	1,94,300	0.19	10	1,94,300	0.19	-	-	-	-	-	-
	Monnet Industries Limited	10	5,640	0.02	10	5,640	0.02	-	-	-	-	-	-
	Monnet Ispat And Energy Limited	10	3,008	0.01	10	3,008	0.01	-	-	-	-	-	-
	Monnet Project Developers Limited	10	11,280	0.05	10	11,280	0.05	-	-	-	-	-	-
	Jaypee Infratech Limited	-	-	-	10	37,85,221	13.31	-	-	-	-	-	-
	B) Unquoted instruments												
	Investment in equity												
	Invent Assets Securitisation & Reconstruction Private Limited	-	-	-	10	71,00,000	15.98	-	-	-	-	-	-
	Alpha Micro Finance Consultants Private Limited	10	2,00,000	0.20	10	2,00,000	0.20	-	-	-	-	-	-
	Metropoli Overseas Limited	10	99,400	0.15	10	99,400	0.15	-	-	-	-	-	-
	Anil Chemicals and Industries Limited	10	40,000	0.08	10	40,000	0.08	-	-	-	-	-	-
	Investments in Debentures												
	Indian Overseas Bank	10,00,000	3,399	339.67	10,00,000	3,399	339.67	-	-	-	-	-	-
	Investment in Compulsory Convertible Debentures												
	Bhoruka Power Corporation Limited	1,00,000	3,800	38.00	1,00,000	3,800	38.00	-	-	-	-	-	-
	Investments in Preference Shares												
	3I Infotech Limited	5	38,96,954	1.95	5	38,96,954	1.95	-	-	-	-	-	-
	Others												
	Investment in Units												
	KKR India debt Opportunities Fund II	1,000	11,25,000	112.50	1,000	8,75,000	87.50	-	-	-	-	-	-
	KKR India debt Opportunities Fund III	1,000	1,49,242	9.61	1,000	1,78,249	17.82	-	-	-	-	-	-
	Investment in Security Receipts												
	Phoenix ARF Scheme 6	1,000	9,843	0.98	1,000	9,843	0.98	-	-	-	-	-	-
	Phoenix ARF Scheme 9	27	6,612	0.02	62	6,612	0.04	-	-	-	-	-	-
	Phoenix ARF Scheme 10	922	18,889	1.72	982	18,889	1.86	-	-	-	-	-	-
	Phoenix ARF Scheme 11	1	44,208	*0.00	1	44,208	*0.00	-	-	-	-	-	-
	Phoenix ARF Scheme 13	1,000	27,404	2.74	1,000	27,404	2.74	-	-	-	-	-	-
	Phoenix ARF Scheme 14	1,000	34,882	3.49	1,000	34,882	3.49	-	-	-	-	-	-
	JM Financial Asset Reconstruction Company Private Limited (Series I - JMFARC-IRIS December 2016 - Trust)	1,000	6,885	0.69	1,000	6,885	0.69	-	-	-	-	-	-
	EARC Trust SC - 258 - Series I	995.66	6,46,510	64.37	1,000	6,46,510	64.65	-	-	-	-	-	-
	JM Financial Asset Reconstruction Company Private Limited (LTF June 2017 Trust Series I)	984.76	2,97,500	29.30		-	-	-	-	-	-	-	-
	JM Financial Asset Reconstruction Company Private Limited (LTF June 2017 Trust Series Ii)	984.76	4,80,849	47.35		-	-	-	-	-	-	-	-
	Suraksha ARC - 024 Trust	1,000	7,85,400	78.54		-	-	-	-	-	-	-	-
	12% National Saving Certificate 2002 (Deposited as security with sales tax authorities)			*0.00			*0.00	-	-	-	-	-	-
	Total (B)			**731.75**			**589.50**			**-**			**-**
	(A + B)			**914.25**			**752.20**			**41.90**			**23.00**
	Less : Provision for diminution in the value of Investments			4.90			15.95						
	Total non current investments			**909.35**			**736.25**			**41.90**			**23.00**
	Note:												
	Aggregate amount of unquoted investments			574.20			398.83			41.90			23.00
	Aggregate amount of listed and quoted investments			0.39			13.70			-			-
	Aggregate market value of listed and quoted investments			-			3.97			-			-
	Aggregate amount of listed but not quoted investments			339.67			339.67			-			-

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
13 Deferred tax assets (net)								
Component								
Deferred tax liability								
Difference between book depreciation and tax depreciation		-		5.68		-		-
Other item giving rise to timing difference		22.64		7.71		-		-
		22.64		**13.39**		**-**		**-**
Deferred tax assets								
Provision for NPA/interest receivable		461.30		271.49		47.16		31.17
Provision on Standard Assets		51.99		96.69		-		6.99
Difference between book depreciation and tax depreciation		16.38		-		2.27		2.41
Provision for gratuity and leave encashment		4.13		3.98		1.10		0.66
Provision for diminution in value of investment		-		-		-		0.05
Other item giving rise to timing difference		13.79		13.77		1.17		1.91
		547.59		**385.93**		**51.70**		**43.19**
Net deferred tax assets		**524.95**		**372.54**		**51.70**		**43.19**

Foot notes :

FY 2017-18: No deferred tax liability has been recognised on Special Reserve created under section 36 (1)(viii) of Income Tax Act, 1961 based on the Management's evaluation that possibility of withdrawal there from is remote.

14 Long-term loans and advances								
Unsecured (Considered good)								
Security Deposit		65.74		52.56		2.65		2.44
Capital Advances		9.70		3.76		0.67		0.78
Advance taxes (net of provision for tax)		186.09		104.73		-		-
Others		45.51		-		-		-
Prepaid Expenses		-		-		-		0.05
Advances recoverable in cash or in kind or for value to be received	0.67		3.45		0.33		0.33	
Less : Provision for other doubtful loans and advances	(0.33)	0.34	(0.33)	3.12	(0.33)	-	(0.33)	-
Total long-term loans and advances		**307.38**		**164.17**		**3.32**		**3.27**

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Non current portion	Current maturities	Non current portion	Current maturities	Non current portion	Current maturities	Non current portion	Current maturities
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
15 Long term-loans and advances towards financing activities								
(I) Secured								
Term loans	20,209.20	5,588.67	15,515.33	5,145.52	2,229.42	1,839.35	1,691.38	1,490.76
Finance Lease	70.93	24.08	44.36	25.13	-	-	-	-
Debentures (refer note 15(i))	1,757.39	224.27	721.24	188.82	130.00	-	60.00	-
	22,037.52	**5,837.02**	**16,280.93**	**5,359.47**	**2,359.42**	**1,839.35**	**1,751.38**	**1,490.76**
Less : Allowances for non-performing assets	916.09	-	737.81	-	94.92	-	63.85	-
Less: Provision on Restructured Assets	8.24	-	16.91	-	-	-	-	-
Less : Allowances for standard assets	2.26	-	173.23	-	-	-	-	-
Total I	**21,110.93**	**5,837.02**	**15,352.98**	**5,359.47**	**2,264.50**	**1,839.35**	**1,687.53**	**1,490.76**
(II) Unsecured								
Term loans	4,463.39	4,706.23	1,960.12	2,931.40	369.63	421.44	136.41	80.40
Debentures (refer note 15(i))	225.00	10.00	535.00	6.30	140.00	-	-	-
	4,688.39	**4,716.23**	**2,495.12**	**2,937.70**	**509.63**	**421.44**	**136.41**	**80.40**
Less : Allowances for non-performing assets	395.79	-	29.76	-	3.25	-	2.35	-
Total II	**4,292.60**	**4,716.23**	**2,465.36**	**2,937.70**	**506.38**	**421.44**	**134.06**	**80.40**
Total long-term loans and advances towards financing activities (I + II)	**25,403.53**	**10,553.25**	**17,818.34**	**8,297.17**	**2,770.88**	**2,260.79**	**1,821.59**	**1,571.16**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note 15(i)
Following are the details of debentures in the nature of Loan:

Name of Company	As at March 31, 2018			As at March 31, 2017			As at March 31, 2016			As at March 31, 2015		
	Nos.	Face Value	₹ in crore	Nos.	Face Value	₹ in crore	Nos.	Face Value	₹ in crore	Nos.	Face Value	₹ in crore
Debenture - Secured												
Avantha Holding Limited	2,250	10,00,000	225.00	2,250	10,00,000	225.00	532	10,00,000	53.20	-	-	-
Citywood Builders Private Limited	300	8,57,011	25.70	300	9,40,000	28.20	-	-	-	-	-	-
Diamond Power Infrastructure Limited	3,000	83,441	25.03	3,000	83,441	25.03	-	-	-	-	-	-
Giraffe Developer Private Limited	640	8,68,750	55.60	640	9,34,375	59.80	-	-	-	-	-	-
Intrepid Finance And Leasing Private Limited	200	2,91,667	5.83	200	7,91,667	15.83	-	-	-	-	-	-
M Power Microfinance Private Limited	150	2,91,667	4.38	150	7,91,667	11.88	-	-	-	-	-	-
Oriental Nagpur Betul Highway Limited	3,217	1,00,000	32.17	11,479	1,00,000	114.79	-	-	-	-	-	-
Pahal Financial Services Private Limited	150	2,91,667	4.38	150	7,91,667	11.88	-	-	-	-	-	-
PCR Investments Limited	1,500	10,00,000	150.00	-	-	-	-	-	-	-	-	-
Pudhuaaru Financial Services Private Limited	200	2,91,667	5.83	200	7,91,667	15.83	-	-	-	-	-	-
Regen Infrastructure And Services Private Limited	2,794	9,21,819	257.56	-	-	-	-	-	-	-	-	-
Renew Akshay Urja Private Limited	180	9,98,780	17.98	-	-	-	-	-	-	-	-	-
Sambandh Finserve Private Limited	100	2,91,667	2.92	100	7,91,667	7.92	-	-	-	-	-	-
Satin Creditcare Network Limited	260	2,91,667	7.58	260	7,91,667	20.58	-	-	-	-	-	-
SINTEX-BAPL Limited	27,000	1,00,000	270.00	-	-	-	-	-	-	-	-	-
SP Jammu Udhampur Highway Limited	4,678	10,00,000	467.80	-	-	-	-	-	-	-	-	-
U. P. Power Corporation Limited	3,519	10,00,000	351.90	-	-	-	-	-	-	-	-	-
Mandhana Industries Limited	200	6,00,000	12.00	200	6,00,000	12.00	-	-	-	-	-	-
Bacchus Hospitality Services & Real Estate Private Limited	-	-	-	2,500	10,00,000	250.00	600	10,00,000	60.00	600	10,00,000	60.00
Bollineni Developers Limited	60	1,00,00,000	60.00	60	1,00,00,000	60.00	-	-	-	-	-	-
Integrated Spaces Limited	-	-	-	275	10,83,188	29.79	-	-	-	-	-	-
Valdel Projects Corporation Private Limited	-	-	-	2,968	72,540	21.53	-	-	-	-	-	-
Salient Financial Solution Limited	-	-	-	-	-	-	168	10,00,000	16.80	-	-	-
Debenture - Unsecured												
Avantha Holding Limited	2,250	10,00,000	225.00	2,250	10,00,000	225.00	-	-	-	-	-	-
Bhoruka Power Holdings Private Limited	1,00,000	1,000	10.00	1,00,000	1,000	10.00	-	-	-	-	-	-
Jindal Power Limited	-	-	-	105	6,00,000	6.30	-	-	-	-	-	-
Tata Tele Services (Maharashtra) Limited	-	-	-	1,000	10,00,000	100.00	700	10,00,000	70.00	-	-	-
High Point Properties Private Limited	-	-	-	200	1,00,00,000	200.00	70	1,00,00,000	70.00	-	-	-
Total			**2,216.66**			**1,451.36**			**270.00**			**60.00**

		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
16	**Other non current assets**								
	Accrued interest/premium on debentures and loans		136.75		146.62		26.25		8.65
	Interest accrued but not due on deposits placed with banks		-		-		-		-
	Margin money deposits		43.85		22.52		-		-
	Total other non current assets		**180.60**		**169.14**		**26.25**		**8.65**

	Face Value	As at March 31, 2018		Face Value	As at March 31, 2017		Face Value	As at March 31, 2016		Face Value	As at March 31, 2015	
	₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore
17 Current investments												
Non-trade Investments (valued at cost unless stated otherwise)												
A) Quoted instruments												
Investment in Equity shares												
SVOGL Oil Gas and Energy Limited	10	19,40,514	4.61	10	19,40,514	4.61	-	-	-	-	-	-
Bhushan Steel Limited	2	2,12,471	1.45	2	10,23,392	7.00	2	4,75,146.00	3.25	2	4,75,146.00	3.25
Glodyne Technoserve Limited	6	3,19,262	0.23	6	3,19,262	0.23	-	-	-	-	-	-
Jaihind Projects Limited	10	24,797	0.01	10	1,50,000	0.09	-	-	-	-	-	-
Diamond Power Infrastructure Limited	10	28,89,921	11.93	10	28,89,921	11.93	-	-	-	-	-	-
3I Infotech Limited	10	24,26,383	2.43	10	24,26,383	2.43	-	-	-	-	-	-
Gol Offshore Limited	10	15,52,907	6.80	10	15,52,907	6.80	-	-	-	-	-	-
Usher Agro Limited	10	3,35,344	0.30	-	-	-	-	-	-	-	-	-
MIC Electronics Limited	2	53,84,616	5.29	-	-	-	-	-	-	-	-	-
Amara Raja Batteries Limited	1	3,293	0.28	-	-	-	-	-	-	-	-	-
Hindusthan National Glass & Industries Ltd	2	1,47,765	1.57	-	-	-	-	-	-	-	-	-
						-			-			
B) Unquoted instruments												
Optionally Convertible Debentures												
Soma Enterprises Limited	10	1,45,53,210	14.55		-	-	-	-	-	-	-	-
Investment in Debenture/Bonds:												
Punjab National Bank		-	-	10,00,000	5,000	500.00	-	-	-	-	-	-
IDFC Bank Limited		-	-	10,00,000	400	46.84	-	-	-	-	-	-
Bajaj Finance Limited		-	-	10,00,000	1,000	100.82	-	-	-	-	-	-
Madhya Pradesh Uday Bond		-	-	100	14,13,000	14.13	-	-	-	-	-	-
Tamil Nadu Uday Bond		-	-	100	1,00,00,000	100.90	-	-	-	-	-	-
Telangana Uday Bond		-	-	100	1,30,19,000	130.32	-	-	-	-	-	-
Piramal Finance Limited		-	-	10,00,000	3,900	390.00	-	-	-	-	-	-
TATA AIG General Insurance Company Limited	10,00,000	379	37.90	10,00,000	1,530	153.00	-	-	-	-	-	-
U. P. Power Corporation Limited	10,00,000	301	30.10	10,00,000	2,940	294.00	-	-	-	-	-	-
Union Bank of India	10,00,000	800	80.00		-	-	-	-	-	-	-	-
Cholamandlam MS General Insurance Company Limited	10,00,000	428	42.80		-	-	-	-	-	-	-	-
Dewan Housing Finance Corporation Limited	10,00,000	2,500	250.00		-	-	-	-	-	-	-	-
State Bank of India	10,00,000	4,100	410.00		-	-	-	-	-	-	-	-
Corporation Bank Limited	10,00,000	500	50.00		-	-	-	-	-	-	-	-
UCO Bank	10,00,000	400	40.00		-	-	-	-	-	-	-	-
Allahabad Bank	10,00,000	311	31.10		-	-	-	-	-	-	-	-
The South Indian Bank Limited	1,00,000	40,000	400.00		-	-	-	-	-	-	-	-
Axis Bank Limited	10,00,000	500	50.00		-	-	-	-	-	-	-	-
Bank of Baroda	10,00,000	150	15.00		-	-	-	-	-	-	-	-
Pass Through Certificates												
IFMR Capital Mosec Azeroth	0.12	59,86,64,559	6.95	0.49	59,86,64,559	29.21	-	-	-	-	-	-
Zlatan IFMR Capital 2016	-	-	-	0.68	1,23,39,58,721	83.46	-	-	-	-	-	-
Frey IFMR Capital	-	-	-	1.03	1,66,74,322	1.72	-	-	-	-	-	-
Zion IFMR Capital	-	-	-	3.12	1,92,37,467	5.99	-	-	-	-	-	-
Goldstein IFMR Capital	43.00	8,57,170	3.69	44.80	8,57,170	3.84	-	-	-	-	-	-
Libertas IFMR Capital	-	-	-	1.02	35,19,752	0.36	-	-	-	-	-	-
Martell IFMR Capital	-	-	-	2.04	3,55,04,403	7.26	-	-	-	-	-	-
Mjolnir IFMR Capital	-	-	-	2.08	73,30,422	1.52	-	-	-	-	-	-
Napoleon IFMR Capital	1.00	5,21,18,415	5.21	1.04	5,21,18,415	5.44	-	-	-	-	-	-
Smith IFMR Capital	4.00	1,20,96,782	4.84	4.20	1,20,96,782	5.08	-	-	-	-	-	-
Syme IFMR Capital	1.00	1,42,10,515	1.42	1.04	1,42,10,515	1.48	-	-	-	-	-	-
Fubelt IFMR Capital	-	-	-	1.04	8,08,78,031	8.43	-	-	-	-	-	-
Moses IFMR Capital	1.00	22,50,000	0.23	1.06	22,50,000	0.23	-	-	-	-	-	-
Oracle IFMR Capital	-	-	-	202	2,61,793	5.29	-	-	-	-	-	-
Sentinel IFMR Capital	-	-	-	19.69	8,87,538	1.75	-	-	-	-	-	-
Seagull Trust-II Series A2	1,00,00,000	30	30.13	-	-	-	-	-	-	-	-	-

	Face Value	As at March 31, 2018		Face Value	As at March 31, 2017		Face Value	As at March 31, 2016		Face Value	As at March 31, 2015	
	₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore	₹	No. of shares / Debentures	₹ in crore
Unquoted instruments												
Investment in Preference Shares												
10% Sew Vizag Coal Terminal Private Limited	10	40,91,423	4.08	10	40,91,423	4.08	-	-	-	-	-	-
Investment in Equity shares												
VMC Systems Limited	10	7,33,611	15.29	10	7,33,611	15.29	-	-	-	-	-	-
Saumya Mining Limited	10	10,77,986	5.17	10	10,77,986	5.17	-	-	-	-	-	-
Investment in Mutual Funds			-			440.00	-	-	-	-	-	150.05
Total			**1,563.36**			**2,388.70**			**3.25**			**153.30**
Less : Provision for diminution in the value of Investments			**59.77**			**27.98**			**1.54**			**0.15**
Total current investments			**1,503.59**			**2,360.72**			**1.71**			**153.15**
Note:												
Aggregate amount of unquoted investments			24.55			464.55			-			150.05
Aggregate amount of listed and quoted investments			34.90			33.08			3.25			3.25
Aggregate market value of listed and quoted investments			7.41			22.62			1.71			3.10
Aggregate amount of listed but not quoted investments			1,503.91			1,891.08			-			-

Notes forming part of the Reformatted Standalone Financial Information

		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
18	**Trade receivable**								
	Secured								
	Considered good								
	Debts outstanding for a period exceeding six months	-		-		-		-	
	Other	0.15	0.15	4.88	4.88	-	-	-	-
	Unsecured								
	Considered good								
	Debts outstanding for a period exceeding six months	-		-		-		-	
	Other	8.97	8.97	5.41	5.41	-	-	-	-
	Total trade receivable		**9.12**		**10.29**		**-**		**-**
19	**Cash and cash equivalents**								
	Balance with Banks								
	In Current Account		271.29		231.30		26.29		13.59
	In Deposit account		19.16		3.61		-		-
	(Deposits with original maturity of less than three months)		-		-		-		-
	Cash on hand		58.22		59.91		17.98		11.06
	Other balances								
	Deposits with original maturity of more than 3 months but less than 12 months		-		-		-		0.04
	Deposits with original maturity for more than 12 months		0.05		0.06		0.04		-
	Margin money deposits*		**0.00		**0.00		**0.00		**0.00
	Total cash and cash equivalents		**348.72**		**294.88**		**44.31**		**24.69**
	* Margin money deposit includes margin money against bank guarantee ₹ 0.0004 crore (As at March 31,2017 : ₹ 0.0004 crore ; As at March 31,2016 : ₹ 0.0004 crore ; As at March 31,2015 : ₹ 0.0004 crore)								
	** Amount less than ₹1 lakh.								
20	**Short-term loans and advances**								
	Advances recoverable in cash or in kind or for value to be received (net of provision) (Refer note 29.3 for related parties' balances)		74.39		60.57		44.68		18.58
	Total short-term loans and advances		**74.39**		**60.57**		**44.68**		**18.58**
21	**Short-term loans and advances towards financing activities**								
	(I) Secured								
	Term loans		0.16		8.16		-		15.66
		Total I	**0.16**		**8.16**		**-**		**15.66**
	(II) Unsecured								
	Term loans		1,866.30		2,163.08		-		50.00
		Total II	**1,866.30**		**2,163.08**		**-**		**50.00**
	Total short-term loans and advances towards financing activities	**Total (I + II)**	**1,866.46**		**2,171.24**		**-**		**65.66**
22	**Other current assets**								
	Accrued interest on loan towards financing activities		866.30		726.93		89.16		58.24
	Unamortised premium on loans/debentures		22.85		-		-		-
	Unamortised loss on sale of NPAs	-	-	23.08	-	-	-	-	-
	Less : Reserve created	-	-	(23.08)	-	-	-	-	-
	Assets acquired in settlement of claims		24.47		4.78		-		-
	Others		3.60		8.12		18.28		-
	Total other current assets		**917.22**		**739.83**		**107.44**		**58.24**

		Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2016		Year ended March 31, 2015	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
23	**Revenue from operations**								
	Interest income from financing activities		4,551.10		3,552.02		642.10		529.94
	Income from Leases		35.95		62.41		-		-
	Bill Discounting income		93.50		126.55		-		-
	Processing fees and other operational income from financing activities		286.41		234.71		129.05		104.90
	Financial Advisory Fees		26.82		97.42		-		-
	Gain/(Loss) on loan sell down		3.67		8.94		-		-
	Total revenue from operations		**4,997.45**		**4,082.05**		**771.15**		**634.84**
24	**Other Income**								
	Income from investments		242.98		59.92		0.58		1.80
	Profit on sale of property, plant & equipment		-		-		0.02		0.19
	Interest on fixed deposits		3.63		1.84		*0.00		0.01
	Others		1.63		1.17		1.10		1.18
	Total other Income		**248.24**		**62.93**		**1.70**		**3.18**
	** Amount less than ₹1 lakh.								
25	**Employee benefits expenses**								
	Salaries and bonus		282.68		274.21		47.81		26.11
	Contribution to and provision for:		-		-		-		-
	Provident and other funds	17.41	-	12.39	-	2.99	-	1.20	-
	Gratuity fund	3.12	20.53	2.88	15.27	0.42	3.41	0.53	1.73
	Expenses on Employee Stock Option Plans (refer note 29.8)		4.27		0.09		*0.00		*0.00
	Staff welfare expense		10.59		11.30		2.04		1.42
	Total employee benefits expenses		**318.07**		**300.87**		**53.26**		**29.26**
	** Amount less than ₹1 lakh.								
26	**Finance costs**								
	Interest expenses		2,475.64		1,941.26		304.01		266.53
	Other borrowing cost		24.05		14.26		1.98		1.34
	Exchange (Gain)/loss (attributable to finance cost)		(2.84)		4.00		-		-
	Total finance costs		**2,496.85**		**1,959.52**		**305.99**		**267.87**

		Year ended March 31, 2018		Year ended March 31, 2017		Year ended March 31, 2016		Year ended March 31, 2015	
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
27	**Administration and other expenses**								
	Travelling and conveyance		20.32		18.71		2.06		2.23
	Printing and stationery		6.59		7.28		2.70		2.13
	Telephone and postage		11.37		12.62		4.02		4.30
	Directors' Sitting fees		0.32		0.35		0.08		0.03
	Non Executive Directors Remunerations		0.34		1.34		-		0.12
	Brokerage and service charges		40.58		24.18		38.08		37.52
	Stamping charges		2.30		26.43		-		0.58
	Advertising and publicity		3.82		1.37		2.08		0.63
	Repairs and maintenance		50.69		41.60		10.48		10.28
	Rent		44.10		41.89		7.64		7.59
	Rates and taxes		1.75		7.40		5.32		2.90
	Electricity charges		4.97		5.02		1.33		1.59
	Insurance		1.39		1.30		0.14		0.10
	Auditors remuneration								
	Audit fees	0.42		0.40		0.06		0.10	
	Tax audit fees	0.03		0.05		0.02		0.02	
	Other services	0.55		0.47		0.07		0.10	
	Reimbursement of expenses and Indirect tax on above	0.09	1.09	0.03	0.95	0.07	0.22	0.04	0.26
	Professional fees		57.66		61.33		8.26		23.61
	Loan processing charges		6.34		8.22		8.53		14.10
	Collection charges		106.33		66.24		50.99		44.70
	Bank Charges		8.51		8.33		9.09		8.84
	Filling fees		-		-		-		0.01
	Loss on sale of property plant & equipment		5.47		14.67		-		-
	Brand license fees		16.03		1.04		-		-
	Corporate social responsibilities		1.81		2.13		1.51		1.14
	Corporate support Charges		2.85		5.32		5.08		3.32
	Miscellaneous expenses		3.91		2.45		5.95		3.69
	Total administration and other expenses		**398.54**		**360.17**		**163.56**		**169.67**
28	**Provisions and Contingencies**								
	Contingent provision against standard assets		(130.62)		164.00		(3.47)		10.48
	Provision for non-performing assets		531.35		359.01		29.45		6.02
	Provision for restructured assets		(8.67)		1.80		0.87		-
	Provision for diminution in value of investments		18.24		25.88		1.39		0.15
	Loss on foreclosure of loans (net) / Bad debts written off		494.16		237.65		84.81		50.22
	Total provisions and contingencies		**904.46**		**788.34**		**113.05**		**66.87**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

Note No. - 29 : Other notes forming part of the reformatted standalone financial information

29.1 Employee Benefits:

i) Defined Contribution Plans :

Charge recognised in the Statement of Profit and Loss are as follows : **₹ in crore**

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Provident fund contributions	11.20	9.90	1.72	1.07
Superannuation fund contributions	-	0.41	-	-
Employee State Insurance Scheme contributions	6.21	2.02	1.26	0.13

ii) Defined Benefit Gratuity Plans :

a) The amounts recognised in Balance Sheet are as follows: **₹ in crore**

Particulars	Gratuity Plan			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Present Value of Defined Benefit Obligation				
- Wholly Funded	9.55	9.09	1.35	1.18
Less: Fair value of Plan Assets	(7.92)	(5.89)	(0.78)	(0.94)
Unrecognised Past Service Costs	-	-	-	-
Amount to be recognised as liability or (asset)	1.63	3.20	0.57	0.24
Amounts reflected in the Balance Sheet				
Liability	1.63	3.20	0.57	0.24
Assets	-	-	-	-
Net liability bifurcated as follows:				
Current	-	-	-	**0.24**
Non Current	**1.63**	**3.20**	**0.57**	

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

	Particulars	Gratuity Plan			
		2017-2018	2016-2017	2015-2016	2014-2015
1	Current Service Cost	2.65	2.84	0.30	0.20
2	Interest on Defined Benefit Obligation	0.82	0.98	0.12	0.11
3	Expected Return on Plan Assets	(0.56)	(0.51)	(0.07)	(0.09)
4	Actuarial Losses/(Gains)	0.21	(0.43)	0.07	0.31
5	Past Service Cost	-	-	-	-
Total included in Employee Benefit Expenses		3.12	2.88	0.42	0.53
Actual Return on Plan Assets		0.50	0.66	0.07	0.08

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

Particulars	Gratuity Plan			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Opening balance of the present value of Defined Benefit Obligation	9.09	1.35	1.18	1.03
Add: Current Service Cost	2.65	2.84	0.30	0.20
Add: Interest Cost	0.82	0.98	0.12	0.11
Add/(less): Actuarial Losses/(Gain)	0.14	(0.28)	0.07	0.30
Liability Assume on acquisition / (Settled on Divestitures)	(0.01)	7.92	(0.02)	0.01
Less: Benefits paid	(3.14)	(3.72)	(0.30)	(0.47)
Closing balance of the present value of Defined Benefit Obligation	9.55	9.09	1.35	1.18

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

₹ in crore

Particulars	Gratuity Plan			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Opening balance of the fair value of the plan assets	5.89	0.78	0.94	1.28
Add: Expected Return on plan assets	0.56	0.52	0.07	0.09
Add/(less): Actuarial gains/(losses)	(0.07)	0.14	*0.00	(0.01)
Add: Contributions by Employer	4.67	2.58	0.07	0.05
Add:Assets acquired on acquisition	-	5.59	-	-
Less: Benefits Paid	(3.14)	(3.72)	(0.30)	(0.47)
Closing balance of the plan assets	7.91	5.89	0.78	0.94

*Amount is less than ₹1 lakh

e) Asset Information:

	Particulars	Gratuity Plan							
		As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
		%	₹ in crore	%	₹ in crore	%	₹ in crore	%	₹ in crore
1	Government of India Securities	23%	1.83	32%	1.90	0%	-	0%	-
2	Corporate Bonds	26%	2.07	35%	2.07	0%	-	0%	-
3	Special Deposit Scheme	4%	0.30	5%	0.29	0%	-	0%	-
4	Equity Shares of Listed Companies	0%	-	0%	-	0%	-	0%	-
5	Property	0%	-	0%	-	0%	-	0%	-
6	Insurer Managed Funds	7%	0.59	6%	0.37	100%	0.78	100%	0.94
7	Others	39%	3.12	22%	1.26	0%	-	0%	-

f) Financial assumptions at the valuation date : **₹ in crore**

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
1	Discount rate (per annum)	7.25%	7.20%	8.00%	7.90%
2	Expected rate of return on assets (per annum)	7.50%	8.00%	7.50%	7.50%
3	Salary escalation rate (per annum)	9.00%	6.00%	6.00%	6.00%
4	Mortality rate	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table	Indian Assured Lives Mortality (2006-08) Ult table

g) Experience Adjustments: **₹ in crore**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Defined Benefit Obligation	9.55	9.09	1.35	1.18
Plan Assets	7.91	5.89	0.78	0.94
Surplus/(Deficit)	(1.64)	(3.20)	(0.57)	(0.24)
Experience Adjustments on Plan Liabilities	(0.56)	(1.18)	0.09	0.10
Experience Adjustments on Plan Assets	(0.07)	0.14	*(0.00)	(0.01)

* Amount less than ₹ 1 lakh

The contributions expected to be made by the company is as follows: **₹ in crore**

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Contribution	3.00	3.00	-	-

Other Information: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

iii) Defined Benefit Provident Fund Plan:

a) The amounts recognised in Balance Sheet are as follows: **₹ in crore**

	Particulars	Provident Fund Plan			
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
A.	**Net (Liability) / Asset recognized in the Balance Sheet**				
	Present Value of Funded Obligation	(24.07)	-	-	-
	Present Value of Unfunded obligation	-	-	-	-
	Add: Assets acquired on acquisition	-	(51.52)	-	-
	Less: Fair value of Plan Assets	24.27	51.83	-	-
	Amount to be recognised in the Balance Sheet as (liability) or asset	0.20	0.31	-	-
B.	**Amounts to be recognised in the Balance Sheet**				
	Liability	-	-	-	-
	Assets	0.20	0.31	-	-

b) Expenses recognised in the Statement of Profit and Loss: **₹ in crore**

	Particulars	Provident Fund Plan			
		2017-2018	2016-2017	2015-2016	2014-2015
1	Current Service Cost	*0.00	3.95	-	-
2	PF Transfer In	-	-	-	-
3	Interest on Defined Benefit Obligation	2.75	4.26	-	-
4	Expected Return on Plan Assets	(2.75)	(4.26)	-	-
5	Net Actuarial Losses/(Gains)	(2.56)	0.63	-	-
6	Actuarial gain/(loss) not recognized in books	2.56	(0.63)	-	-
7	Expenses recognized in the statement of Profit & Loss Account	*0.00	3.95	-	-
8	Actual Return of Plan Asset	5.31	3.63	-	-

*Amount is less than ₹ 1 lakh

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

₹ in crore

Particulars	Provident Fund Plan			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Opening balance of the present value of				
Defined Benefit Obligation	51.52	-	-	-
Add:Assets acquired on acquisition	-	53.11	-	-
Transfer in/out	(0.08)	(3.17)	-	-
Add: Current Service Cost	*0.00	3.95	-	-
Add: Interest Cost	2.76	4.26	-	-
Add: Contribution by Plan Participants	1.95	7.81	-	-
Add: Actuarial Losses / (Gain)	-	-	-	-
Less: Benefits paid	(32.08)	(14.44)	-	-
Closing balance of the present value of Defined Benefit Obligation	**24.07**	**51.52**	**-**	**-**

*Amount is less than ₹ 1 lakh

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

₹ in crore

Particulars	Provident Fund Plan			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Opening balance of the fair value of the plan assets	51.83	-	-	-
Add:Assets acquired on acquisition	-	53.26	-	-
Transfer in/out	(0.80)	(3.17)	-	-
Add: Expected Return on plan assets	2.76	4.26	-	-
Add/(less): Actuarial gains/(losses)	2.56	(0.63)	-	-
Add: Contributions by Employer	*0.00	4.31	-	-
Add: Contribution by Plant participants	*0.00	8.24	-	-
Less: Benefits Paid	(32.08)	(14.44)	-	-
Less: Transfer to Regional Provident Fund	-	-	-	-
Closing balance of the plan assets	F 338 **24.27**	**51.83**	**-**	**-**

*Amount is less than ₹ 1 lakh

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, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
1	Government of India Securities	23%	20%	-	-
2	State Government Scheme	20%	21%	-	-
3	Special Deposit Scheme	6%	8%	-	-
4	Public Sector Unit Bond	29%	33%	-	-
5	Corporate Bonds	17%	15%	-	-
6	Others (cheques on hand)	5%	3%	-	-
		100%	**100%**	**-**	**-**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

29.2 Segment Reporting : Accounting Standard (AS) 17

FY 2017-18 & FY 2016-17

(i) The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Rural,Housing, Wholesale, and Defocused 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. As the operations of the Company are carried out within India, there are no geographical segments.

(ii) Information about Business Segment composition :
Rural Business comprises of Farm Equipments,Micro Loan and Two Wheeler Finance
Housing Business comprises of Loan Propertyand real Estate Finance
Wholesale Business comprises of Infrastructure Finance and Structured Corporte Loans
Defcoused Business comprises of Commercial Vehicle Finance, Construction Finance,SME term loans and Leases.
Unallocted represents tax assets and tax liabilities

₹ in crore

Sr. No.	Particulars	Rural Business		Housing Business		Wholesale Business		Defocused Business		TOTAL	
		For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2017
1.	**Revenue**	2,475.10	1,800.99	684.10	411.03	1,613.20	1,392.70	225.05	477.33	4,997.45	4,082.05
2.	Less : Inter segment revenue	-	-	-	-	-	-	-	-	-	-
3.	Total revenue (1) - (2)	**2,475.10**	**1,800.99**	**684.10**	**411.03**	**1,613.20**	**1,392.70**	**225.05**	**477.33**	**4,997.45**	**4,082.05**
4.	Segment result	576.55	306.39	339.29	187.88	362.96	402.11	(190.81)	(213.45)	1,087.99	682.93
5.	Unallocable expenses[1]	-	-	-	-	-	-	-	-	**653.46**	**654.51**
6.	Operating profit (4)-(5)	576.55	306.39	339.29	187.88	362.96	402.11	(190.81)	(213.45)	434.53	28.42
7.	Income tax expenses (Including deferred tax)										
8.	**Net profit (6)-(7)**	**576.55**	**306.39**	**339.29**	**187.88**	**362.96**	**402.11**	**(190.81)**	**(213.45)**	**434.53**	**28.42**
9.	Segment assets	16,502.66	10,261.67	5,912.33	3,729.09	18,279.77	16,403.46	1,276.52	2,489.13	41,971.28	**32,883.35**
10.	Unallocable assets[2]									2,685.69	3,093.48
11.	**Total assets (9) + (10)**	**16,502.66**	**10,261.67**	**5,912.33**	**3,729.09**	**18,279.77**	**16,403.46**	**1,276.52**	**2,489.13**	**44,656.97**	**35,976.83**
12.	Segment liabilities	14,174.36	9,080.23	5,078.18	3,299.75	15,700.75	14,514.91	1,096.42	2,202.55	36,049.71	29,097.44
13.	Unallocable liabilities[3]	-	-	-	-	-	-	-	-	20.51	-
14.	**Total liabilities (12)+(13)**	**14,174.36**	**9,080.23**	**5,078.18**	**3,299.75**	**15,700.75**	**14,514.91**	**1,096.42**	**2,202.55**	**36,070.22**	**29,097.44**
15.	Capital Expenditure (tangible and intangible fixed assets)	17.70	21.04	6.10	7.39	19.21	33.03	45.78	106.38	**88.79**	**167.84**
16.	Depreciation & amortisation expenses (included in segment expense)	12.87	14.77	0.46	0.45	4.30	3.74	22.14	35.25	**39.77**	**54.21**

Note :
1. Relates to amortisation of Goodwill generated on merger.
2. Includes tax paid in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.
3. Includes provision for tax (net) and deferred tax liabilities (net).

FY 2015-16, FY 2014-15
The Company has a single reportable segment i.e. financing which has similar risk and return for the purpose of AS-17 on 'Segment Reporting' notified under section 133 of the the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules,2014. The Company operates in a single geographical segment i.e domestic.

29.3a Related Party Disclosures: Accounting Standard - 18	**2017-18**	**2016-17**	**2015-16**	**2014-15**
(a) List of Related Parties (with whom transactions were carried out during the respective periods)				
A. Ultimate Holding Company				
1. Larsen & Toubro Limited	✓	✓	✓	✓
B. Holding Company				
2. L&T Finance Holdings Limited	✓	✓	✓	✓
C. Fellow Subsidiary Companies (with whom transactions were carried out during the respective periods)				
3. L&T Infrastructure Finance Company Limited	✓	✓	✓	✓
4. Larsen & Toubro Infotech Limited	✓	✓	✓	
5. L&T Capital Company Limited	✓	✓		
6. L&T Capital Markets Limited	✓	✓	✓	
7. L&T Housing Finance Limited	✓	✓	✓	✓
8. L&T Investment Management Limited	✓	✓	✓	✓
9. L&T Financial Consultants Limited (erstwhile L&T Vrindavan Properties Ltd)	✓	✓*	✓	✓
10. L&T Infra Investment Partners Advisory Private Limited	✓	✓		
11. L&T Electricals and Automation Limited	✓			
12. L&T Finance Ltd (upto 31.03.2016)			✓	✓
13. L&T FinCorp Ltd (upto 31.03.2016)			✓	✓
14. L&T Infra Debt Fund Ltd (upto 31.03.2016)			✓	✓
15. L&T Access Distribution Services Ltd		✓	✓	
16. L&T General Insurance Company Ltd		✓		
17. Ewac Alloys Ltd		✓		
*__Note:__ The name of the Company has been changed from “L&T Vrindavan Properties Limited” to “L&T Financial Consultants Limited” with effect from October 10, 2016.				
D. Associates (with whom transactions were carried out during the respective periods)				
18 L&T Infra Debt Fund Limited	✓	✓		
E. Fellow Associates (with whom transactions were carried out during the respective periods)				
19 Feedback Infrastructure Services Pvt Ltd		✓		
20 Metro Tunneling Group		✓		
21 Salzer Electronics Ltd		✓		
22 Magtorq Private Ltd		✓		
23 JSK Electricals Private Ltd		✓		
F. Key Management Personnel (with whom transactions were carried out during the respective periods)				
24 Mr. Vamsidhar Chevendra - March 20, 2015 to April 28, 2016		✓	✓	✓
25 Mr. Muralidharan Rajamani - April 29, 2016 to February 12, 2017		✓		
26 Mr. Sunil Prabhune - w.e.f February 13, 2017	✓	✓		
27 G.C Rangan - Chief Executive and Manager (upto November 30,2014)				

✓ Transaction during the year{s}

29.3 (b) Disclosure of related party transactions :-

₹ in crore

Sr. No.	Nature of Transaction*	2017-18	2016-17	2015-16	2014-15
Transactions					
1	**Inter corporate deposits borrowed**				
	L&T Finance Holdings Limited	7,421.03	7,656.06	2,166.50	581.50
	L&T Finance Limited	-	-	277.00	583.95
	L&T Infrastructure Finance Company Limited	1,370.00	813.50	-	-
	L&T Housing Finance Limited	636.00	429.15	-	107.00
	L&T Capital Company Limited	8.37	7.60	-	-
	L&T Investment Management Limited	967.94	14.35	-	-
	L&T Capital Market Limited	134.46	-	-	-
	L&T Infra Investment Partners Advisory Private Limited	159.95	-	-	-
2	**Inter corporate deposits repaid**				
	L&T Finance Holdings Limited	6,962.60	7,545.90	2,166.50	581.50
	L&T Finance Limited	-	-	277.00	583.95
	L&T Infrastructure Finance Company Limited	1,405.00	778.50	-	-
	L&T Housing Finance Limited	636.00	429.15	-	107.00
	L&T Capital Company Limited	9.60	5.57	-	-
	L&T Investment Management Limited	967.94	14.35	-	-
	L&T Capital Market Limited	134.46	-	-	-
	L&T Infra Investment Partners Advisory Private Limited	159.95	-	-	-
	Metro Tunneling Group	-	30.00	-	-
3	**Interest expense on inter corporate deposits**				
	L&T Finance Holdings Limited	31.29	21.49	4.38	0.63
	L&T Finance Limited	-	-	0.22	0.87
	L&T Infrastructure Finance Company Limited	2.12	0.78	-	-
	L&T Capital Company Limited	0.64	0.56	-	-
	L&T Housing Finance Limited	0.51	0.81	-	0.10
	L&T Investment Management Limited	1.97	0.02	-	-
	L&T Capital Market Limited	0.38	-	-	-
	L&T Infra Investment Partners Advisory Private Limited	0.75	-	-	-
	Metro Tunneling Group	-	0.21	-	-
4	**Inter corporate deposits given**				
	L&T Infrastructure Finance Company Limited	100.00	677.52	10.00	2.00
	L&T Housing Finance Limited	5.65	338.00	199.00	161.50
	L&T Finance Limited	-	-	37.00	239.00
	L&T Fincorp Limited	-	-	31.00	284.00
5	**Inter corporate deposits received back**				
	L&T Infrastructure Finance Company Limited	100.00	677.52	10.00	2.00
	L&T Housing Finance Limited	5.65	338.00	199.00	161.50
	L&T Finance Limited	-	-	37.00	239.00
	L&T Fincorp Limited	-	-	31.00	284.00
6	**Interest received on inter corporate deposits**				
	L&T Infrastructure Finance Company Limited	0.02	0.34	0.01	*0.00
	L&T Housing Finance Limited	0.01	0.30	0.23	0.22
	L&T Finance Limited	-	-	0.03	0.18
	L&T Fincorp Limited	-	-	0.02	0.28

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

₹ in crore

Sr. No.	Nature of Transaction*	2017-18	2016-17	2015-16	2014-15
7	**Interest paid on NCD**				
	L&T Finance Holdings Limited	-	-	3.78	9.72
	Interest received on loan given	-	-	-	-
	Magtorq Private Limited	-	0.02	-	-
	JSK Electricals Private Limited	-	0.10	-	-
	Feedback Infra Private Limited	-	8.51	-	-
8	**Arrangers fees paid to**				
	L&T Capital Market Limited	-	-	-	-
9	**Advisory Fees received**				
	Larsen & Toubro Limited	0.13	-	-	-
10	**Portfolio related transaction**				
	Portfolio management cost paid to L&T Housing Finance Limited	0.58	0.63	0.66	0.96
	Purchase of loan portfolio from L&T Finance	-	-	467.36	-
	Collection amount received from L&T Finance	-	-	-	311.88
	Collection charges paid to L&T Finance	-	-	0.25	0.36
11	**Investment in Equity Shares**				
	L&T Infra Debt Fund Limited	19.80	-	18.90	-
12	**Issue of redeemable non-convertible debentures**				
	L&T Finance Holdings Limited	-	-	-	40.00
13	**Purchase of assets**				
	L&T Capital Company Limited*	0.00	-	-	-
14	**Corporate support charges paid**				
	L&T Finance Holdings Limited	2.62	4.97	0.06	-
	L&T Finance Limited	-	-	5.00	3.74
15	**Branch sharing cost paid to**				
	Larsen & Toubro Limited	0.11	-	-	-
	L&T Financial Consultants Limited (erstwhile L&T Vrindavan Properties Limited)	23.09	17.70	0.16	0.14
	L&T Finance Limited	-	-	2.24	1.84
	L&T Housing Finance Limited	-	-	0.13	0.09
16	**Branch sharing cost recovered from**				
	L&T Infrastructure Finance Company Limited	0.17	0.24	-	-
	L&T Electricals and Automation Limited	0.05	-	-	-
	L&T Finance Holdings Limited	-	0.08	-	-
	L&T Infra Investment Partners Advisory Private Limited	-	0.03	-	-
	L&T Investment Management Limited	1.77	1.64	-	-
	L&T Capital Market Limited	0.64	0.71	-	-
	L&T Housing Finance Limited	3.04	2.95	0.30	0.31
	L&T Finance Limited	-	-	0.80	0.75
17	**Managerial Remuneration****				
	Vamsidhar Chevendra	-	0.05	0.72	0.02
	Muralidharan Rajamani	-	0.88	-	-
	Sunil Prabhune	8.13	0.17	-	-
		-	-	-	-
18	**IT/Professional fees**	-	-	-	-
	Larsen & Toubro Limited	6.13	6.02	1.20	0.33
	Larsen & Toubro Infotech Limited	2.15	0.71	0.33	-
	L&T Finance Holdings Limited	0.08	-	-	-

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

₹ in crore

Sr. No.	Nature of Transaction*	2017-18	2016-17	2015-16	2014-15
19	**Sale/Assignment of Loan Portfolio**				
	L&T Infra Debt Fund Limited	418.21	274.74	-	-
	L&T Infrastructure Finance Company Limited	662.12	-	-	-
	L&T Housing Finance Limited	735.85	-	-	-
20	**Rent Deposit paid**				
	L&T Vrindavan Properties Limited	-	-	-	0.02
21	**Purchase of Loan Portfolio**				
	L&T Infrastructure Finance Company Limited	963.00	-	-	-
22	**Purchase of Investment**				
	L&T Infrastructure Finance Company Limited	330.00	-	-	-
23	**Brand License Fees**				
	Larsen & Toubro Limited	14.73	0.96	-	-
24	**ESOP Cost**				
	L&T Finance Holdings Limited	4.27	0.08	*0.00	*0.00
25	**Equity Capital Infused (including share premium)**				
	L&T Finance Holdings Limited	1,400.00	6,424.60	-	-

₹ in crore

Sr. No.	Nature of transactions	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015
Balances					
1	**Non Convertible Debenture**				
	L&T Finance Holdings Limited	-	-	-	75.00
2	**Interest accrued but not due on non-convertible debentures**				
	L&T Finance Holdings Limited	-	-	-	3.19
3	**Inter Corporate Borrowings**				
	L&T Finance Holdings Limited	659.34	200.91	-	-
	L&T Infrastructure Finance Company Limited	-	35.00	-	-
	L&T Capital Company Limited	6.37	7.60	-	-
		-	-	-	-
4	**Interest accrued but not due on Inter Corporate Borrowings**	-	-	-	-
	L&T Finance Holdings Limited	1.20	0.27	-	-
	L&T Infrastructure Finance Company Limited	-	0.01	-	-
	L&T Capital Company Limited*	0.22	*0.00	-	-
		-	-	-	-
5	**Investment in equity share**				
	L&T Infra Debt Fund Limited	176.50	156.70	41.90	23.00
6	**Rent Deposit**				
	L&T Financial Consultants Limited (erstwhile L&T Vrindavan Properties Limited)	3.81	3.81	0.02	0.02
7	**Account payable**				
	Larsen & Toubro Limited	-	-	0.38	0.19
	L&T Finance Holdings Limited	1.99	0.25	-	*0.00
	L&T Infrastructure Finance Company Limited	0.14	-	-	-
	L&T Investment Management Limited	0.03	-	*0.00	*0.00
	Larsen & Toubro Infotech Limited	-	-	0.05	-
	L&T Capital Company Limite	*0.00	-	-	-
	L&T Capital Market Limited	0.08	0.70	-	-
	L&T Housing Finance Limited	0.19	-	0.38	-
	L&T Finance Limited	-	-	3.92	-
	L&T Financial Consultants Limited (erstwhile L&T Vrindavan Properties Limited)	0.12	-	-	-

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

₹ in crore

Sr. No.	Nature of transactions	As at March 31,2018	As at March 31,2017	As at March 31,2016	As at March 31,2015
8	**Account Receivable**				
	Larsen & Toubro Limited	2.23	0.28	-	-
	L&T Infrastructure Finance Company Limited	0.67	0.44	-	-
	L&T Investment Management Limited	0.56	0.10	-	-
	L&T Capital Market Limited	0.16	-	-	-
	L&T Housing Finance Limited	0.83	0.24	0.15	-
	L&T Electricals and Automation Limited	0.05	-	-	-
	L&T Financial Consultants Limited (erstwhile L&T Vrindavan Properties Limited)	*0.00	-	-	-
	L&T Finance Limited	-	-	-	0.04
9	**Security Deposit Payable**				
	L&T Investment Management Limited	0.22	0.22	-	-
10	**Reimbursement of expenses**				
	Larsen & Toubro Limited	-	2.92	1.23	-
11	**Portfolio**	-	-	-	-
	Collection amount receivable from L&T Finance	-	-	26.81	6.55
12	**Outstanding Balance of Term Loan Given**	-	-	-	-
	Feedback Infra Private Limited	-	75.00	-	-
	Magtorq Private Limited	-	0.36	-	-
13	**Brand License Fees Payable**	-	-	-	-
	Larsen & Toubro Limited	16.06	-	-	-
14	**Other Receivables**	-	-	-	-
	L&T Access Distribution Services Limited	-	-	*0.00	-

***** Amount is less than ₹1 lakh

****** Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the comapany as a whole.

******* Transactions shown above are excluding of Service Tax and GST, if any.

29.4 Finance Lease:

In accordance with Accounting Standard 19 on 'Leases' as notified under Rule 7 of the Companies (Accounts) Rules, 2014, the following disclosures in respect of Finance Leases are made:

Assets given on lease:

The Company has given assets on finance lease to its customers with respective underlying assets as security. The details of gross investments, unearned finance income and present value of rentals in respect of these assets are as under:

₹ in crore

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
Gross Investments :				
- Within one year	25.89	28.27	-	-
- Later than one year and not later than five years	87.28	50.40	-	-
- Later than five years	*0.00	-	-	-
Total	**113.17**	**78.67**	**-**	**-**
Unearned Finance Income :				
- Within one year	7.45	6.50	-	-
- Later than one year and not later than five years	15.10	8.64	-	-
- Later than five years	*0.00	-	-	-
Total	**22.55**	**15.14**	**-**	**-**
Present Value of Rentals :				
- Within one year	18.44	21.77	-	-
- Later than one year and not later than five years	72.18	41.76	-	-
- Later than five years	*0.00	-	-	-
Total	**90.62**	**63.53**	**-**	**-**

* Amount is less than ₹1 lakh

29.5 Operating Lease :

(i) FY 2017-2018
The Company has taken vehicles under operating leases. Gross rental expenses of ₹ 1.55 crore recognised in the Statement of Profit and Loss.

FY 2016-2017
The Company has taken vehicles under operating leases. Gross rental expenses of ₹ 0.32 crore recognised in the Statement of Profit and Loss.

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

₹ in crore

Particulars	2017-2018	2016-2017
- Within one year	0.27	0.27
- Later than one year and not later than five years	0.37	0.37
- Later than five years	-	-
Total	**0.64**	**0.64**

(ii) FY 2017-2018
The Company has taken IT assets under operating lease. Lease Payments includes ₹ 2.00 crore recognised in the Statement of Profit and Loss.

FY 2016-2017
The Company has taken IT assets under operating lease. Lease Payments includes ₹ 5.64 crore recognised in the Statement of Profit and Loss.

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

₹ in crore

Particulars	2017-2018	2016-2017
- Within one year	0.23	1.09
- Later than one year and not later than five years	0.31	-
- Later than five years	-	-
Total	**0.54**	**1.09**

(iii) FY 2017-2018
The Company has taken premises under operating lease. Lease Payments includes ₹ 12.59 crore recognised in the Statement of Profit and Loss.

FY 2016-2017
The Company has taken premises under operating lease. Lease Payments includes ₹ 12.08 crore recognised in the Statement of Profit and Loss.

FY 2015-2016
The Company has taken premises under operating lease. Lease Payments includes ₹ 5.08 crore recognised in the Statement of Profit and Loss.

FY 2014-2015
The Company has taken premises under operating lease. Lease Payments includes ₹ 5.70 crore recognised in the Statement of Profit and Loss.

The total of future minimum lease payments under non-cancellable operating leases are : **₹ in crore**

	Particulars	2017-2018	2016-2017	2015-2016	2014-2015
-	Within one year	22.76	20.25	4.06	4.58
-	Later than one year and not later than five years	74.10	14.08	13.05	12.65
-	Later than five years	-	-	2.00	-
Total		**96.86**	**34.33**	**19.11**	**17.23**

Assets given on lease:

The total of future minimum lease payments under non-cancellable operating leases are: **₹ in crore**

	Particulars	2017-2018	2016-2017	2015-2016	2014-2015
-	Within one year	12.44	34.04	-	-
-	Later than one year and not later than five years	18.86	40.06	-	-
-	Later than five years	1.46	1.46	-	-
Total		**32.76**	**75.56**	**-**	**-**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

29.6 Earnings Per Share:

Particulars		2017-2018	2016-2017	2015-2016	2014-2015
Basic					
Profit after tax as per statement of profit and loss (₹ in crore)	A	289.92	16.04	87.40	72.86
Weighted average number of equity shares outstanding during the year (Nos.)	B	1,44,92,00,469	1,44,00,47,294	20,43,09,610	20,43,09,610
Basic Earning Per Share (₹)	**A/B**	**2.00**	**0.11**	**4.28**	**3.57**
Diluted					
Profit after tax as per statement of profit and loss (₹ in crore)	A	289.92	16.04	87.40	72.86
Weighted average number of equity shares outstanding (Nos.)	B	1,44,92,00,469	1,44,00,47,294	20,43,09,610	20,43,09,610
Diluted Earning Per Share (₹)	**A/B**	**2.00**	**0.11**	**4.28**	**3.57**
Nominal value of shares (₹)		**10.00**	**10.00**	**10.00**	**10.00**

29.7 i) Contingent Liabilities and commitments:

₹ in crore

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Contingent Liabilities:				
a) Claim against the Company not acknowledged as debt:				
- Income Tax matter in dispute*	0.71	0.71	-	-
- Sales tax/ VAT / Service Tax matter in dispute*	65.41	23.80	-	-
- Legal matter in dispute*	1.31	1.06	1.68	0.30
b) Bank Guarantees;	39.52	21.20	**0.00	**0.00
c) Other money for which the Company is contingently liable Liability towards Letter of Credit(net of margin money)	922.48	52.59	-	-
Commitments				
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	161.61	6.99	1.15	0.81
b) Undisbursed Commitment	-	41.00	-	-

*For FY 2017-18 and FY 2016-17

In respect of disputes, the company is hopeful of succeding in appeals and does not expect any significant liabilites to materialise.

** Amount is less than one lakh

ii) For FY 2015-16 and FY 2014-15

The Company's pending litigations; having an impact on the financial position, comprise certain proceedings pending with Income Tax and VAT authorities. The Company has reviewed all such pending litigations and proceedings and has adequately provided wherever considered necessary in the financial statements. Refer Note 29.21 for details on VAT matters.

In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

29.8 Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options have been granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts,recovery of the same and future period expense details are following:

₹ in crore

Financial Year	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged/(Reversed) to statement of profit and loss for the year	Remaining expenses to be recovered in future year / period
(A)	(B)	(C)	(D)	(E = B-C)
2017-18	18.90	4.35	4.27	14.55
2016-17	0.86	0.08	0.08	0.78
2015-16	0.02	0.02	*0.00	-
2014-15	0.02	0.02	*0.00	*0.00

* Amount is less than ₹ 1 lakh

29.9 Expenditure in foreign currency:

₹ in crore

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
Professional Fees	0.37	0.15	0.03	-
License Fees	1.52	0.01	0.01	0.01

29.10 Frauds committed against the company: **₹ in crore**

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
No. of cases of fraud which occurred during the year	12	20	7	13
Amount involved	0.63	0.59	0.25	0.55
Amount recovered	0.02	0.11	0.06	0.01
Amount provided/loss	0.60	0.01	0.15	0.54

29.11 The Company has entered into currency swap transactions with a view to hedge the currency risk of its USD borrowings. Accordingly the company has revalued the foreign currency borrowing and currency swap at the balance sheet date.

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Liability – External Commercial Borrowings	USD 1,55,06,284	USD 2,00,00,000	-	-
Assets – Currency Swap Contracts	USD 1,55,06,284	USD 2,00,00,000	-	-

29.12 FY 2017-18 and FY 2016-17

(i) Appropriations to the Special Reserve under Section 36(1)(viii) of Income Tax Act,1961 is carried out of the distributable profits of the company.

(ii) Appropriation to the Debenture Redemption Reserve has been created in terms of Section 71 (4) of the Companies Act, 2013 is carried out of distributable profits of the Company.

(iii) FY 2017-18, FY 2016-17, FY 2015-16 and FY 2014-15
During the year, the Company has charged off debenture issue expenses net of tax ₹ 1.74 crore (FY 2016-17 : ₹1.24 crore ; FY 2015-16 : ₹ 0.96 crore ; FY 2014-15 : ₹ 0.20 crore) to the Securities Premium Account in accordance with Section 52 of the companies Act, 2013.

(iv) Appropriations to the Special Reserve under Section 45-IC of the Reserve Bank of India Act,1934 are carried out of the distributable profits of the company.

29.13 Corporate Social Responsibility (CSR)
FY 2017-18, FY 2016-17, FY 2015-16,FY 2014-15
Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 1.76 crore (FY 2016-17 : ₹ 2.08 crore ; FY 2015-16 : ₹ 1.66 crore ; FY 2014-15 : ₹0.01 crore)

(a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities during the years, which comprises of: **₹ in crore**

	2017-18			2016-17			2015-2016			2014-2015		
Particulars	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(a) Amount spent during the year on:												
(i) Construction/ acquisition of any asset	-	-	-	-	-	-	-	-	-	-	-	-
(ii) On purposes other than (i) above	1.81	-	1.81	2.13	-	2.13	1.66	-	1.66	0.01	-	0.01

29.14 Change in accounting estimates :
FY2015-16
a. Provisioning and income recognition on loan portfolio:
(i) During FY 2015-16, the Company has started reversal of unrealised income at 120 days past due as against 150 days past due, in respect of retail loans. As a result, interest income recognized is lower by Rs 5.10 crores.

(ii) During FY 2015-16, the Company has realigned its provisioning policy for standard assets to 0.35% in respect of all loan portfolios. As a result, the provision for standard assets and charge to statement of profit and loss is lower by Rs 8.21 crores.

(iii) During FY 2015-16, the Company has revised its NPA provisioning policy. As a result of this the charge to Profit & Loss A/c statement is lower by 7.69 crores.

FY 2014-15
a. Provisioning and income recognition on loan portfolio:
i. During FY 2014-15, the Company has revised it's estimate of the useful life of the new vehicle hypothecated towards vehicle loans given by the Company from 5 years to 10 years in determining the security value of the underlying vehicle. Had the Company continued to use earlier estimate the charge to the statement of profit and loss would have been higher by Rs.1.04 crore.
ii. During FY 2014-15, the Company has started reversal of unrealised income at 150 days past due as against 180 days past due, in respect of retail loans. As a result, interest income recognized is lower by Rs.3.70 crore.

iii. During FY 2014-15, the Company has increased the provisioning for standard assets from 0.25% to 0.30% in respect of auto loans, Loan against shares, and term loan portfolio. As a result, the provision for standard assets and charge to statement of profit and loss is higher by Rs.0.86 crore.

b. Depreciation of tangible and intangible assets:
In accordance with the requirements of Schedule II to the Companies Act, 2013, the Company has re-assessed the useful lives and residual values of its fixed assets as at April 1, 2014. As a result of this change, the depreciation charge for the year is lower by Rs.0.11 crore.

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

29.15 (i) Details of accounts restructured during the year ended March 31, 2018

₹ in crore

Type of Restructuring			Under CDR Mechanism					Others					Total				
Asset Classification			Standard	SubStandard	Doubtful	Loss	Total	Standard	SubStandard	Doubtful	Loss	Total	Standard	SubStandard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2017	No. of borrowers	-	-	1	-	1	3,890	-	3	-	3,893	3,890	-	4	-	3,894
		Amount outstanding Restructured facility only	-	-	15.01	-	15.01	265.08	-	46.61	-	311.69	265.08	-	61.63	-	326.71
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	16.14	-	16.14	41.15	-	29.05	-	70.20	41.15	-	45.19	-	86.34
2	Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	1.00	-	1.00	3,890.00	-	3.00	-	3,893.00	3,890.00	-	4.00	-	3,894.00
		Amount outstanding Restructured facility only	-	-	(0.13)	-	(0.13)	(53.45)	-	(15.36)	-	(68.81)	(53.45)	-	(15.49)	-	(68.94)
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	(0.16)	-	(0.16)	8.40	-	(3.99)	-	4.41	8.40	-	(4.15)	-	4.25
3	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	1	-	-	1	-	1	-	-	1
		Amount outstanding Restructured facility only	-	-	-	-	-	-	10.82	-	-	10.82	-	10.82	-	-	10.82
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	2.29	-	-	2.29	-	2.29	-	-	2.29
4	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	(811)	775	36	-	-	(811.00)	775.00	36.00	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	(96.18)	94.84	1.34	-	-	(96.18)	94.84	1.34	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	(35.58)	34.95	0.63	-	-	(35.58)	34.94	0.63	-	-
7	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Restructured Accounts as on March 31, 2018	No. of borrowers	-	-	1	-	1	2,385	776	38		3,199	2,385	776	39	-	3,200
		Amount outstanding Restructured facility only	-	-	14.88	-	14.88	115.45	105.67	32.59		253.71	115.45	105.67	47.47	-	268.59
		Amount outstanding other facility	-	-	-	-	-	-				-	-	-	-	-	-
		Provision thereon	-	-	15.98	-	15.98	13.97	37.24	25.70		76.91	13.97	37.24	41.68	-	92.89

L&T Finance Limited

Notes forming part of the Reformatted Standalone Financial Information

Note 29.15 (ii) : Details of accounts restructured during the year ended March 31, 2017

₹ in crore

S.No	Type of Restructuring		Under CDR Mechanism					Others					Total				
	Asset Classification		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1, 2016	No. of borrowers	-	-	-	-	-	-	1.00	-	-	1.00	-	1.00	-	-	1.00
		Amount outstanding Restructured facility only	-	-	-	-	-	-	14.44	-	-	14.44	-	14.44	-	-	14.44
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	3.79	-	-	3.79	-	3.79	-	-	3.79
2	Restructured Accounts transfer on account of amalgamation	No. of borrowers	1	-	-	-	1	6	-	-	-	6	7	-	-	-	7
		Amount outstanding Restructured facility only	15.91	-	-	-	15.91	124.02	-	-	-	124.02	139.93	-	-	-	139.93
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	4.11	-	-	-	4.11	23.51	-	-	-	23.51	27.62	-	-	-	27.62
3	Movement in balance for accounts appearing under opening balance	No. of borrowers	1	-	-	-	1	6	1	-	-	7	7	1	-	-	8
		Amount outstanding Restructured facility only	(0.89)	-	-	-	(0.89)	(10.20)	(0.28)	-	-	(10.48)	(11.09)	(0.28)	-	-	(11.37)
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	12.04	-	-	-	12.04	15.25	3.51	-	-	18.76	27.29	3.51	-	-	30.80
4	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	3,883	-	-	-	3,883	3,883	-	-	-	3,883
		Amount outstanding Restructured facility only	-	-	-	-	-	135.60	-	-	-	135.60	135.60	-	-	-	135.60
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	6.78	-	-	-	6.78	6.78	-	-	-	6.78
5	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Downgradations of restructured accounts during the FY	No. of borrowers	(1)	-	1	-	-	(2)	(1)	3	-	-	(3)	(1)	4	-	-
		Amount outstanding Restructured facility only	(15.01)	-	15.01	-	-	(36.01)	(14.16)	50.17	-	-	(51.02)	(14.16)	65.18	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	(16.14)	-	16.15	-	0.01	(13.38)	(7.29)	20.67	-	-	(29.52)	(7.29)	36.82	-	0.01
8	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Restructured Accounts as on March 31, 2017	No. of borrowers	-	-	1	-	1	3,887	-	3	-	3,890	3,887	-	4	-	3,891
		Amount outstanding Restructured facility only	-	-	15.01	-	15.01	213.41	-	50.17	-	263.58	213.41	-	65.18	-	278.59
		Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	16.14	-	16.14	32.17	-	20.67	-	52.84	32.17	-	36.82	-	68.98

L&T Finance Limited

Notes forming part of the Reformatted Standalone Financial Information

29.15 (iii) Details of accounts restructured during the year ended March 31, 2016

₹ in crore

Type of Restructuring			**Others**					**Total**				
Asset Classification			**Standard**	**Sub - Standard**	**Doubtful**	**Loss**	**Total**	**Standard**	**Sub - Standard**	**Doubtful**	**Loss**	**Total**
1	Restructured Accounts as on April 1, 2015	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	-	**1**	-	-	**1**	-	**1**	-	-	**1**
		Amount outstanding [1]	-	**14.44**	-	-	**14.44**	-	**14.44**	-	-	**14.44**
		Provision thereon [2]	-	**2.15**	-	-	**2.15**	-	**2.15**	-	-	**2.15**
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY (refer foot note 2 below)	No. of borrowers	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
8	Restructured Accounts as on March 31, 2016	No. of borrowers	-	**1**	-	-	**1**	-	**1**	-	-	**1**
		Amount outstanding	-	**14.44**	-	-	**14.44**	-	**14.44**	-	-	**14.44**
		Provision thereon	-	**2.15**	-	-	**2.15**	-	**2.15**	-	-	**2.15**

Foot note:

1. Amount outstanding includes FITL.

2. Provision includes NPA Provision and Scarifice Loss Provision

3. There are no restructuring under Corporate Debt Restructuring Forum and SME Debt Restructuring Mechanism

29.15: (iv) Details of accounts restructured during the year ended March 31, 2015

Nil

29.16 The Company has invoked pledge of equity shares in the following companies, pledged with the Company 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.

₹ in crore

	Name of Company	No. of shares held as bailee			
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
i)	Saumya Mining Limited	5,13,012	5,13,012	-	-
ii)	Sew Vizag Coal Terminal Private Limited*	7,03,833	7,03,833	-	-
iii)	Bhushan Steel Limited	71,89,089	71,89,089	30,22,354	-
iv)	Sterling International Enterprises Limited	2,17,309	2,17,309	-	-
v)	Tulip Telecom Limited	14,01,762	14,01,762	-	-
vi)	Punj Lloyed Limited	5	5	-	-
vii)	Golden Tobacco Limited	10,000	10,000	-	-
viii)	Gujurat Highway Corporation Limited	70,000	70,000	-	-
ix)	Vakrangee Limited	81,524	-	-	-
x)	Hindusthan National Glass & Industries Ltd	38,02,235	-	-	-
xi)	Brij Bhushan Singhal (Shares of Bhushan Steel Limited)	-	-	-	10,22,500
xii)	Neeraj Singhal (Shares of Bhushan Steel Limited)	-	-	-	19,99,854

**Shares held on behalf of L&T Infrastructure Finance Company Limited.*

29.17 **FY 2017-18 & FY 2016-17**

The following additional information (other than what is already disclosed elsewhere) is disclosed in the terms of Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended.

FY 2015-16 ; FY 2014-15

Additional disclosure required by RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15

1. Capital :

₹ in crore

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
i)	CRAR (%)	17.92%	16.42%	16.36%	17.08%
ii)	CRAR - Tier I Capital (%)	15.64%	13.36%	11.95%	13.44%
iii)	CRAR - Tier II Capital (%)	2.28%	3.06%	4.41%	3.64%
iv)	Amount of subordinated debt raised during the year as Tier-II capital	-	-	100.00	40.00
v)	Amount raised during the year by issue of Perpetual Debt Instruments	-	-	50.00	-

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

2. Investments :

₹ in crore

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(1)	**Value of Investments**				
	(i) Gross Value of Investments				
	(a) In India	2,477.61	3,140.90	45.15	176.30
	(b) Outside India	-	-	-	-
	(ii) Provisions for Depreciation	-	-	-	-
	(a) In India	64.67	43.93	1.54	0.15
	(b) Outside India	-	-	-	-
	(iii) Net Value of Investments				
	(a) In India	2,412.94	3,096.97	43.61	176.15
	(b) Outside India	-	-	-	-
(2)	**Movement of provisions held towards depreciation on investments**				
	(i) Opening balance	43.93	1.54	0.15	-
	(ii) Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	16.51	-	-
	(iii) Add : Provisions made during the year*	35.92	28.27	1.39	0.15
	(iv) Less : Write-off / write-back of excess provisions during the year	15.18	2.39	-	-
	(v) Closing balance	64.67	43.93	1.54	0.15

3. Derivatives :

I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

₹ in crore

	Particulars	2017-18	2016-17	2015-2016	2014-2015
(i)	The notional principal of swap agreements	100.00	129.70	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	0.10	2.66	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-	-	-
(v)	The fair value of the swap book	0.10	2.66	-	-

II) Exchange Traded Interest Rate (IR) Derivatives: The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2018, March 31, 2017, March 31, 2016 & March 31, 2015.

III) Disclosures on Risk Exposure in Derivatives (For FY 2017-18 and FY 2016-17)

Qualitative Disclosure

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI.

4. Securitisation:

I) The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

₹ in crore

	Particulars	No. / Amount			
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
1	No of SPVs sponsored by the NBFC for securitization transactions*	2	1	-	-
2	Total amount of securitised assets as per books of the SPVs sponsored	506.05	204.77	-	-
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet				
	a) Off-balance sheet exposures				
	First loss	-	-	-	-
	Others	-	-	-	-
	b) On-balance sheet exposures				
	First loss	64.74	22.52	-	-
	Others	-	-	-	-
4	Amount of exposures to securitisation transactions other than MRR				
	a) Off-balance sheet exposures				
	i) Exposure to own securitizations				
	First loss	-	-	-	-
	Loss	-	-	-	-
	ii) Exposure to third party securitizations				
	First loss	-	-	-	-
	Others	-	-	-	-
	b) On-balance sheet exposures				
	i) Exposure to own securitizations				
	First loss	-	-	-	-
	Others	-	-	-	-
	ii) Exposure to third party securitizations				
	First loss	-	-	-	-
	Others	-	-	-	-

Details of securitisation transactions undertaken by applicable NBFCs

₹ in crore

	Particulars	2017-18	2016-17	2015-16	2014-15
(i)	No. of accounts	1,81,572	12,037	-	-
(ii)	Aggregate value (net of provisions) of accounts securitised	301.29	204.77	-	-
(iii)	Aggregate consideration	301.29	204.77	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
(v)	Aggregate gain / (loss) over net book value	-	-	-	-

II) Details of Assignment transactions undertaken by applicable NBFCs **₹ in crore**

	Particulars	2017-18	2016-17	2015-16	2014-15
(i)	No. of accounts	-	7,388	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	122.52	-	-
(iii)	Aggregate consideration	-	127.20	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-
(v)	Aggregate gain / (loss) over net book value*	-	4.68	-	-

* Gain / (Loss) on assignment is amortised over the life of Portfolio.

III) Financial asset sold to Securitisation/Reconstruction company for Asset reconstruction: **₹ in crore**

	Particulars	2017-18	2016-17	2015-16	2014-15
1	No. of accounts sold	5	2	-	-
2	Aggregate value (net of provision) of accounts sold to SC/RC (₹ crore)	194.70	106.83	-	-
3	Aggregate consideration (₹ crore)	183.97	76.87	-	-
4	Additional consideration realized in respect of accounts transferred in earlier years (₹ crore)	-	-	-	-
5	Aggregate Gain/(Loss) over net book Value (₹ crore)	(10.73)	(29.96)	-	-

FY 2016-17 :
During the year the Company sold certain Non Performing Assets (NPA) to Reconstruction Company. In term of notification RBI/2015-16/423/DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016, any shortfall of sale value over the net book value has been spread over period of four quarters.

5. Exposures

(I) Exposure to Real Estate Sector **₹ in crore**

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	Direct Exposure				
(i)	**Residential Mortgages -** Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	145.53	3,044.86	65.44	86.98
(ii)	**Commercial Real Estate -** Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose 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 limits	6,291.00	1,360.21	212.71	109.38
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -				
	a. Residential	-	-	-	-
	b. Commercial Real Estate	-	-	-	-
	Total Exposure to Real Estate Sector	**6,436.53**	**4,405.07**	**278.15**	**196.36**

(II) Exposure to Capital Market **₹ in crore**

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	291.45	280.48		23.00
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	3,051.33	2,554.50	395.40	187.01
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds/ convertible debentures / units of equity oriented mutual funds does not fully cover the advances;		-	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	60.00	60.00

(vii)	bridge loans to companies against expected equity flows / issues;	-	-	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	122.11	105.32	-	-
	Total Exposure to Capital Market	**3,464.89**	**2,940.30**	**455.40**	**270.01**

(III) Details of financing of parent company products: FY 2017-18 : NIL, FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL

(IV) The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as defined in RBI.

(V) Unsecured Advances (net off provision): **₹ in crore**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Term loans	10,640.12	7,024.83	261.41	183.32
Debentures	235.00	541.30	140.00	-
Personal Loans	-	-	526.42	83.49
Total	**10,875.12**	**7,566.13**	**927.83**	**266.81**

6. Miscellaneous

(I) Registration obtained from other financial sector regulators : No registration has been obtained from other financial sector regulators.

(II) Penalties imposed by RBI and other regulators : No penalties have been imposed by RBI or other regulators during the year. (FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL)

(III) Ratings assigned by credit rating agencies and migration of ratings during the year

Particular		2017-2018		2016-2017		2015-2016		2014-2015	
		CARE	ICRA	CARE	ICRA	CARE	ICRA	CARE	ICRA
(i)	Commercial Paper	CARE A1+	ICRA A1+	CARE A1+	Not Rated	CARE A1+	Not rated	CARE A1+	Not rated
(ii)	Non-Convertible Debentures	CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+	ICRA AA+ (Stable)	CARE AA+ *	ICRA AA+ (Stable)*
(iii)	Bank Loans :								
	Long Term	CARE AAA (Stable)	Not Rated	CARE AA+ (Stable)	Not Rated	CARE AA+	Not rated	CARE AA+ **	Not rated
	Short Term	CARE AAA (Stable)	Not Rated	CARE AA+ (Stable)	Not Rated	CARE AA+	Not rated	CARE AA+ **	Not rated
(iv)	Subordinate Debts	CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+	ICRA AA+ (Stable)	CARE AA+ ***	ICRA AA+ (Stable)***
(v)	Perpetual Debt	CARE AA+ (Stable)	ICRA AA (Stable)	CARE AA (Stable)	ICRA AA (Stable)	CARE AA	ICRA AA (Stable)	Not rated	Not rated
(vi)	Non-Convertible Debentures(Public Issue)	CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	Not rated	Not rated	Not rated	Not rated

FY 2014-15

* The Company has migrated from CARE AA to CARE AA+ on 11th August, 2014 and from ICRA AA to ICRA AA+ on 12th September, 2014.
**The Company has migrated from CARE AA to CARE AA+ on 11th August,2014.
***The Company has migrated from CARE AA to CARE AA+ on 11th August, 2014 and from ICRA AA to ICRA AA+ on 12th September, 2014.

(IV) Postponements of revenue recognition: FY 2017-18 : NIL; FY 2016-17 : NIL ; FY 2015-16 : NIL ; FY 2014-15 : NIL
Note: In respect of Non performing assets, the revenue is recognised in terms of applicable RBI's master directions for respective years.

7. Provisions and Contingencies :

(I) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account **₹ in crore**

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
Provision for depreciation on Investments	18.24	25.88	1.39	0.15
Provision towards Non Performing Assets	531.35	359.01	29.45	6.02
Provision made towards Income tax	-	-	-	-
- Current Tax	297.02	137.83	55.42	45.22
- Deferred Tax	(152.41)	(125.46)	(8.50)	(16.19)
Other Provision and Contingencies (with details)	-	-	-	-
Provision for Standard Assets	(130.62)	164.00	(3.47)	10.48
Provision of Restructured Assets	(8.67)	1.80	-	-

(II) Drawn down from reserves: No draw down from reserves during the FY 2017-18: NIL; FY 2016-17: NIL ; FY 2015-16 : NIL ; FY 2014-15 : NIL

8. Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

₹ in crore

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total Advances to twenty largest borrowers	7,301.78	5,877.47	1,185.37	594.67
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	18.65%	20.10%	23.01%	16.80%

(II) Concentration of Exposures

₹ in crore

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total Exposure to twenty largest borrowers / customers*	7,797.68	6,837.46	1,186.25	597.76
Percentage of Total Exposure to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers *	18.81%	20.06%	22.96%	16.87%

* Undisbursed commitments are considered as Nil on account of conditions precedent to disbursements.

(III) Concentration of NPA

₹ in crore

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Total Exposure to top four NPA accounts	379.00	232.12	54.49	0.82

(IV) Sector-wise NPAs

	Particulars	Percentage to Total Advances in that Sector			
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
1	Agriculture & allied activities	9.69%	13.35%	0.00%	0.00%
2	MSME	7.97%	4.61%	0.00%	0.00%
3	Corporate borrowers	4.11%	3.85%	3.69%	0.00%
4	Services	4.44%	3.30%	0.00%	0.00%
5	Unsecured personal loans	4.74%	0.59%	0.72%	2.82%
6	Auto loans	12.34%	17.68%	7.58%	3.73%
7	Other personal loans	7.09%	6.32%	1.72%	1.42%

9. Movement of NPAs **₹ in crore**

	Particulars	2017-18	2016-17	2015-16	2014-15
(i)	Net NPAs to Net Advances (%)	2.81%	3.99%	3.36%	1.14%
(ii)	Movement of NPAs (Gross)				
	(a) Opening balance	1,905.22	267.36	105.49	81.86
	(b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	911.63	-	-
	(c) Additions during the year	2,231.88	2,135.34	238.25	74.99
	(d) Reductions during the year	1,760.45	1,409.11	76.37	51.36
	(e) Closing balance	2,376.65	1,905.22	267.36	105.49
(iii)	Movement of Net NPAs				
	(a) Opening balance	1,137.65	169.19	39.28	21.67
	(b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	604.53	0.00	0.00
	(c) Additions during the year	1,173.75	1,465.99	153.28	28.00
	(d) Reductions during the year	1,246.64	1,102.06	23.37	10.39
	(e) Closing balance	1,064.76	1,137.65	169.19	39.28
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)				
	(a) Opening balance	767.57	98.17	66.21	60.19
	(b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	307.10		
	(c) Provisions made during the year	1,058.12	669.35	84.98	46.99
	(d) Write-off / write-back of excess provisions	513.81	307.05	53.00	40.97
	(e) Closing balance	1,311.88	767.57	98.19	66.21

Note : FY 2017-18

Loan assets identified as NPA and upgraded to standard assets during the same quarter have been excluded in above disclosure except for NPA identified and sold to Securitisation/Reconstruction company for Asset reconstruction.

10. Disclosure of Customer Complaints

	Particulars	2017-18	2016-17	2015-16	2014-15
(i)	No. of complaints pending at the beginning of the year	-	-	3	5
(ii)	No. of complaints transferred from Transferor company	-	1	-	-
(iii)	No. of complaints received during the year	2,105	3,964	1,788	991
(iv)	No. of complaints redressed during the year	2,105	3,965	1,791	993
(v)	No. of complaints pending at the end of the year	-	-	-	3

29.18 Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2018 is disclosed in terms of RBI circular DBR.No.BP.BC.33/21.04.132/2016-17 dated November 10, 2016.

₹ in crore

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as				
1.00	14.55	-	14.55	9.16
Classified as NPA				
-	-	-	-	-

Note: As on March 31, 2017; March 31, 2016 and March 31, 2015 : Not Applicable

29.19 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

₹ in crore

March 31, 2018	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 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
Advances (Gross)	1,386.31	1,715.28	1,360.95	2,873.25	5,083.92	12,175.24	4,881.84	9,668.82	39,145.61
Investments (Net)	7.41	22.33	-	1,436.90	36.95	384.49	0.68	524.18	2,412.94
Borrowings*	1,042.50	1,160.25	3,365.15	4,168.53	3,982.74	16,149.41	4,326.33	740.00	34,934.91
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities*	-	-	-	-	-	101.16	-	-	101.16

* Including ECB loan

₹ in crore

March 31, 2017	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 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
Advances (Gross)	1,220.98	1,662.73	1,290.50	2,220.23	4,073.97	9,732.66	3,854.99	5,188.39	29,244.45
Investments (Net)	465.57	-	-	-	1,895.15	348.78	39.95	347.52	3,096.97
Borrowings*	809.25	3,111.50	3,338.54	2,610.72	2,771.45	12,793.40	1,636.00	890.00	27,960.86
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	136.36	-	-	-	-	136.36

* Including ECB loan

₹ in crore

March 31, 2016	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 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
Advances (Gross)	213.12	186.97	212.18	674.43	1,069.69	2,074.24	580.78	39.74	5,051.15
Investments (Net)	-	-	-	-	1.71	-	-	41.90	43.61
Borrowings	-	-	-	-	-	-	-	-	
Borrowings*	30.00	483.37	1,003.33	58.33	45.67	2,621.59	-	265.00	4,507.29
Foreign Currency assets	-	-	-		-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

* Including ECB loan

₹ in crore

March 31, 2015	1 day to 30/31 days (1 month)	Over 1 month to 2 months	Over 2 months to 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
Advances (Net)	141.12	189.52	139.52	434.01	754.11	1,468.57	317.06	31.29	3,475.20
Investments (Net)	150.05	-	-	-	3.10	-	-	23.00	176.15
Borrowings	20.00	608.33	672.91	110.39	226.83	1,344.70	-	115.00	3,098.16
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Note : FY 2014-15 : Advances considered above are net of Provision for Non-performing asset and contingency provision for standard assets.

29.20 FY 2017-18, FY 2016-17

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended)

Liabilities Side:

1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: **₹ in crore**

Particulars		As at March 31, 2018		As at March 31, 2017	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	Debentures :				-
	- Secured	10,460.14	-	7,478.23	-
	- Unsecured	1,124.35	-	1,190.42	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	8,863.70	-	9,589.68	0.37
(d)	Inter-Corporate Loans and borrowings	667.13	-	243.79	-
(e)	Commercial Paper (Net off unexpired discounting charges)	6,525.82	-	9,650.42	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans	-	-	-	-
	i) Foreign Currency Loan	101.16	-	129.73	-
	ii)Bank Overdraft, Cash credit & Working Capital Demand Loan	7,721.47	-	96.58	-
(f)	Accured Interest on above borrowings (a to g)	-	-	-	-

*** Refer footnote 1 below**

2 Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) : **₹ in crore**

Particulars		As at March 31, 2018		As at March 31, 2017	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a)	In the form of Unsecured debentures	-	-	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c)	Other public deposits	-	-	-	-

*** Refer footnote 1 below**

Assets Side:

3. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below] : **₹ in crore**

Particulars		Amount Outstanding	
		As at March 31, 2018	As at March 31, 2017
(a)	Secured (net of provision)	26,948.11	20,720.61
(b)	Unsecured (net of provision)	10,875.12	7,566.13

4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities **₹ in crore**

Particulars		Amount Outstanding	
		As at March 31, 2018	As at March 31, 2017
(i)	Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	-	-
	(b) Operating Lease (net of provision)	0.09	3.19
(ii)	Stock on hire including hire charges under sundry debtors :		
	(a) Assets on Hire	-	-
	(b) Repossessed Assets	-	-
(iii)	Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

5. Break-up of Investments (net off diminution) : **₹ in crore**

Particulars		Amount Outstanding	
		As at March 31, 2018	As at March 31, 2017
Current Investments			
1	**Quoted**		
	(i) Shares :		
	(a) Equity	7.41	22.62
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Share Application money)	-	-
2	**Unquoted**		
	(i) Shares :	-	-
	(a) Equity	-	2.95
	(b) Preference	1.43	4.08
	(ii) Debentures and Bonds	1,442.30	1,484.66
	(iii) Units of Mutual Funds	-	440.00
	(iv) Government Securities	-	245.35
	(v) Others (Pass Through Certificates)	52.46	161.06
		-	-
Long Term Investments			
1	**Quoted**		
	(i) Shares :	-	-
	(a) Equity	-	3.97
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
2	**Unquoted**	-	-
	(i) Shares :	-	-
	(a) Equity	178.63	169.69
	(b) Preference	4.56	5.82
	(ii) Debentures and Bonds	377.67	377.67
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	*0.00	*0.00
	(v) Others :	-	-
	(a) Security receipts	226.38	73.76
	(b) Investment in Units/Pass Through Certificates	122.11	105.32

* Amount is less than ₹ 1 lakh

6. Borrower group-wise classification of assets financed as in (3) and (4) above (see footnote 2 below) : **₹ in crore**

Category		As at March 31, 2018		As at March 31, 2017	
		Secured (net of provision)	Unsecured (net of provision)	Secured (net of provision)	Unsecured (net of provision)
1	Related Parties **				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	75.00	0.36
2	Other than related parties	26,948.11	10,875.12	20,645.61	7,565.77
	Total	**26,948.11**	**10,875.12**	**20,720.61**	**7,566.13**

** As per Accounting Standard issued by the Institute of Chartered Accountants of India (see footnote 3 below)

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in crore

Category		As at March 31, 2018		As at March 31, 2017	
		Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)
1	Related Parties**				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	182.50	182.51	162.70	162.70
2	Other than related parties	2,295.11	2,230.43	2,978.20	2,934.27
	Total	**2,477.61**	**2,412.94**	**3,140.90**	**3,096.97**

** As per Accounting Standard issued by the Institute of Chartered Accountants of India (see footnote 3 below)

8. Other Information

₹ in crore

	Particulars	As at March 31, 2018	As at March 31, 2017
(i)	Gross Non-Performing Assets	2,376.64	1,905.22
	(a) Related parties	-	-
	(b) Other than related parties	2,376.64	1,905.22
(ii)	Net Non-Performing Assets	1,064.76	1,137.65
	(a) Related parties	-	-
	(b) Other than related parties	1,064.76	1,137.65
(iii)	Assets acquired in satisfaction of debt (Gross)	100.43	64.36

Footnotes:

FY 2017-18;FY 2016-17

1 As defined in point (xix) of paragraph 3 of chapter-2 of these Directions.
2 Provisioning norms shall be applicable as prescribed in these Directions.
3 All Accounting Standards represents to Companies Act,2013 and Companies Rules and Guidance Notes issued by the Institute of Chartered Accountants of India are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/Net Asset Value in respect of unquoted investments have been disclosed irrespective of whether they are classified as long term or current in (5) above.

For FY 2015-16 and FY 2014-15

The disclosures, as required in terms of para 13 of the Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and the Systemically Important Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, have not been provided in the reformatted financial statements since this information had not been included as a part of the audited financial statements as at and for the years ended March 31, 2015 and March 31,2016.

29.21 Value Added Tax (F.Y 2014-15)

The Company received an order from West Bengal Taxation Tribunal (WBTT) for payment of VAT on sale of repossessed assets. In its decision dated April 16, 2010, WBTT concluded that Non-banking financial companies are 'dealers' within the meaning of definition of dealer under Section 2(11)(d) of West Bengal VAT Act, 2003 and accordingly liable for payment of VAT. The Company being one of the petitioners to the Tribunal on the above matter has provided for VAT liability of ₹1.68 crore. However the Company has paid VAT under protest amounting to ₹1.03 crore out of the above liability, on the sale value of repossessed vehicles after claiming benefit of Rule 26K of West Bengal VAT Rules, 2005. The Company had filed a petition before the Calcutta High Court against the order of the WBTT. However, the Calcutta High Court has dismissed the petition in favour of WBTT. The Company along with other petitioners has filed petition before the Supreme Court against the order of the Calcutta High Court.

Further, the Company has received an order from VAT authorities in the state of Orissa in December 2012 levying an amount of ₹ 0.17 crore on sale of repossessed assets in Orissa. The Company has made an appeal against the order of the Deputy Commissioner of Sales Tax and made a provision of ₹ 0.17 crore as at March 31, 2015 out of which ₹ 0.08 crore has been paid. Apart from the above proceedings, there are no other proceedings against the Company for payment of VAT on sale of repossessed assets.

29.22 FY 2016-17:

Disclosure required by notification dated 30th March, 2017 issued by Ministry of Company Affairs.

₹ in crore

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8,2016	60.14	0.18	60.32
(+) Permitted receipts	41.72	364.94	406.66
(-) Permitted payments	-		
(-) Amount deposited in Banks	(101.86)	(358.83)	(460.69)
Closing cash in hand as on December 30, 2016	-	6.29	6.29

Includes amounts directly deposited by the borrowers into the bank accounts.

L & T Finance Ltd is a Non-Banking Finance Company ("NBFC"). The Company offers a wide range of products such as micro finance, tractor loans, two-wheeler loans and other rural lending products to a large number of customers. The operations are geographically wide-spread with significant volume of transactions including cash collections. The above information covers cash received at the Company's offices and is based on details available in the pay-in-slips but excludes direct deposits in the Company's bank accounts by the borrowers.

As the Company took steps not to accept Specified Bank Notes at its offices after November 8, 2016 and on the basis of information compiled, all collections from November 9, 2016 to December 30, 2016 have been shown as "Other denomination notes".

29.23 Dues to Micro and Small Enterprises

The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/ payable is disclosed below

₹ in crore

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
i) 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.	-	-	-	0.01
ii) 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.	-	-	-	-
iii) 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.	-	-	-	-
iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-

29.24 Amalgamation of L&T Finance Ltd and L&T Fincorp Ltd with Family Credit Limited (FY 2016-17)

1 The Board of Directors of L&T Fincorp Limited (LTFC) on July 19, 2016 and the Board of Directors of erstwhile L&T Finance Limited (LTF) and Family Credit Limited (FCL) on July 21, 2016 had approved the Scheme of Amalgamation (Scheme) of erstwhile L&T Finance Limited and L&T FinCorp Limited (together referred as Transferor Companies) with Family Credit Limited (Transferee Company) effective from April 01, 2016 (Appointed date). The Honourable High Court of Calcutta at his hearing held on November 28, 2016 and the National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on January 24, 2017, have sanctioned the Scheme of Amalgamation of L&T Finance Ltd and L&T FinCorp Limited with Family Credit Limited. The certified copies of the Orders of the Court and NCLT, sanctioning the Scheme were filed with the Registrar of Companies, Kolkata on February 13, 2017 (the "Effective Date").

The purchase consideration of ₹ 6424.60 Crore for acquisition of Transferor Company was settled by issue of 1,23,57,37,684 equity shares of ₹ 10/- each at a price of ₹ 51.99/- per share to the shareholder of L&T Finance Limited and L&T FinCorp Limited as per following share exchange ratio

a) 350 equity shares of face value of ₹ 10 each for every 100 equity shares of face value of ₹ 10 each held in L&T Finance pre merger

b) 147 equity shares of face value of ₹ 10 each for every 100 equity shares of face value of ₹ 10 each held in L&T FinCorp pre merger

The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements and all assets and liabilities and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company. Accordingly, the financial statements have been recast for the year ended on March 31, 2017.

2 Consequent to the Scheme becoming effective, net assets of Transferor Company aggregate to ₹ 3,157.29 crore as at Appointed Date have been transferred to the Transferee Company at their respective fair values and the fair value of Distribution and Customer Network Rights ("DCNR") as determined by an independent Valuer, have been recognised as an intangible asset at a valuation of ₹ 438.80 crore. The balance amount of ₹2,828.51 crore has been recorded as goodwill on amalgamation. These intangible assets, i.e. the DCNR and goodwill on amalgamation, are being amortised on a straight line basis over a period of 5 years with effect from April 01, 2016.

₹ in crore

Particulars	LTF	LTFC	Total
I. Consideration paid for acquisition	**4,338.45**	**2,086.15**	**6,424.60**
II. Assets acquired on appointed date			
Tangible assets	228.17	5.59	233.76
Intangible assets (including DCNR)	443.01	-	443.01
Non-current investments	140.50	129.66	270.16
Deferred tax assets (net)	148.30	47.09	195.39
Long-term loans and advances	97.59	51.70	149.29
Long-term loans and advances towards financing activities	7,862.45	4,696.40	12,558.85
Other non-current assets	73.37	82.16	155.53
Current investments	2.57	195.60	198.17
Trade receivables	7.44	0.88	8.32
Cash and bank balances	155.62	0.80	156.42
Short-term loans and advances	73.16	-	73.16
Current maturities of long-term loans and advances towards financing activities	3,687.48	1,233.04	4,920.52
Short-term Loans and advances towards financing activities	2,338.83	774.54	3,113.37
Other current assets	425.01	197.95	622.96
Total (A)	**15,683.50**	**7,415.41**	**23,098.91**
Long-term borrowings	6,304.38	4,303.28	10,607.66
Other long term liabilities	102.65	115.77	218.42
Long-term provisions	32.25	20.77	53.02
Short-term borrowings	2,357.10	1,305.96	3,663.06
Current maturities of long term borrowings	3,292.90	538.44	3,831.34
Trade payables	127.28	10.29	137.57
Other current liabilities	829.63	85.11	914.74
Short-term provisions	61.01	16.00	77.01
Total (B)	**13,107.20**	**6,395.62**	**19,502.82**
Net Assets (A - B)	**2,576.30**	**1,019.79**	**3,596.09**
III. Goodwill (I - II)	**1,762.15**	**1,066.36**	**2,828.51**

L&T Finance Limited
Notes forming part of the Reformatted Standalone Financial Information

3 Statutory reserves which have been created by Transferor Company pursuant to the requirements of applciable statute and are required to be preserved for specified period, are transferred to Transferee Company in the same form in which they appeared in the financials statements of the Transferor Company so long as their identity is required to be maintained to comply with the relevant statute. The statutory reserves are recorded in the financial statements of the transferee company by a corresponding debit to "Amalgamation Adjustment Account" which is disclosed as a part of 'Reserve and Surplus' in the balance sheet.

Details of Statutory Reserves of Transferor Company recorded in Transferee Company is as under: **₹ in crore**

Particulars	LTF	LTFC	Total
Debenture redemption reserve under Section 71(4) of the Companies Act	102.12	-	102.12
Reserve under section 45-IC of Reserve Bank of India Act	371.34	83.15	454.49
Reserve under section 36(1)(viii) of Income Tax Act	0.20	8.61	8.81
Total	**473.66**	**91.76**	**565.42**

4 Due to the amalgamation of Transferor Company with the Transferee Company from appointed date of April 01, 2016, the figures of the current year will not be comparable to the corresponding figures of the previous years.

5 L&T Fincorp Limited, one of the amalgamating company had declared and paid an interim dividend of ₹ 140.03 Crore prior to the effective date of amalgamation and the Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2017.

29.25 Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Gufran Ahmed Siddiqui
Company Secretary

Place : Mumbai
Date : November 25, 2019

L&T Finance Limited
Statement of dividend (Standalone basis) **Annexure V**

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Equity Share Capital (₹ in crore)		1,599.14	1,440.05	204.31	204.31
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	-	-	-	-
Total dividend on Equity Shares (₹ in crore)		-	-*	-	-
Dividend Declared Rate (In %)	(c=b/a)	0.00%	0.00%	0.00%	0.00%
Dividend tax (gross) on dividend (₹ in crore)		-	-	-	-

* L&T Fincorp Ltd, one of the amalgamating company had declared and paid an interim dividend of ₹ 140.03 crore prior to the effective date of amalgamation and the Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2018.

For and on behalf of the board of directors of
L&T Finance Limited

Dinanath Dubhashi
Chairperson
(DIN : 03545900)

Manish Jethwa
Head Accounts
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary

Place: Mumbai
Date : November 25, 2019

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
L&T FINANCE LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **L&T FINANCE LIMITED** (the "Company"), for the six months ended September 30, 2019 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Rupen K. Bhatt
Partner
(Membership No. 046930)
UDIN: 19046930AAAAEA6964

Mumbai, October 18, 2019

L&T FINANCE LIMITED
(A wholly owned subsidiary of L&T Finance Holdings Limited)
CIN. U65910WB1993FLC060810
Regd. Office : 7th Floor, Technopolis, A-Wing, Plot No. 4, Block-BP, Sector-V, Salt Lake, Kolkata - 700 091
Website: www.ltfs.com Email: investorgrievances@ltfs.com Phone: +91 033 6611 1800 Fax: +91 033 6611 1802

₹ in crore

STATEMENT OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019

Sr. No.	Particulars	Six months ended		Year ended
		September 30, 2019	September 30, 2018	March 31, 2019
		(Unaudited)	(Unaudited)	(Audited)
(I)	**Revenue from operations**			
	(a) Interest income	4,105.17	3,221.54	7,011.72
	(b) Rental income	6.29	10.55	18.84
	(c) Fees and commission income	115.94	52.15	152.25
	(d) Net gain on fair value changes	100.29	3.25	-
	Total revenue from operations	**4,327.69**	**3,287.49**	**7,182.81**
(II)	**Other income**	**125.38**	**84.90**	**199.78**
(III)	**Total income (I+II)**	**4,453.07**	**3,372.39**	**7,382.59**
(IV)	**Expenses**			
	(a) Finance costs	1,951.64	1,489.51	3,327.92
	(b) Net loss on fair value changes	-	-	8.62
	(c) Net loss on derecognition of financial instruments under amortised cost category	80.10	201.60	324.97
	(d) Impairment on financial instruments	931.28	162.83	637.06
	(e) Employee benefits expenses	358.41	232.01	548.31
	(f) Depreciation, amortization and impairment	349.67	344.46	690.93
	(g) Others expenses	288.91	243.47	541.70
	Total expenses	**3,960.01**	**2,673.88**	**6,079.51**
(V)	**Profit before tax (III - IV)**	**493.06**	**698.51**	**1,303.08**
(VI)	**Tax expense:**			
	a) Current tax	257.16	142.56	488.47
	b) Deferred tax	(108.86)	108.34	(31.35)
(VII)	**Profit before impact of change in the rate on opening deferred tax (V-VI)**	**344.76**	**447.61**	**845.96**
(VIII)	Impact of change in the rate on opening deferred tax (Refer Note 5)	203.40	-	-
(IX)	**Profit for the period (VII-VIII)**	**141.36**	**447.61**	**845.96**
(X)	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	a) Remeasurement of defined benefit plans	(3.00)	(0.11)	(1.54)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.76	-	0.54
	Subtotal (A)	**(2.24)**	**(0.11)**	**(1.00)**
B	(i) Items that will be reclassified to profit or loss			
	a) Change in fair value of debt instruments measured at fair value through other comprehensive income	(8.07)	(29.31)	(0.37)
	b) The effective portion of gains and loss on hedging instruments in a cash flow hedge	(46.77)	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	11.77	-	-
	Subtotal (B)	**(43.07)**	**(29.31)**	**(0.37)**
	Other comprehensive income (A+B)	**(45.31)**	**(29.42)**	**(1.37)**
(XI)	**Total comprehensive income for the period (IX+X)**	**96.05**	**418.19**	**844.59**
(XII)	**Earnings per equity share (*not annualised):**			
	(a) Basic (₹)	*0.88	*2.80	5.29
	(b) Diluted (₹)	*0.88	*2.80	5.29

L&T FINANCE LIMITED
(A wholly owned subsidiary of L&T Finance Holdings Limited)
CIN. U65910WB1993FLC060810
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Website: www.ltfs.com Email: investorgrievances@ltfs.com Phone: +91 033 6611 1800 Fax: +91 033 6611 1802

Notes:

1 Statement of assets and liabilities

₹ in crore

Sr. No.	Particulars	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
A	**ASSETS**		
1	**Financial assets**		
	(a) Cash and cash equivalents	2,043.15	1,530.51
	(b) Bank balance other than (a) above	339.06	30.57
	(c) Derivative financial instruments	24.26	7.20
	(d) Receivables		
	Trade receivables	46.71	11.50
	Other receivables	39.28	18.95
	(e) Loans	48,117.62	47,113.67
	(f) Investments	2,008.18	4,684.30
	(g) Other financial assets	74.25	107.54
2	**Non-financial assets**		
	(a) Current tax assets (net)	47.47	77.78
	(b) Deferred tax assets (net)	645.20	727.21
	(c) Property, plant and equipment	41.26	49.34
	(d) Intangible assets under development	24.06	18.48
	(e) Goodwill	848.55	1,131.41
	(f) Other intangible assets	165.93	214.71
	(g) Other non-financial assets	126.21	113.55
	TOTAL - ASSETS	**54,591.19**	**55,836.72**
B	**LIABILITIES AND EQUITY**		
1	**Financial liabilities**		
	(a) Derivative financial instruments	-	-
	(b) Payables		
	(i) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	82.71	86.03
	(ii) Other payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5.62	13.11
	(c) Debt securities	18,977.74	23,071.60
	(d) Borrowings (Other than debt securities)	24,956.01	22,139.86
	(e) Subordinated Liabilities	1,182.08	1,124.42
	(f) Other financial liabilities	325.18	406.66
2	**Non financial liabilities**		
	(a) Current tax liabilities (net)	20.51	20.51
	(b) Provisions	36.11	21.74
	(c) Other non-financial liabilities	11.50	52.36
3	**Equity**		
	(a) Equity share capital	1,599.14	1,599.14
	(b) Other equity	7,394.59	7,301.29
	TOTAL - LIABILITIES AND EQUITY	**54,591.19**	**55,836.72**

2 These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard ("Ind AS") prescribed section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

3 These financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

4 These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 18, 2019. The Statutory Auditors of the Company have carried out limited review of the aforesaid results.

5 The recently promulgated Taxation Laws (Amendment) Ordinance 2019, has inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/ incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Income Tax Act, 1961, for assessment year (AY) 2020-21 or subsequent AYs. Once exercised, such an option cannot be withdrawn for the same or subsequent AYs.

These financial results are prepared on the basis that the Company would avail the option to pay income tax at the lower rate. Consequently, the opening deferred tax asset (net) has been measured at the lower rate, with a one-time corresponding charge of ₹ 203.40 crore to the Statement of Profit and Loss.

6 The previous year/period figures have been reclassified/regrouped to conform to the figure of the current period.

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner

Place : Mumbai
Date : October 18, 2019

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

Dinanath Dubhashi
Chairperson
(DIN :03545900)

Place : Mumbai
Date : October 18, 2019

L&T Finance Limited

Annexure 3

STATEMENT OF ACCOUNTING RATIOS (Consolidated basis)

1. Basic and Diluted Earnings per Share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	(IND-AS)	(IND-AS)
Weighted average number of equity shares outstanding for computation of Basic Earning Per Share (A)	1,59,91,38,199	1,44,92,00,469
Add: Potential equity shares (B)	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	1,59,91,38,199	1,44,92,00,469
Profit after Tax attributable to equity shareholders [₹ in crore] (D)	883.20	156.65
Nominal Value of share [in ₹]	₹ 10.00	₹ 10.00
Basic earnings per share [in ₹] (E=(D/A))	₹ 5.52	₹ 1.08
Diluted earnings per share [in ₹] (F=(D/C))	₹ 5.52	₹ 1.08

2. Return on Networth

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	(IND-AS)	(IND-AS)
Net Profit after tax [₹ in crore] (A)	883.20	156.65
Average networth [₹ in crore] (B) <Refer Annexure 3A>	8,672.74	7,570.52
Return on networth (A/B)	10.18%	2.07%

3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2019	As at March 31, 2018
	(IND-AS)	(IND-AS)
Number of equity shares (A)	1,59,91,38,199	1,59,91,38,199
Networth [₹ in crore] (B) <Refer Annexure 3A>	8,997.09	8,348.39
Net asset value per equity share (B/A)	56.26	52.21

4. Debt-equity ratio

Particulars	As at March 31, 2019	As at March 31, 2018
	(IND-AS)	(IND-AS)
Debt [₹ in crore] (A) <Refer Annexure 3A>	46,335.88	35,458.42
Equity [₹ in crore] (B) <Refer Annexure 3A>	9,005.09	8,354.61
Debt-equity ratio (A/B)	5.15	4.24

Note:
Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.

For and on behalf of **L&T Finance Limited**

In terms of our Report of factual findings in connection with agreed-upon procedures

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Place: Mumbai
Date: November 25, 2019

L&T Finance Limited **Annexure 3A**

Information extracted from Audited Ind-AS Consolidated Financial Statements

₹ in crore

Particulars		**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
		(IND-AS)	**(IND-AS)**	**(IND-AS)**
Share Capital		1,599.14	1,599.14	1,440.05
Reserve and Surplus / Other Equity		7,405.95	6,755.47	5,363.59
Total Equity	**i**	**9,005.09**	**8,354.61**	**6,803.64**
Less :				
Deferred expenditure (refer note b)		9.59	6.43	6.93
Other comprehensive income / (loss)		(1.59)	(0.21)	4.07
Total	**ii**	**8.00**	**6.22**	**11.00**
Networth (refer note a)	**(i-ii)**	**8,997.09**	**8,348.39**	**6,792.64**
Average Networth (refer note c)		**8,672.74**	**7,570.52**	
Debt:				
(i) Debt securities		23,071.60	16,980.60	17,117.95
(ii) Borrowings (Other than debt securities)		22,139.86	17,353.47	10,059.78
(iii) Subordinated Liabilities		1,124.42	1,124.35	1,190.42
Total Debt		**46,335.88**	**35,458.42**	**28,368.15**

Notes:

a) Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.

b) Prepaid expenses is considered as deferred expenditure.

c) Average Networth means sum of opening and closing Networth divided by two.

d) Information in respect of financial year as at and for the year ended 31st March 2019 (IND-AS), 31st March 2018 (IND-AS) and 1st April 2017 (IND-AS) has been traced from the Consolidated Financial Statements of the Company as at and for the year ended 31st March 2019.

L&T Finance Limited
STATEMENT OF ACCOUNTING RATIOS (Standalone basis) **Annexure 1**

1. Basic and Diluted Earnings Per Share

Particulars	For the year ended March 31, 2019 (IND-AS)	For the year ended March 31, 2018 (IND-AS)
Weighted average number of equity shares outstanding for computation of Basic Earning Per Share (A)	1,59,91,38,199	1,44,92,00,469
Add: Potential equity shares (B)	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	1,59,91,38,199	1,44,92,00,469
Profit after Tax attributable to equity shareholders [₹ in crore] (D)	845.96	117.34
Nominal Value of share [in ₹]	₹ 10.00	₹ 10.00
Basic earnings per share [in ₹] (E=(D/A))	₹ 5.29	₹ 0.81
Diluted earnings per share [in ₹] (F=(D/C))	₹ 5.29	₹ 0.81

2. Return on Networth

Particulars	For the year ended March 31, 2019 (IND-AS)	For the year ended March 31, 2018 (IND-AS)
Net Profit after tax [₹ in crore] (A)	845.96	117.34
Average networth [₹ in crore] (B) <Refer Annexure 1A>	8,586.68	7,522.73
Return on networth (A/B)	9.85%	1.56%

3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2019 (IND-AS)	As at March 31, 2018 (IND-AS)
Number of equity shares (A)	1,59,91,38,199	1,59,91,38,199
Networth [₹ in crore] (B) <Refer Annexure 1A>	8,892.41	8,280.95
Net asset value per equity share (B/A)	**55.61**	**51.78**

4. Debt-equity ratio

Particulars	As at March 31, 2019 (IND-AS)	As at March 31, 2018 (IND-AS)
Debt [₹ in crore] (A) <Refer Annexure 1A>	46,335.88	35,458.42
Equity [₹ in crore] (B) <Refer Annexure 1A>	8,900.43	8,287.18
Debt-equity ratio (A/B)	5.21	4.28

Notes:
Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.

For and on behalf of **L&T Finance Limited**

In terms of our Report of factual findings in connection with agreed-upon procedures

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Place: Mumbai
Date: November 25, 2019

L&T Finance Limited **Annexure 1A**

Information Extracted From Standalone Audited Ind-AS Financial Statements for the year ended March 31, 2019

₹ in crore

Particlars		**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
		IND-AS	**IND-AS**	**IND-AS**
Share Capital		1,599.14	1,599.14	1,440.05
Reserve and Surplus / Other Equity		7,301.29	6,688.04	5,335.46
Total Equity	**i**	**8,900.43**	**8,287.18**	**6,775.51**
Less :				
Unamortised premium on loans/ debentures		-	-	-
Deferred expenditure (refer note b)		9.59	6.43	6.93
Other Comprehensive income		(1.57)	(0.20)	4.07
Total	**ii**	**8.02**	**6.23**	**11.00**
Networth / Equity (refer Note a)	**(i-ii)**	**8,892.41**	**8,280.95**	**6,764.51**
Average Networth (refer Note c)		**8,586.68**	**7,522.73**	
Debt:				
(i) Debt securities		23,071.60	16,980.60	17,117.95
(ii) Borrowings (Other than debt securities)		22,139.86	17,353.47	10,059.78
(iii) Subordinated Liabilities		1,124.42	1,124.35	1,190.42
Total Debt		**46,335.88**	**35,458.42**	**28,368.15**

Notes:

a) Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.

b) Prepaid expenses is considered as deferred expenditure.

c) Average Networth means sum of opening and closing Networth divided by two.

d) Information in respect of financial year as at and for the year ended 31st March 2019 (IND-AS), 31st March 2018 (IND-AS) and 1st April 2017 (IND-AS) has been traced to the Standalone Ind-AS Financial Statements of the Company as at and for the year ended 31st March 2019.

L&T Finance Limited

Annexure 4

STATEMENT OF ACCOUNTING RATIOS (Consolidated basis)

1. Basic and Diluted Earnings per Share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	(IGAAP)	(IGAAP)
Weighted average number of equity shares outstanding for computation of Basic Earning Per Share (A)	1,44,92,00,469	1,44,00,47,294
Add: Potential equity shares (B)	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	1,44,92,00,469	1,44,00,47,294
Profit after Tax attributable to equity shareholders [₹ in crore] (D)	332.25	42.66
Nominal Value of share [in ₹]	₹ 10.00	₹ 10.00
Basic earnings per share [in ₹] (E=(D/A))	₹ 2.29	₹ 0.30
Diluted earnings per share [in ₹] (F=(D/C))	₹ 2.29	₹ 0.30

2. Return on Networth

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	(IGAAP)	(IGAAP)
Net Profit after tax [₹ in crore] (A)	332.25	42.66
Average networth [₹ in crore] (B) <Refer Annexure 4A>	7,764.35	3,767.34
Return on networth (A/B)	4.28%	1.13%

3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2018	As at March 31, 2017
	(IGAAP)	(IGAAP)
Number of equity shares (A)	1,59,91,38,199	1,44,00,47,294
Networth [₹ in crore] (B) <Refer Annexure 4A>	8,625.99	6,902.70
Net asset value per equity share (B/A)	53.94	47.93

4. Debt-equity ratio

Particulars	As at March 31, 2018	As at March 31, 2017
	(IGAAP)	(IGAAP)
Debt [₹ in crore] (A) <Refer Annexure 4A>	34,761.81	27,829.71
Equity [₹ in crore] (B) <Refer Annexure 4A>	8,648.84	6,902.70
Debt-equity ratio (A/B)	4.02	4.03

Note:

Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of

For and on behalf of **L&T Finance Limited**

In terms of our Report of factual findings in connection with agreed-upon procedures

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Place: Mumbai
Date: November 25, 2019

L&T Finance Limited **Annexure 4A**

Information extracted from Reformatted Consolidated Financial Information

₹ in crore

Particulars		**As at March 31, 2018 (IGAAP)**	**As at March 31, 2017 (IGAAP)**	**As at March 31, 2016 (IGAAP)**
Share Capital		1,599.14	1,440.05	204.31
Reserve and Surplus / Other Equity		7,049.70	5,462.65	427.66
Total Equity	**i**	**8,648.84**	**6,902.70**	**631.97**
Less :				
Unamortised premium on loans/ debentures		22.85	-	-
Deferred expenditure (refer note b)		-	-	-
Other comprehensive income / (loss)				
Total	**ii**	**22.85**	**-**	**-**
Networth (refer note a)	**(i-ii)**	**8,625.99**	**6,902.70**	**631.97**
Average Networth (refer note c)		**7,764.35**	**3,767.34**	
Debt:				
(i) Long-term borrowings		21,216.81	15,314.40	-
(ii) Short-term borrowings		7,250.00	9,970.52	-
(iii) Current maturities of long term borrowings		6,295.00	2,544.79	-
Total Debt		**34,761.81**	**27,829.71**	

Notes:

a) Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.

b) Prepaid expenses is considered as deferred expenditure.

c) Average Networth means sum of opening and closing Networth divided by two.

d) Information in respect of financial years as at and for the years ended 31st March 2018 (IGAAP) and 31st March 2017 (IGAAP) have been traced from the underlying Reformatted Consolidated Financial Information dated 25 November 2019 of the Company for the respective years and information in respect of financial year as at and for the year ended 31st March 2016 (IGAAP) has been traced to the Standalone Financial Statements of the Company as at and for the year ended 31st March 2016.

L&T Finance Limited **Annexure 2**

STATEMENT OF ACCOUNTING RATIOS (Standalone basis)

1. Basic and Diluted Earnings Per Share

Particulars	For the year ended March 31, 2018 (IGAAP)	For the year ended March 31, 2017 (IGAAP)	For the year ended March 31, 2016 (IGAAP)	For the year ended March 31, 2015 (IGAAP)
Weighted average number of equity shares outstanding for computation of Basic Earning Per Share (A)	1,44,92,00,469	1,44,00,47,294	20,43,09,610	20,43,09,610
Add: Potential equity shares (B)	-	-	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	1,44,92,00,469	1,44,00,47,294	20,43,09,610	20,43,09,610
Profit after Tax attributable to equity shareholders [₹ in crore] (D)	289.92	16.04	87.40	72.86
Nominal Value of share [in ₹]	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00
Basic earnings per share [in ₹] (E=(D/A))	₹ 2.00	₹ 0.11	₹ 4.28	₹ 3.57
Diluted earnings per share [in ₹] (F=(D/C))	₹ 2.00	₹ 0.11	₹ 4.28	₹ 3.57

2. Return on Networth

Particulars	For the year ended March 31, 2018 (IGAAP)	For the year ended March 31, 2017 (IGAAP)	For the year ended March 31, 2016 (IGAAP)	For the year ended March 31, 2015 (IGAAP)
Net Profit after tax [₹ in crore] (A)	289.92	16.04	87.40	72.86
Average networth [₹ in crore] (B) <Refer Annexure 2A>	7,721.65	3,755.68	588.75	509.20
Return on networth (A/B)	3.75%	0.43%	14.85%	14.31%

3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2018 (IGAAP)	As at March 31, 2017 (IGAAP)	As at March 31, 2016 (IGAAP)	As at March 31, 2015 (IGAAP)
Number of equity shares (A)	1,59,91,38,199	1,44,00,47,294	20,43,09,610	20,43,09,610
Networth [₹ in crore] (B) <Refer Annexure 2A>	8,563.90	6,879.39	631.97	545.53
Net asset value per equity share (B/A)	**53.55**	**47.77**	**30.93**	**26.70**

4. Debt-equity ratio

Particulars	As at March 31, 2018 (IGAAP)	As at March 31, 2017 (IGAAP)	As at March 31, 2016 (IGAAP)	As at March 31, 2015 (IGAAP)
Debt [₹ in crore] (A) <Refer Annexure 2A>	34,761.81	27,829.71	4,492.61	3,080.23
Equity [₹ in crore] (B) <Refer Annexure 2A>	8,586.75	6,879.39	631.97	545.53
Debt-equity ratio (A/B)	4.05	4.05	7.11	5.65

Notes:

Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.

For and on behalf of **L&T Finance Limited**

In terms of our Report of factual findings in connection with agreed-upon procedures

Manish Jethwa
Head Accounts
(Chief Financial Officer)

Place: Mumbai
Date: November 25, 2019

Annexure 2A

Information Extracted From Reformatted Standalone Financial Information

₹ in crore

Particlars		**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
		IGAAP	**IGAAP**	**IGAAP**	**IGAAP**	**IGAAP**
Share Capital		1,599.14	1,440.05	204.31	204.31	204.31
Reserve and Surplus		6,987.61	5,439.34	427.66	341.22	268.56
Total Equity	**i**	**8,586.75**	**6,879.39**	**631.97**	**545.53**	**472.87**
Less :						
Unamortised premium on loans/ debentures		22.85	-	-	-	-
Deferred expenditure (refer note b)		-	-	-	-	-
Total	**ii**	**22.85**	**-**	**-**	**-**	**-**
Networth / Equity (refer Note a)	**(i-ii)**	**8,563.90**	**6,879.39**	**631.97**	**545.53**	**472.87**
Average Networth (refer Note c)		**7,721.65**	**3,755.68**	**588.75**	**509.20**	
Debt:						
(i) Long-term borrowings		21,216.81	15,314.40	2,803.99	1,459.70	1,100.66
(ii) Short-term borrowings		7,250.00	9,970.52	1,142.92	1,182.08	609.50
(iii) Current maturities of long term borrowings		6,295.00	2,544.79	545.70	438.45	1,000.99
Total Debt		**34,761.81**	**27,829.71**	**4,492.61**	**3,080.23**	**2,711.15**

Notes:

a) Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.

b) Prepaid expenses is considered as deferred expenditure.

c) Average Networth means sum of opening and closing Networth divided by two.

d) Information in respect of financial years as at and for the year ended 31st March 2018 (IGAAP), 31st March 2017 (IGAAP), 31st March 2016 (IGAAP) and 31st March 2015 (IGAAP) have been traced to the underlying Reformatted Standalone Financial Information dated 25 November 2019 of the Company for the respective years and information in respect of financial year as at and for the year ended 31st March 2014 has been traced to the Standalone Financial Statements of the Company as at and for the year ended 31st March 2014.

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Draft Shelf Prospectus and hereinafter below, there have been no material developments since March 31, 2019 and there have risen no circumstances that materially or adversely affects the operations or financial condition or profitability of our Company or the value of our assets or our ability to pay our material liabilities over the next 12 months.

i. ***Shareholders' Agreement dated April 25, 2019 ("Shareholders' Agreement") executed among our Company, L&T Infra Debt Fund Limited, APIS Growth II (Lavender) Limited, L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited***

Our Company has executed the Shareholders' Agreement with L&T Infra Debt Fund Limited ("**L&T IDF**"), APIS Growth II (Lavender) Limited ("**Investor**"), L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited **(**individually as a **"Party",** together the **"Parties**") ("**Shareholders' Agreement**")

The salient features of the Shareholders' Agreement, in relation to our Company, are as follows:

- **Non- Disposal Undertaking:** Our Company is interalia restricted from transferring or creating any encumbrance its shareholding in L&T IDF, without the consent from the Investor.
- **Right of First Refusal:** In case our Company intends to transfer its shareholding in L&T IDF, our Company has to provide a notice of such intention to the Investor which must be responded within 15 business days of such offer by the Investor.
- **Tag Along Right:** In the event our Company proposes to transfer its shareholding in L&T IDF, pursuant to a bona fide offer from a proposed buyer, our Company shall deliver a written notice containing the details prescribed in the Shareholders Agreement.

ii. ***Share Subscription and Share Purchase Agreement dated April 25, 2019 ("Subscription Agreement") executed among our Company, L&T Infra Debt Fund Limited, APIS Growth II (Lavender) Limited, L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited***

Our Company has executed the Share Subscription and Share Purchase Agreement with L&T Infra Debt Fund Limited ("**L&T IDF**"), APIS Growth II (Lavender) Limited ("**Investor**"), L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited **(**individually as a **"Party",** together the **"Parties**") **("Share Purchase Agreement")**

Pursuant to the Share Purchase Agreement, subject to the terms and conditions contained therein our Company interalia has agreed to transfer its shareholding in L&T IDF (to the tune of upto 3,47,78,079 equity shares) to the Investor. Also the Investor, subject to the terms and conditions contained in the Share Purchase Agreement has agreed to invest an amount of upto US$ 110 million in L&T IDF.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
1	Ind AS 1	Presentation of Financial Statements	**Other Comprehensive Income:** There is no concept of 'Other Comprehensive Income' under Indian GAAP.	**Other Comprehensive Income:** Ind AS 1 introduces the concept of Other Comprehensive Income ("OCI"). Other comprehensive income comprises items of income and expenses (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.
			Extraordinary items: Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	**Extraordinary items:** Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.
			Change in Accounting Policies: Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	**Change in Accounting Policies:** Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
2	Ind AS 12	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered	As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base.

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
			for income taxes and profit as per the financial statements.	Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments
3	Ind AS 19	Accounting for Employee benefits	Currently, under Indian GAAP the Company recognizes all short term and long term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in OCI.
4	Ind AS 24	Related parties	Under Indian GAAP, the scope of related parties is limited	Under Ind AS, the scope of related parties is extensive.
5	Ind AS 27	Separate Financial Statements	Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term	Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109
6	Ind AS 37	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material
7	Ind AS 102	Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a proforma disclosure for the fair valuation.	Under Ind AS, the share based Payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
8	Ind AS 32/ 107/ 109	Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
			diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss. Currently, the de-recognition of financial assets under securitization/assignment transactions are governed by RBI guidelines for NBFCs	either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. Interest subsidy and loan processing fees and/or fees of similar nature would be measured and recognized using the Effective Interest Rate (EIR) method over the period of loan. There are two measurement categories for financial liabilities – FVTPL and amortized cost. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive. Ind AS 109 prescribes transfer of risk and rewards of ownership for de-recognition of financial assets
9	Ind AS 32/ 107/ 109	Financial Instruments Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of Ind AS 15 (currently deferred) and certain written loan commitments and financial guarantee contracts.
10.	Ind AS 32/ 107/ 109	Presentation and classification of Financial liabilities	Financial instruments are classified based on legal form-redeemable preference shares will be classified as equity. Preference dividends are always recognised similar to equity dividend and are never treated as interest expense.	Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments. Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of profit or loss

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
				and other comprehensive income. Hence if preference shares meet the definition of financial liability, the preference dividend shall be treated as an interest expense.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of the Company as on September 30, 2019 are as follows:

Sr. No.	Nature of Borrowing	Amount (₹ in crores)	%
1.	Secured Borrowings	34,276.42	75.97%
2.	Unsecured Borrowings	10,839.41	24.03%
Total borrowings		**45,115.83**	**100%**

Particulars	As at September 30, 2019 (₹ in crores)	%
Borrowings		
Debt Securities	18,977.74	42.06%
Borrowings (Other than debt securities)	24,956.01	55.32%
Subordinated liabilities	1,182.08	2.62%
Total borrowings	**45,115.83**	**100%**

Set forth below, is a summary of the borrowings by the Company as at September 30, 2019 together with a brief description of certain significant terms of such financing arrangements.

DETAILS OF SECURED BORROWINGS:

The Company's secured borrowings (gross of unamortised discount of ₹ 5.75 crores and a gross premium of ₹ 0.23 crores) as on September 30, 2019 amount to ₹ 34,276.42 crores (including IND AS adjustments) on an unconsolidated basis. The details of the borrowings are set out below:

Term Loans from Banks:

(***₹ in crores***)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
1	Bank of Baroda Date of Sanction: March 28, 2018 September 26, 2019	December 28, 2017	250.00	62.50	December 28,2019	To be repaid annually in 4 equal instalments after an initial moratorium of 1 year from the date of first disbursal. Prepayment penalty is waived if prepaid at any time with 15 days prior notice
				62.50	December 28,2020	
				62.50	December 28,2021	
				62.50	December 28,2022	
2	Dena Bank (Merged with Bank of Baroda) Date of Sanction: September 25, 2017	October 6, 2017	300.00	300.00	October 5, 2020	Tenor is 36 months from the date of each disbursement. Repayment has to be done in bullet payments and interest to be serviced as and when charged. An option to prepay the full or partial amount without any prepayment charges but need to give 15 days advance notice

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
3	Deutsche Bank Date of Sanction: February 28, 2019	March 5, 2019	750.00	150.00	March 5, 2020	Bullet Repayment with a right to prepay. At the time of every date of rate revision borrower shall has right to repay the entire outstanding amount without any prepayment penalty/charges.
		March 6, 2019		150.00	March 6, 2020	
		March 7, 2019		150.00	March 6, 2020	
		March 8, 2019		50.00	March 6, 2020	
		June 7, 2019		140.00	June 7, 2020	
		June 14, 2019		110.00	June 13, 2020	
4	Federal Bank Limited Date of Sanction: December 27, 2017	December 30, 2017	100.00	100.00	November 30, 2020	Bullet repayment at maturity. The facility cannot be prepaid during the tenor of the non-convertible debentures subscribed by the bank along with the loan. However, in the event that the NCDs are sold in the secondary market, the Company may prepay the loan without incurring any prepayment penalty by giving a notice of 15 days.
5	HDFC Bank Limited Date of Sanction: March 15, 2017	March 27, 2017	583.00	194.34	March 27, 2020	Repayment to be made in 3 equal half yearly instalments at the end of the 24th, 30th and 36th months from the date of first disbursement. An initial moratorium period of 18 months is applicable.
	Date of Sanction: March 07, 2018	April 27, 2018	150.00	37.50	March 31, 2020	Repayment to be made in 4 equal half yearly instalments at the end of the 24th,
				37.50	September 30, 2020	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
				37.50	March 31, 2021	30th and 36th and 42nd months from the date of first disbursement. An initial moratorium period of 18 months is applicable.
				37.50	September 30, 2021	
	Date of Sanction: June 27, 2018	June 28, 2018	50.00	12.50	June 28, 2020	Repayment to be made in 4 equal half yearly instalments at the end of the 24th, 30th, 36th and 42nd months from the date of first disbursement. An initial moratorium period of 18 months is applicable.
				12.50	December 28, 2020	
				12.50	June 28, 2021	
				12.50	December 28, 2021	
	Date of Sanction: March 07, 2018	March 31, 2018	150.00	37.50	March 31, 2020	Repayment to be made in 4 equal half yearly instalments at the end of the 24th, 30th and 36th and 42nd months from the date of first disbursement. An initial moratorium period of 18 months is applicable.
				37.50	September 30, 2020	
				37.50	March 31, 2021	
				37.50	September 30, 2021	
	Date of Sanction: February 22, 2016	July 29, 2016	575.00	31.25	January 29, 2020	Repayment to be made in 4 equal half yearly instalments at the end of the 24th, 30th and 36th and 42nd months from the date of first disbursement. An initial moratorium period of 18 months is applicable.
	Date of Sanction: July 30, 2018	July 31, 2018	382.00	95.50	July 31, 2020	Repayment to be made in 4 equal half yearly instalments at the end of the 24th, 30th and 36th and 42nd months from the date of first disbursement. An initial moratorium period
				95.50	January 31, 2021	
				95.50	July 31, 2021	
				95.50	January 31, 2022	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
						of 18 months is applicable.
6	Indian Bank Date of Sanction: December 20, 2017	December 28 2017	250.00	100.00	December 28, 2020	Bullet Repayment at the end of 3 years from the date of first disbursement with an option to prepay the full amount without any prepayment charges but need to give 15 days' advance notice otherwise pre-payment penalty on outstanding amount / drawing limit (whichever is higher) shall be levied.
		December 30, 2017		50.00	December 30, 2020	
		March 27,2018		50.00	March 27,2021	
		June 28, 2018		50.00	June 28, 2021	
7	Mudra (Micro Units Development & Refinance Agency Ltd) Date of Sanction: March 26, 2018	March 28, 2018	270.00	39.00	March 10, 2020	Repayable in 7 half yearly instalments from 18 months of first date of disbursement. Prepayment cannot be made without the prior written permission of the Bank and the Bank may levy a prepayment penalty as it deems fit. However, prepayment can happen without the any prepayment penalty at the time of interest rate reset with prior notice of atleast 30 days.
				39.00	September 10, 2020	
				39.00	March 10, 2021	
				39.00	September 10, 2021	
				39.00	March 10, 2022	
				36.00	September 10, 2022	
8	Oriental Bank of Commerce Date of Sanction: July 19, 2018	August 8, 2018	500.00	166.67	August 8, 2021	Repayment to be made in three annual instalments upon completion of a moratorium period of 2 years. The Company has an option to prepay the entire outstanding amount in part or in full without incurring any prepayment charges by giving an
				166.67	August 8, 2022	
				166.66	August 8, 2023	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
						advance notice of 15 days' time.
9	Punjab National Bank Date of Sanction: December 20, 2017, September 10, 2018, September 20, 2019	December 29, 2017	500.00	41.67	August 31, 2020	Repayment to be made in six equal instalments, where the first instalment is made immediately upon the completion of the moratorium period, the rest are made half yearly, subject to the last instalment is made 4 months earlier, so that repayment is within the five year tenor. Any waiver for prepayment charges may be considered subject to advance notice of 15 days' time.
				41.67	February 28, 2021	
				41.67	August 31, 2021	
				41.67	February 28, 2022	
				41.67	August 31, 2022	
				41.65	December 31, 2022	
		December 30, 2017		41.67	August 31, 2020	
				41.67	February 28, 2021	
				41.67	August 31, 2021	
				41.67	February 28, 2022	
				41.67	August 31, 2022	
				41.65	December 31, 2022	
		September 17, 2018	1000.00	100.00	May 31, 2021	Repayment to be made in six equal instalments, where the first instalment is made immediately upon the completion of the moratorium period, the rest are made half yearly, subject to the last instalment is made 4 months earlier, so that repayment is within the five-year tenor. Any waiver for prepayment charges may be considered subject to advance notice of 15 days' time.
				100.00	November 30, 2021	
				100.00	May 31, 2022	
				100.00	November 30, 2022	
				100.00	May 31, 2023	
				100.00	September 30, 2023	
		September 24, 2018		66.67	May 31, 2021	Repayment to be made in six equal instalments, where the first instalment
				66.67	November 30, 2021	
				66.67	May 31, 2022	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
				66.67	November 30, 2022	is made immediately upon the completion of the moratorium period, the rest are made half yearly, subject to the last instalment is made 4 months earlier, so that repayment is within the five-year tenor. Any waiver for prepayment charges may be considered subject to advance notice of 15 days' time.
				66.67	May 31, 2023	
				66.65	September 30, 2023	
10	SIDBI (Small and Industries Development Bank of India) Date of Sanction: December 21, 2017	December 29, 2017	1,200.00	125. 00	March 29, 2021	Repayment to be made in 11 quarterly instalments where the first 8 instalments shall be of Rs 125 Crs each; the next two instalments shall be of Rs75 Crs each and the last instalment shall be Rs 50 Crs commencing after a moratorium of 36 months from the date of first disbursement. Prepayment may be made only with prior written approval of SIDBI. However, the Company may prepay the loan without incurring any prepayment charges/penalty provided it has given advance notice of 30 days' time.
				125.00	June 29, 2021	
				125.00	September 29, 2021	
				125.00	December 29, 2021	
				125.00	March 29, 2022	
				50.00	June 29, 2022	
				125.00	December 29, 2022	
		January 30, 2018		75.00	June 29, 2022	
				125.00	September 29, 2022	
				75.00	March 29, 2023	
				75.00	June 29, 2023	
				50.00	September29, 2023	
11	South Indian Bank Limited Date of Sanction:	December 30, 2018	200.00	15.00	March 31, 2020	Repayable in five annual instalments beginning from 31 March 2019.
				15.00	March 31, 2021	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
	December 27, 2017, June 25, 2018			15.00	March 31, 2022	The Company may repay the entire outstanding amount in part or in full without incurring any prepayment charges by giving a notice of at least 15 days' time.
				40.00	March 31, 2023	
		June 29, 2018		15.00	June 30, 2020	Repayable in five annual instalments beginning from June 30, 2019. The Company may repay the entire outstanding amount in part or in full without incurring any prepayment charges by giving an advance notice of at least 15 days' time.
				15.00	June 30, 2021	
				15.00	June 30, 2022	
				40.00	June 30, 2023	
12	State Bank of India Date of Sanction: October 14, 2016	November 30, 2016	1,000.00	300.00	November 29, 2021	Bullet repayment at the end of 5 years from the date of the first drawdown. Prepayment may be allowed by the Bank subject to a penalty fee of 2%. However, no prepayment penalty is applicable in case such prepayment is made from the Company's own sources, the facility is repaid within 30 days' from the interest reset date (in case revised pricing is not acceptable) and if the facility is prepaid due to the occurrence of a re-pricing event and re-pricing is not acceptable to the Company.
		December 30, 2016		200.00	December 30, 2021	
		March 10, 2017		500.00	March 10, 2022	
	Date of Sanction: December 28, 2018, December 07, 2018	March 20, 2019	3,200.00	125.00	September 19, 2020	To be repaid in 8 half yearly instalments of Rs 400 Crs starting from the date of first disbursement, upon
				125.00	March 19, 2021	
				125.00	September 19, 2021	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
				125.00	March 19, 2022	the expiration of a period of moratorium of 1 year. Prepayment penalty - 1% on the amount prepaid.
				125.00	September 19, 2022	
				125.00	March 19, 2023	
				125.00	September 19, 2023	
				125.00	March 19, 2024	
		March 22, 2019		125.00	September 19, 2020	
				125.00	March 19, 2021	
				125.00	September 19, 2021	
				125.00	March 19, 2022	
				125.00	September 19, 2022	
				125.00	March 19, 2023	
				125.00	September 19, 2023	
				125.00	March 19, 2024	
		March 25, 2019		150.00	September 19, 2020	
				150.00	March 19, 2021	
				150.00	September 19, 2021	
				150.00	March 19, 2022	
				150.00	September 19, 2022	
				150.00	March 19, 2023	
				150.00	September 19, 2023	
				150.00	March 19, 2024	
13	Syndicate Bank Date of Sanction: July 12, 2018	September 7, 2018	250.00	62.50	March 7, 2022	To be repaid in 4 half yearly instalments. Interest is payable monthly irrespective of the change in MCLR. No prepayment may be made until the first reset date. The Company may prepay the facility
				62.50	September 7, 2022	
				62.50	March 7, 2023	
				62.50	September 7, 2023	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
						without incurring any prepayment charges if such prepayment is made within 30 days from any reset date. In all other cases, however, prepayment may be made after providing a notice of 30 days' time along with payment of prepayment penalty.
14	United Bank of India Date of Sanction: March 20, 2019	March 28, 2019	200.00	50.00	September 28, 2022	Four equal half yearly installemnt of Rs. 50 Crs after the moratorium of 3 years from the date of first disbursement within a door to door tenor of 5 years. Prepayment charges : 1.18% (including GST) of the amount prepaid. Nil charges with 15 days advance notice
				50.00	March 28, 2023	
				50.00	September 28, 2023	
				50.00	March 28, 2024	
15	Allahabad Bank Date of Sanction: June 27, 2019	June 28, 2019	1,000.00	90.91	December 28, 2019	To be repaid in 11 Quarterly Instalments after the moratorium of 3 months from date of first disbursement. Nil pre payment charges in case entire outstanding facility in part or full repaid any day after giving 10 days notice.
				90.91	March 28, 2020	
				90.91	June 28, 2020	
				90.91	September 28, 2020	
				90.91	December 28, 2020	
				90.91	March 28, 2021	
				90.91	June 28, 2021	
				90.91	September 28, 2021	
				90.91	December 28, 2021	
				90.91	March 28, 2022	
				90.90	June 28, 2022	
16	Axis Bank Date of Sanction:	September 30, 2019	725.00	103.57	September 30, 2020	In 7 equal half yearly instalments of Rs 103.57 crs each starting after
				103.57	March 30, 2021-21	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
	September 24, 2019			103.57	September 30, 2021	12 months from the date of first disbursement Prepayment : Post two year the borrower has an option to pay entire outstanding facility in part or full by giving an advance notice of 30 days and such prepayment shall not attract any prepayment charges / penalty.
				103.57	March 30, 2022	
				103.57	September 30, 2022	
				103.57	March 30, 2023-23	
				103.58	September 30,2023	
17	RBL Bank Date of Sanction: September 30, 2019	September 30, 2019	200.00	25.00	December 30, 2019	In accordance with the pool assigned as security. Quarterly Instalments The have a right prepay the entire outstanding without any prepayment penalty.
				25.00	March 30, 2020	
				25.00	June 30, 2020	
				25.00	September 30, 2020	
				25.00	December 30, 2020	
				25.00	March 30, 2021	
				25.00	June 30, 2021	
				25.00	September 30, 2021	
18	UCO Bank Date of Sanction: August 08, 2019	September 9, 2019	200.00	100.00	March 09, 2023	Total tenor 4 year with 3 year moratorium and thereafter 2 equal half yearly instalment of Rs 100 crs The company may prepay the facility without any prepayment penalty / charges at the time of reset or any time by giving 7 days advance notice to the bank
				100.00	September 08, 2023	
	Date of Sanction: September 24, 2019	September 27, 2019	500.00	25.00	December 31, 2019	Total tenor 5 years, repayment in 20 quaterly instalments of Rs 25 crs each and moratorium nil. Installment will be
				25.00	January 07, 2020	
				25.00	April 07, 2020	
				25.00	July 07, 2020	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
				25.00	October 08, 2020	due on end of quarter. The company may prepay the facility without any prepayment penalty / charges at the time of reset or any time by giving 10 days advance notice to the bank
				25.00	January 08, 2021	
				25.00	April 08, 2021	
				25.00	July 08, 2021	
				25.00	October 09, 2021	
				25.00	January 09, 2022	
				25.00	April 09, 2022	
				25.00	July 09, 2022	
				25.00	October 10, 2022	
				25.00	January 10, 2023	
				25.00	April 10, 2023	
				25.00	July 10, 2023	
				25.00	October 11, 2023	
				25.00	January 11, 2024	
				25.00	April 11, 2024	
				25.00	July 11, 2024	
		TOTAL	**14,485.00**	**13,483.59**		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 13,486.93 crores.

Security

Bank of Baroda *Pari passu charge over all the identified Hypothecated present Assets and future receivables of the Company Security cover will be 1.10 times of the outstanding loan amount.*
Dena Bank *Pari passu charge over all the identified Hypothecated present Assets and future receivables of the Company. Security cover will be minimum 1.10 times of the outstanding loan amount.*
Deutsche Bank *Pari passu charge over all the identified Hypothecated present Assets or receivables of the Company value equivalent to atleast 1.10 times of the outstanding facility amount.*
Federal Bank *Pari passu charge over all the identified Hypothecated present Assets and future receivables of the Company. Security cover will be 1.1. times of outstanding facility amount.*
HDFC Bank Limited *Pari passu charge over all the identified Hypothecated Assets present and future. The receivables hypothecated should not be overdue beyond 60 days.*
Indian Bank

Pari passu charge over all the identified Hypothecated Assets present and future receivables (standard assets only) to the extent of 1.10 times of the outstanding amount.
Mudra Bank *The loan together with the interest, cost, expenses, penal interest and all other monies dues and payable by the borrower under the financial assistance shall be secured by exclusive first charge by way of hypothecation of book debts and specific receivables arising out of loans granted to micro/small business enterprises/SRTOs with a minimum margin of 10% i.e. 1.10 times.*
Oriental Bank of Commerce *Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.10 times of the outstanding term loan.*
Punjab National Bank *Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.10 times of the outstanding term loan.*
SIDBI *Exclusive first charge by way of hypothecation over book debts and receivables of the Company, so as to cover 1.10 times of the outstanding facility amount.*
South Indian Bank *Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company. Security cover will be 1.10 times of the outstanding facility amount.*
State Bank of India *Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company net off securitized assets, finance charges and non-performing assets of the borrower, so as to cover 1.10 times of the outstanding facility amount.*
Syndicate Bank *Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.10 times of the outstanding loan amount.*
Axis Bank *Exclusive charge on the specific standard assets receivables, with a minimum security cover of 1.10 times. Receivable with days past due (dpd) of more than 30 days shall not be considered for calculation of stipulated security cover.*
UCO Bank (Rs 200 Crs) *Specific Charge on identified standard receivable to the extent 1.10 times of the loan outstanding amount*. ***UCO Bank (Rs 500 Crs)*** *First Charge on book debts and future receivable to the extent of 1.10 times of the outstanding amount.(of which 1x will represent receivable from agriculture priority lending)*
RBL Bank *Exclusive Charge on specific book debts and receivables. Security cover of 1.1 times with minimum 1time cover*
Allahabad Bank *Exclusive Charge on specific book debts and future receivables with security cover of 1.10 times of the loan outstanding*
United Bank of India *Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.10 times of the outstanding loan amount.*

Line of Credit Loans from Banks:

(₹ in crores)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
1.	Punjab & Sindh Bank* Date of Sanction: March 20, 2017, November 02, 2019, June 30, 2018	January 21, 2019	800.00 (480 drawn as WCDL)	19.00	April 21, 2020	Bullet repayment. Maximum Period of 15 months Prepayment Penalty NIL
		January 25, 2019		125.00	April 25, 2020	
		January 28, 2019		175.00	April 28, 2020	
2.	Punjab National Bank** Date of Sanction: June 30, 2018	September 26, 2019	400.00	400.00	September 26, 2020	Bullet repayment Maximum Period of 12 months
	Total		**1,200.00**	**719.00**		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 719.51 crores.

****Security****: Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.0 times of the outstanding loan amount.*

*****Security****: Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.10 times of the outstanding loan amount.*

Working Capital Demand Loans from Banks:

(₹ in crores)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on Sep 30, 2019	Maturity date	Repayment schedule
1.	DBS Bank Limited* Date of Sanction: April 03, 2018	July 22, 2019	750.00	250.00	October 22, 2019	Bullet Repayment at the end of tenor.
		July 29, 2019		90.00	October 29, 2019	Bullet Repayment at the end of tenor.
		September 13, 2019		190.00	December 26, 2019	Bullet Repayment at the end of tenor.
		September 13, 2019		59.80	December 26, 2019	Bullet Repayment at the end of tenor.
		September 27, 2019		100.00	February 24, 2020	Bullet Repayment at the end of tenor.
2.	South Indian Bank Limited**^ Date of Sanction: June 25, 2018	-^	100.00	-^	-^	Bullet repayment at the end of the tenor.
3.	Bank of America ** Date of Sanction: February 06, 2019	February 26, 2019	600.00 (Rs 240 crs drawn as CC)	160.00	February 26, 2020	Bullet repayment at the end of the tenor.
		July 31, 2019		200.00	October 29, 2019	Bullet repayment at the end of the tenor

(₹ in crores)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on Sep 30, 2019	Maturity date	Repayment schedule
4.	Union Bank of India * Date of Sanction: September 18, 2018 and July 25, 2011	September 26, 2019	180.00	180.00	October 3, 2019	Bullet repayment at the end of 12 months from the date of first disbursement.
5.	Bank of Nova Scotia**## Date of Sanction:	-	125.00	-	-	Repayment on demand. The Company has no right to prepay.
6.	Axis Bank Limited*** Date of Sanction: September 24, 2019	September 30, 2019	25.00	25.00	October 7, 2019	Repayable on demand. The Company may prepay in part or in full at any time subject to payment of prepayment penalty at 2% of the amount prepaid.
7.	Federal Bank ** Date of Sanction: June 17, 2016	June 07, 2019	150.00	150.00	December 04,2019	Bullet repayment at the end of the tenor
8.	Punjab & Sindh Bank **** Date of Sanction: March 20, 2017, November 02, 2019, June 30, 2018	August 30, 2019	800.00 (Rs 320 crs drawn as LOC)	480.00	November 28, 2019	Bullet repayment at the end of the tenor
9.	Syndicate Bank ******# Date of Sanction: March 13, 2018, July 26, 2019	September 6, 2019	800.00	800.00	September 4, 2020	Bullet repayment at the end of the tenor
10.	Central Bank of India ***** Date of Sanction: April 08, 2019 and March 23, 2016	September 20, 2019	100.00 (Rs 40 crs drawn as CC)	60.00	October 18, 2019	Bullet repayment at the end of the tenor
	Total		**3,630.00**	**2,744.80**		

***Security:** Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.15 times of the outstanding loan amount.*

****Security:** Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.10 times of the outstanding loan amount.*

******Security**: Exclusive charge on the receivables of the standard assets portfolio with a minimum asset cover of 1.10 times to be maintained at all times.*

*******Security** Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company. Security cover will be 1.00 times of the loan outstanding*

********Security**: Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company. Security cover will be 1.11 times of the loan outstanding.*

*********Security**: Hypothecation of specific Book Debts / Receivables of the company on exclusive basis. At any point of time security coverage should not be less than 1.11 times of the loan outstanding. In case, any of the specific receivables turns NPA or there is shortfall in the security margin due to repayment, such receivables shall be replaced with other receivables (Standard Asset).*

 # Sanction letter mentions the facility as secured however deed of hypothecation is yet to be executed.

Limit of Rs 125 Crs is as per Draft sanction letter. Final Sanction letter is yet to be receive from the banks and the said facility is undrawn.

^ This is a sanctioned facility that remains undrawn and therefore, there is no outstanding payable by the Company as on September 30, 2019

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 2,747.81 crores.

Cash Credit from Banks (Utilised):

(₹ in crores)

Sr. No.	Particulars	Amount Sanctioned	Amount outstanding as on September 30, 2019	Repayment schedule
1.	Bank of America* Date of Sanction: February 06, 2019	600.00 (Rs 360 crs drawn as WCDL)	239.51	Repayable on demand.
2.	Federal Bank Limited* Date of Sanction: March 19, 2018 and February 23, 2015	50.00	49.87	Repayable on demand.
3.	United bank of India* Date of Sanction: July 04, 2016 and March 20, 2019	50.00	50.00	Repayable on demand.
	Total	**700.00**	**339.38**	

****Security:** Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.10 times of the outstanding loan amount.*

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 339.38 crores

Cash Credit from Banks (Unutilised):

(₹ in crores)

Sr. No.	Particulars	Date of Sanction	Amount Sanctioned	Repayment Terms
1.	Central Bank of India***	March 23, 2016	100.00 (Rs 40 Crs unutilised)	Repayment to be made on demand
2.	Union Bank of India **	March 26, 2015	45.00	Repayment to be made on demand
3.	HDFC Bank Limited *	December 4, 2013	30.00	Repayment to be made on demand
		February 8, 2016	50.00	
4.	Standard Chartered Bank*	April 24, 2008	30.00	Repayment to be made on demand.
	Total		**255.00**	

***Security**: Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.10 times of the outstanding loan amount.*

****Security:** Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.15 times of the outstanding loan amount.*

*****Security**: Pari passu charge over all the identified Hypothecated Assets present and future receivables of the Company, so as to cover 1.11 times of the outstanding loan amount.*

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is Nil.

Redeemable Non-Convertible Debentures (private placement):

The Company has issued secured redeemable non-convertible debenture of face value of ₹ 25,00,000 and ₹ 10,00,000 on a private placement basis of which ₹ 11,121.05 crores (including IND AS adjustments), gross of unamortised discount of ₹ 5.75 crores and gross premium of ₹ 0.23 crores is outstanding as on September 30, 2019, the details of which are set forth below**: Maturity date represents actual redemption date or the date of call/put option, whichever is earlier.

(₹ in Crores)

Sr. No.	**Description (Debenture series)**	**Tenor/ Period of Maturity (Days)**	**Latest Credit Rating**	**Coupon**	**Date of Allotment**	**Face Value (in ₹)**	**Issue Amount**	**Amount Outstanding as on September 30, 2019**	**Redemption/ Maturity Date**
1	LTF/2015-16/C - Opt 5	1827	AAA ICRA AAA CARE AAA IND	8.87%	May 20, 2015	25,00,000	250.00	26.00	May 20, 2020
2	Series C FY 16 - 17 Op II	1824	AAA ICRA AAA CARE AAA IND	8.80%	June 13, 2016	25,00,000	50.00	10.00	June 11, 2021
3	LTF/2016-17/J Opt 2	1096	AAA ICRA AAA CARE AAA IND	7.83%	January 19, 2017	25,00,000	300.00	150.00	January 20, 2020
4	NCD LT SERIES P - OPT 4	1826	AAA ICRA AAA CARE AAA IND	9.25%	February 24, 2015	25,00,000	300.00	25.00	February 24, 2020

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
5	Series D Opt II FY 16-17	1096	AAA ICRA AAA CARE AAA IND	7.90%	March 27, 2017	25,00,000	200.00	25.00	March 27, 2020
6	Series E FY 16-17	1127	AAA ICRA AAA CARE AAA IND	7.90%	March 29, 2017	25,00,000	200.00	100.00	April 29, 2020
7	Series F FY 16-17	1155	AAA ICRA AAA CARE AAA IND	8.07%	March 31, 2017	25,00,000	600.00	300.00	May 29, 2020
8	Series A FY 17-18 Opt II	1124	AAA ICRA AAA CARE AAA IND	7.80%	April 10, 2017	25,00,000	350.00	100.00	May 8, 2020
9	Series C FY 17-18	1096	AAA ICRA AAA CARE AAA IND	7.85%	May 25, 2017	25,00,000	150.00	25.00	May 25, 2020
10	Series D FY 17-18	1096	AAA ICRA AAA CARE AAA IND	7.85%	June 9, 2017	25,00,000	400.00	210.00	June 9, 2020
11	Series E FY 17-18	1096	AAA ICRA AAA CARE	7.75%	June 16, 2017	25,00,000	250.00	250.00	June 16, 2020

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
			AAA IND						
12	Series F FY 17-18	1096	AAA ICRA AAA CARE AAA IND	7.85%	June 19, 2017	25,00,000	200.00	200.00	June 19, 2020
13	Series G FY 17-18	1095	AAA ICRA AAA CARE AAA IND	7.85%	June 20, 2017	25,00,000	375.00	375.00	June 19, 2020
14	Series H FY 17-18 Opt I	1146	AAA ICRA AAA CARE AAA IND	7.76%	June 21, 2017	25,00,000	150.00	50.00	August 10, 2020
15	Series H FY 17-18 Opt II	1856	AAA ICRA AAA CARE AAA IND	7.81%	June 21, 2017	25,00,000		25.00	July 21, 2022
16	Series I FY 17-18	1096	AAA ICRA AAA CARE AAA IND	7.75%	June 23, 2017	25,00,000	125.00	125.00	June 23, 2020
17	Series J FY 17-18	1094	AAA ICRA AAA CARE AAA IND	7.75%	June 28, 2017	25,00,000	125.00	125.00	June 26, 2020
18	Series L FY 17-18	1122	AAA ICRA	7.65%	July 25, 2017	25,00,000	500.00	290.00	August 20, 2020

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
			AAA CARE AAA IND						
19	Series M FY 17-18	1826	AAA ICRA AAA CARE AAA IND	7.71%	August 8, 2017	25,00,000	500.00	465.00	August 8, 2022
20	Series N (2017-18)	1826	AAA ICRA AAA CARE AAA IND	7.70%	October 6, 2017	25,00,000	500.00	310.00	October 6, 2022
21	Series O (2017-18)	1127	AAA ICRA AAA CARE AAA IND	7.65%	October 13, 2017	25,00,000	500.00	500.00	November 13, 2020
22	Series P (2017-18)	1158	AAA ICRA AAA CARE AAA IND	7.68%	October 17, 2017	25,00,000	500.00	150.00	December 18, 2020
23	Series Q (2017-18)	1113	AAA ICRA AAA CARE AAA IND	7.85%	November 24, 2017	25,00,000	500.00	305.00	December 11, 2020
24	Series R (2017-18)	1096	AAA ICRA AAA CARE AAA IND	7.90%	December 4, 2017	25,00,000	1500.00	750.00	December 4, 2020

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
25	Series S (2017-18)	1127	AAA ICRA AAA CARE AAA IND	7.84%	December 6, 2017	25,00,000	500.00	215.00	January 6, 2021
26	Series T (2017-18)	1826	AAA ICRA AAA CARE AAA IND	7.95%	December 12, 2017	25,00,000	500.00	85.00	December 12, 2022
27	Series U (2017-18)	1064	AAA ICRA AAA CARE AAA IND	8.00%	December 29, 2017	25,00,000	500.00	100.00	November 27, 2020
28	Series V (2017-18)	1108	AAA ICRA AAA CARE AAA IND	8.25%	March 27, 2018	25,00,000	500.00	82.50	April 8, 2021
29	Series W (2017-18)	1181	AAA ICRA AAA CARE AAA IND	8.25%	March 28, 2018	25,00,000	500.00	95.00	June 21, 2021
30	Series A FY 2018-19	1422	AAA ICRA AAA CARE AAA IND	8.65%	June 6, 2018	10,00,000	500.00	55.00	April 28, 2022
31	Series C FY 2018-19 option 1	1435	AAA ICRA AAA CARE	8.95%	July 6, 2018	10,00,000	500.00	35.00	June 10, 2022

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
			AAA IND						
32	Series C FY 2018-19 option 2	1188	AAA ICRA AAA CARE AAA IND	8.92%	July 6, 2018	10,00,000		127.00	October 6, 2021
33	Series D FY 2018-19 Option 1	1106	AAA ICRA AAA CARE AAA IND	8.92%	July 20, 2018	10,00,000	500.00	25.00	July 30, 2021
34	Series D FY 2018-19 Option 2	1123	AAA ICRA AAA CARE AAA IND	8.95%	July 20, 2018	10,00,000		360.00	August 16, 2021
35	Reissuance - Series "W"1-FY 2017-18	1060	AAA ICRA AAA CARE AAA IND	8.25%	July 27, 2018	25,00,000	450.00	80.25	June 21, 2021
36	Series E FY 2018-19	1826	AAA ICRA AAA CARE AAA IND	8.86%	August 2, 2018	10,00,000	500.00	35.00	August 2, 2023
37	Reissuance - Series "W"2-FY 2017-18	1047	AAA ICRA AAA CARE AAA IND	8.25%	August 9, 2018	25,00,000	500.00	55.00	June 21, 2021
38	Reissuance Series D1 FY	1075	AAA ICRA	8.92%	August 20, 2018	10,00,000	500.00	10.80	July 30, 2021

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
	2018-19 Option 1		AAA CARE AAA IND						
39	Reissuance Series D1 FY 2018-19 Option 2	1092	AAA ICRA AAA CARE AAA IND	8.95%	August 20, 2018	10,00,000		51.00	August 16, 2021
40	Series D1 FY 2018-19 Option 3	486	AAA ICRA AAA CARE AAA IND	8.60%	August 20, 2018	10,00,000		25.00	December 19, 2019
41	Series D1 FY 2018-19 Option 4	730	AAA ICRA AAA CARE AAA IND	8.75%	August 20, 2018	10,00,000		80.00	August 19, 2020
42	Reissuance Series D2 FY 2018-19 Option 4	723	AAA ICRA AAA CARE AAA IND	8.75%	August 27, 2018	10,00,000	500.00	340.00	August 19, 2020
43	Reissuance Series D3 FY 2018-19 Option 1	475	AAA ICRA AAA CARE AAA IND	8.60%	August 31, 2018	10,00,000	500.00	50.00	December 19, 2019
44	Series D3 FY 2018-19 Option 2	517	AAA ICRA AAA CARE AAA IND	8.62%	August 31, 2018	10,00,000		25.00	January 30, 2020

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
45	Reissuance Series D3 FY 2018-19 Option 3(Sr C 18-19)	1,132	AAA ICRA AAA CARE AAA IND	8.92%	August 31, 2018	10,00,000		50.00	October 6, 2021
46	Series F FY 2018-19	1,087	AAA ICRA AAA CARE AAA IND	8.82%	September 12, 2018	10,00,000	500.00	59.00	September 3, 2021
47	Series G FY 2018-19 Option 1 (reissuance Sr F 18-19)	1038	AAA ICRA AAA CARE AAA IND	8.82%	October 31, 2018	10,00,000	500.00	5.00	September 3, 2021
48	Series G FY 2018-19 Option 2	1,230	AAA ICRA AAA CARE AAA IND	9.48%	October 31, 2018	10,00,000		75.80	March 14, 2022
49	Series G FY 2018-19 Option 3(reissuance Sr T 17-18)	1503	AAA ICRA AAA CARE AAA IND	7.95%	October 31, 2018	10,00,000		16.50	December 12, 2022
50	Reissuance Series A1 FY 2018-19	1261	AAA ICRA AAA CARE AAA IND	8.65%	November 14, 2018	10,00,000	500.00	30.00	April 28, 2022
51	Reissuance-Series "H" FY 2018-19-Option	436	AAA ICRA AAA CARE	8.62%	November 20, 2018	10,00,000	500.00	51.90	January 30, 2020

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
	1(Original Issuance - Series D3 Option 2 FY 18-19)		AAA IND						
52	Reissuance-Series "H" FY 2018-19-Option 2(Original Issuance - Series N FY 17-18)	1,416	AAA ICRA AAA CARE AAA IND	7.70%	November 20, 2018	25,00,000		65.00	October 6, 2022
53	Series I FY 2018-19	380	AAA ICRA AAA CARE AAA IND	9.36%	December 5, 2018	10,00,000	2000.00	1200.00	December 20, 2019
54	Series J FY 2018-19	1,826	AAA ICRA AAA CARE AAA IND	9.00%	January 4, 2019	10,00,000	800.00	800.00	January 4, 2024
55	Series K FY 2018-19 Opt 1	425	AAA ICRA AAA CARE AAA IND	8.81%	January 11, 2019	10,00,000	500.00	300.00	March 11, 2020
56	Series K FY 2018-19 Opt 2	1,855	AAA ICRA AAA CARE AAA IND	9.00%	January 11, 2019	10,00,000		25.00	February 9, 2024

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
57	Series M FY 2018-19 Option 1-MLD	546	CARE PP-MLD AAA	Market Linked	January 18, 2019	10,00,000	500.00	43.80	July 17, 2020
58	Series M FY 2018-19 Option 2-MLD	570	CARE PP-MLD AAA	Market Linked	January 18, 2019	10,00,000		53.00	August 10, 2020
59	Series M FY 2018-19 Option 3-MLD	731	CARE PP-MLD AAA	Market Linked	January 18, 2019	10,00,000		29.50	January 18, 2021
60	Series L FY 2018-19 Opt 1	414	AAA ICRA AAA CARE AAA IND	8.81%	January 24, 2019	10,00,000	500.00	200.00	March 13, 2020
61	Series L FY 2018-19 Opt 2	1,292	AAA ICRA AAA CARE AAA IND	8.93%	January 24, 2019	10,00,000		50.00	August 8, 2022
62	Series N FY 2018-19	1,865	AAA ICRA AAA CARE AAA IND	9.02%	February 1, 2019	10,00,000	500.00	25.00	March 11, 2024
63	Series O FY 2018-19	448	AAA ICRA AAA CARE AAA IND	8.75%	March 1, 2019	10,00,000	500.00	275.00	May 22, 2020
64	Series A FY 2019-	1,094	CARE PP-MLD AAA	Market Linked	April 24, 2019	10,00,000	500.00	79.00	April 22, 2022

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on September 30, 2019	Redemption/ Maturity Date
	20 - MLD								
65	Series B FY 2019-20	2,557	AAA ICRA AAA CARE AAA IND	8.80%	May 28, 2019	10,00,000	1000.00	850.00	May 28, 2026
66	Series C FY 2019-20	2,557	AAA ICRA AAA CARE AAA IND	8.55%	July 31, 2019	10,00,000	265.00	15.00	July 31, 2026
	TOTAL							**11,121.05**	

***Security**: Pari-passu mortgage over the immovable property situated at 2nd Floor, TCTC building at P.B No. 979, Mount Poonamallee Road, Manapakkam, Chennai and an exclusive charge over specific receivables arising from construction equipment, lease and hire purchase, term loans and loans against securities of the Company.*

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 11,752.63 crores.

Secured Redeemable non-convertible debentures (public issue):

The Company has issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each through public issue of which ₹ 2,500.00 crores is outstanding as on September 30, 2019 the details of which are set forth below*:

Credit Rating: 'CARE AAA' by CARE, 'AAA' by ICRA and 'AAA' by India Ratings

(*₹ in crores*)

Sr. No.	Description	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Face Value	Issue Amount	Amount outstanding as on September 30, 2019	Redemption/ Maturity Date
1-	Series I Option 1 FY 2018-19#	INE027E07881	1127 Days	9.00%	1,000.00	1,500.00	176.94	April 13,2022
2-	Series I Option 2 FY 2018-19#	INE027E07899	1127 Days	9.10%	1,000.00		688.42	April 13,2022
3-	Series II Option 1 FY 2018-19#	INE027E07907	1127 Days	9.00%	1,000.00		5.07	April 13,2022
4-	Series II Option 2 FY 2018-19#	INE027E07915	1127 Days	9.10%	1,000.00		80.44	April 13,2022
5-	Series III Option 1 FY 2018-19#	INE027E07923	1827 Days	9.10%	1,000.00		30.31	March 13,2024
6-	Series III Option 2 FY 2018-19#	INE027E07931	1827 Days	9.25%	1,000.00		235.62	March 13,2024
7-	Series IV Option 1 FY 2018-19#	INE027E07949	1827 Days	8.75%	1,000.00		1.76	March 13,2024
8-	Series IV Option 2 FY 2018-19#	INE027E07956	1827 Days	8.89%	1,000.00		60.07	March 13,2024
9-	Series V Option 1 FY 2018-19#	INE027E07964	3653 Days	9.20%	1,000.00		8.01	March 13,2029
10-	Series V Option 2 FY 2018-19#	INE027E07972	3653 Days	9.35%	1,000.00		110.91	March 13,2029
11-	Series VI Option 1 FY 2018-19#	INE027E07980	3653 Days	8.84%	1,000.00		0.70	March 13,2029
12-	Series VI Option 2 FY 2018-19#	INE027E07998	3653 Days	8.98%	1,000.00		101.75	March 13,2029
13-	Series I Opt 1 Tranche 2**	INE027E07AA4	1096 Days	8.70%	1,000.00	1,000.00	110.90	April 15, 2022
14-	Series I Opt 2 Tranche 2**	INE027E07AB2	1096 Days	8.90%	1,000.00		188.20	April 15, 2022
15-	Series II Opt 1 Tranche 2**	INE027E07AC0	1096 Days	8.71%	1,000.00		3.48	April 15, 2022
16-	Series II Opt 2 Tranche 2**	INE027E07AD8	1096 Days	8.91%	1,000.00		16.11	April 15, 2022
17-	Series III Opt 1 Tranche 2**	INE027E07AE6	1827 Days	8.80%	1,000.00		72.85	April 15, 2024
18-	Series III Opt 2 Tranche 2**	INE027E07AF3	1827 Days	9.00%	1,000.00		185.97	April 15, 2024
19-	Series IV Opt 1 Tranche 2**	INE027E07AG1	1827 Days	8.48%	1,000.00		1.55	April 15, 2024
20-	Series IV Opt 2 Tranche 2**	INE027E07AH9	1827 Days	8.66%	1,000.00		21.90	April 15, 2024

Sr. No.	Description	ISIN	Tenor/ Period of Maturity	Coupon (per annum)	Face Value	Issue Amount	Amount outstanding as on September 30, 2019	Redemption/ Maturity Date
21-	Series V Opt 1 Tranche 2**	INE027E07AI7	1827 Days	8.81%	1,000.00		0.23	April 15, 2024
22-	Series V Opt 2 Tranche 2**	INE027E07AJ5	1827 Days	9.01%	1,000.00		18.35	April 15, 2024
23-	Series VI Opt 1 Tranche 2**	INE027E07AK3	2922 Days	8.85%	1,000.00		10.53	April 15, 2027
24-	Series VI Opt 2 Tranche 2**	INE027E07AL1	2922 Days	9.05%	1,000.00		351.99	April 15, 2027
25-	Series VII Opt 1 Tranche 2**	INE027E07AM9	2922 Days	8.52%	1,000.00		0.45	April 15, 2027
26-	Series VII Opt 2 Tranche 2**	INE027E07AN7	2922 Days	8.70%	1,000.00		17.49	April 15, 2027
	Total						**2,500.00**	

***Security**: Pari-passu mortgage over the immovable property situated at 2nd Floor, TCTC building at P.B No. 979, Mount Poonamallee Road, Manapakkam, Chennai and an exclusive charge over specific receivables arising from construction equipment, lease and hire purchase, term loans and loans against securities of the Company.*

Date of Allotment for secured, redeemable, non-convertible debentures issued pursuant to Tranche 1 prospectus dated February 22, 2019 is March 13, 2019
**Date of Allotment for secured, redeemable, non-convertible debentures issued pursuant to Tranche 2 prospectus dated March 28, 2019 is April 15, 2019

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 2,580.68 Crores.

External Commercial Borrowings:

As on September 30, 2019 we have Nil outstanding borrowings from Collaterised Borrowing and Lending Obligations ("**CBLO**") and ₹2,588.58 Crores by way of External Commercial Borrowings. The total outstanding after Ind AS adjustment on account of Effective Interest Rate is Nil and Rs. 2,649.48 crores of CBLO and External Commercial Borrowings respectively.

(*₹ in crores*)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity Date	Repayment schedule	Pre-payment penalty, if any
1.	IFC	June 28, 2019	864.55	346.15	June 28, 2024	Bullet	NA
2.	IFC	June 28, 2019		172.75	June 28, 2024	Bullet	NA
3.	IFC	June 28, 2019		345.65	June 28, 2024	Bullet	NA
4.	DBS	June 28, 2019	346.25	346.25	June 28, 2022	Bullet	NA
5.	Citi Bank	June 28, 2019	345.95	345.95	June 28, 2022	Bullet	NA
6.	BNP Paribas	June 28, 2019	345.50	345.50	June 28, 2022	Bullet	NA
7.	Barclays Bank	July 22, 2019	343.00	343.00	July 22, 2022	Bullet	NA
8.	First Abu Dhabi Bank	July 22, 2019	343.33	343.33	July 22, 2022	Bullet	NA
	Total		**2,588.58**	**2,588.58**			

Security: *Exclusive first charge by way of hypothecation over book debts and receivables of the Company, so as to cover 1.10 times of the outstanding facility amount.*

DETAILS OF UNSECURED BORROWINGS:

The Company's unsecured borrowings (gross of unamortized discount of ₹ NIL) as on September 30, 2019 amount to ₹ 10,839.41 Cores (including IND AS adjustments). The details of the individual borrowings are set out below:

Subordinated Debts: (Face value: ₹ 10,00,000)

The Company has issued subordinated debts of face value of ₹ 10,00,000 each on a private placement basis of which ₹ 866.00 crores (inluding IND AS adjustments) is outstanding as on September 30, 2019, the details of which are set forth below:

(₹ in crores)

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Issuance Amount	Amount outstanding as on September 30, 2019	Repayment / Maturity Date
1.	Series J of FY 2012-13	3652	AAA ICRA AAA CARE AAA IND	9.80%	December 21, 2012	275.00	275.00	December 21, 2022
2.	Series I of FY 2013-14	3653	AAA ICRA AAA CARE AAA IND	10.35 %	March 27, 2014	50.00	50.00	March 27, 2024
3.	Series G of FY15	3653	AAA ICRA AAA CARE AAA IND	9.35%	February 9, 2016	30.00	18.00	February 9, 2026
4.	Series C of FY14	3652	AAA ICRA AAA CARE AAA IND	10.90 %	February 28, 2014	25.00	25.00	February 28, 2024
5.	Series H of FY15	3652	AAA ICRA AAA CARE AAA IND	9.48%	March 4, 2016	50.00	50.00	March 4, 2026
6.	Series M 15-16	3652	AAA ICRA AAA CARE AAA IND	9.30%	March 23, 2016	150.00	100.00	March 23, 2026
7.	Series F of FY14	3653	AAA ICRA AAA CARE AAA IND	10.90 %	March 27, 2014	75.00	50.00	March 27, 2024
8.	Series S FY14-15	3651	AAA ICRA AAA CARE AAA IND	9.95%	March 30, 2015	100.00	50.00	March 28, 2025
9.	Series E of FY15	3651	AAA ICRA AAA CARE AAA IND	10.40 %	June 30, 2014	50.00	40.00	June 28, 2024
10.	Series J 15-16	3653	AAA ICRA AAA CARE AAA IND	9.25%	September 9, 2015	100.00	100.00	September 9, 2025
11.	Series M FY 14-15	3653	AAA ICRA AAA CARE AAA IND	9.95%	December 31, 2014	50.00	50.00	December 31, 2024
12.	Series F of FY15	3652	AAA ICRA AAA CARE AAA IND	9.35%	January 30, 2016	50.00	32.00	January 29, 2026

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Issuance Amount	Amount outstanding as on September 30, 2019	Repayment / Maturity Date
13.	Series D of FY 2019-20	3653	AAA ICRA AAA CARE AAA IND	8.90%	September 13, 2019	100.00	26.00	September 13, 2029
	Total						**866.00**	

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 912.29 Crores.

The Company has not issued any subordinated debts as on September 30, 2019 through public issue of debentures.

Perpetual Debts: (Face value: ₹ 10,00,000)

(₹ in crores)

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of allotment	Issuance Amount	Amount outstanding as on September 30, 2019	Repayment / Maturity Date
1.	Series I of FY 2015-16	3652	[ICRA] AA+ & CARE AA+	10.10%	March 30, 2016	50.00	50.00	March 30, 2026
2.	Series F of FY 2011-12	3653	[ICRA] AA+ & CARE AA+	11.50%	December 30, 2011	200.00	200.00	December 30, 2021
	Total					**250.00**	**250.00**	

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 269.78 crores.

Unsecured Line of Credit from Banks:

(₹ in crores)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity Date	Repayment schedule and pre-payment penalty, if any
1.	Bank of Baroda	March 20,2019	500.00	200.00	June 20,2020	Bullet repayment at the end of the period of each drawdown.
		May 27,2019		300.00	August 27,2020	
		August 21, 2019	1,150.00	1,150.00	August 21, 2020	
2.	Bank of Maharashtra	January 25, 2019	350.00	350.00	April 25, 2020	Bullet repayment at the end of period of each drawdown
		March 28,2019	100.00	100.00	June 28, 2020	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity Date	Repayment schedule and pre-payment penalty, if any
3.	Oriental Bank of Commerce	August 19, 2019	160.00	160.00	August 19, 2020	Each drawdown to be for a tenor of 15 months with right to prepayment after 3 days.
4.	Punjab National Bank	January 21, 2019	500.00	100.00	January 21, 2020	Bullet repayment at the end of each drawdown.
		July 16, 2019		200.00	July 16, 2020	
		January 28, 2019		200.00	January 28, 2020	
5.	Union Bank of India	July 26, 2019	450.00*	445.00	October 26, 2020	Bullet repayment at the end of the period of each drawdown
		July 26, 2019	1,000.00	490.00	October 26, 2020	Bullet repayment at the end of the period of each drawdown
		July 29, 2919		265.00	October 29, 2020	
		July 31, 2019		180.00	October 31, 2020	
		August 21, 2019		65.00	August 21, 2020	
	Total		**4,210.00**	**4,205.00**		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 4,208.60 crores

**undrawn amount as on 30th Sept 19 for Union bank of India is Rs 5 crs.*

Cash Credit from Banks:

(₹ in crores)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity Date	Repayment schedule and pre-payment penalty, if any
1.	BNP Paribas #	#	20.00	#	#	Repayment to be made on demand

#Note: This is a sanctioned facility that remains undrawn and therefore, there is no outstanding payable by the Company as on September 30, 2019.

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is NIL.

Working Capital Demand Loans from Banks:

(₹ in crores)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule
1.	HSBC Bank India	August 19,2019	100.00	100.00	October 18, 2019	Bullet Repayment at the maturity of each drawdown
2.	HDFC Bank	May 31,2019	444.00	200.00	May 25,2020	Bullet Repayment at the maturity of each drawdown
		June 28,2019		244.00	October 25,2019	
3.	Oriental Bank of Commerce	September 19, 2019	240.00	240.00	October 18, 2019	Bullet repayment at the end of the tenor
	Total		**784.00**	**784.00**		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 784.00 crores.

Fixed Deposits:

(₹ in crores)

Particulars	Amount outstanding as on September 30, 2019	Maturity Date
HDFC Bank	22.50	Tuesday, October 22, 2019
YES Bank	69.00	Monday, October 21, 2019
Ratnakar Bank Ltd.	500.00	Thursday, December 26, 2019
AXIS Bank	416.25	Thursday, October 31, 2019
ICICI Bank	22.50	Monday, January 20, 2020
ICICI Bank	3.75	Monday, February 24, 2020
ICICI Bank	3.75	Friday, March 27, 2020
ICICI Bank	3.75	Thursday, December 19, 2019
ICICI Bank	7.50	Thursday, December 19, 2019
ICICI Bank	3.75	Thursday, January 30, 2020
ICICI Bank	180.00	Friday, December 20, 2019
ICICI Bank	7.79	Thursday, January 30, 2020
ICICI Bank	45.00	Wednesday, March 11, 2020
ICICI Bank	30.00	Friday, March 13, 2020
Total	**1,315.54**	

Corporate Guarantee

The Company has issued corporate guarantee on behalf of its customers amounting to ₹ 142.74 crores as on September 30, 2019.

(***₹ in crores***)

Date of Issue	Name of Borrower	Issued to whom	Amount of Guarantee
17-Sep-19	DBL Byrapura Challakere Highways Private Limited	National Highways Authority of India	42.09
17-Sep-19	DBL Anandapuram Anakapalli Highways Private Limited	National Highways Authority of India	100.65
Total			**142.74**

Commercial Paper:

The Company has issued unsecured Commercial Paper of face value of ₹ 5,00,000 each on a private placement basis of which ₹ 4,710.00 crores (gross of unamortised discount of ₹ 65.56 crores) is outstanding as on September 30, 2019 the details of which are set forth below:

(₹ in crores)

Sr. No.	ISIN	Amount Sanctioned (Maturity Value)	Amount Outstanding as on September 30, 2019 (Net of Unamortised Discount)	Maturity Date	Repayment Terms
1	INE027E14HI8	500.00	492.46	December 5, 2019	Bullet Repayment at maturity.
2	INE027E14HJ6	250.00	246.14	December 10, 2019	Bullet Repayment at maturity.
3	INE027E14HK4	75.00	73.34	January 10, 2020	Bullet Repayment at maturity.
4	INE027E14HL2	335.00	327.28	January 14, 2020	Bullet Repayment at maturity.
5	INE027E14HS7	25.00	24.14	March 17, 2020	Bullet Repayment at maturity.
6	INE027E14IC9	75.00	70.95	June 29, 2020	Bullet Repayment at maturity.
7	INE027E14ID7	700.00	698.35	October 14, 2019	Bullet Repayment at maturity.
8	INE027E14IF2	400.00	397.74	November 4, 2019	Bullet Repayment at maturity.
9	INE027E14IH8	700.00	694.91	November 15, 2019	Bullet Repayment at maturity.
10	INE027E14IJ4	350.00	346.74	November 28, 2019	Bullet Repayment at maturity.
11	INE027E14IK2	700.00	691.52	December 16, 2019	Bullet Repayment at maturity.
12	INE027E14IL0	250.00	247.71	November 26, 2019	Bullet Repayment at maturity.
13	INE027E14HX7	250.00	237.83	May 21, 2020	Bullet Repayment at maturity.
14	INE027E14HY5	50.00	48.00	April 15, 2020	Bullet Repayment at maturity.
15	INE027E14HZ2	50.00	47.33	June 22, 2020	Bullet Repayment at maturity.
	TOTAL	**4,710.00**	**4,644.44**		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹4,644.44 crores.

Letters of Credit /Bank Guarantees

As on September 30, 2019, the Company has been issued letters of credit/bank guarantees as disclosed below:

(₹ in crores)

Sr. No.	Lender's Name	Date of Sanction/ Acceptance	Amount Sanctioned/ Accepted	Amount outstanding as on September 30,2019		Tenor
				Letter of Credit	Bank Guarantee	
1	Axis Bank Limited	September 24, 2019	250	190	50.77	Up to 3 years.
2	RBL Bank Limited	September 30, 2019	250	-	-	12 months from the date of shipment in case of raw material. 3 years from the date of shipment in case of capital goods
	TOTAL		**500**	**190**	**50.77**	

**Security: Margin money of 100% against bank guarantee.*

As on September 30, 2019, the Company has been issued letters of credit on behalf of its customers amounting to ₹190.00 Crore and bank guarantees amounting ₹ 50.77 Crore.

As on September 30,2019, the Company has issued letters of comfort on behalf of its customers amounting to ₹ 864.25 Crore

Inter-Corporate Deposits

As on September 30, 2019 the Company has the following inter-corporate deposits as disclosed below:

(₹ in Crores)

Sr. No.	Lender's Name	Outstanding Amount
1	L&T Capital Company Limited	3.15
2	L&T Finance Holdings Limited	17.00
	Total	**20.15**

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 20.30 crores.

As on September 30, 2019, save and except as disclosed under this section titled '*Financial Indebtedness*', there are ₹ 805.45 crores outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium of ₹ 8.33 crores or discount of ₹0.36 crores, or (iii) in pursuance of an option.

As on September 30, 2019, unamortised discount and Premium on reissuance of ₹ 5.75 crores & ₹ 0.23 crores respectively.

(₹ in Crores)

Sr. No	Description	Secured / Unsecured	Premium / Discount	Discount Amount (Rs. Cr)	Premium Amount (Rs. Cr)	Coupon (%)	Residual Tenure / Period of Maturity (Days)	Face Value	Date of Allotment	Final Redemption Date	Latest Credit Rating
1	Reissuance - Series "W"-FY 2017-18	Secured	Discount	0.84		8.2500%	1060	2500,000	27-Jul-18	21-Jun-21	AAA CARE & AAA IND
2	Reissuance - Series "W2"-FY 2017-18	Secured	Discount	0.47		8.2500%	1047	2500000	9-Aug-18	21-Jun-21	AAA CARE & AAA IND
3	Series D1 FY 2018-19 Option 1	Secured	Premium		0.02	8.9248%	1075	1000000	20-Aug-18	30-Jul-21	AAA CARE & AAA IND
4	Series D1 FY 2018-19 Option 2	Secured	Premium		0.11	8.9492%	1092	1000000	20-Aug-18	16-Aug-21	AAA CARE & AAA IND
5	Series D2 FY 2018-19 Option 4	Secured	Discount	0.09		8.7500%	723	1000000	27-Aug-18	19-Aug-20	AAA CARE & AAA IND
6	LTF Series D3 Option 1 (2018-19)	Secured	Discount	0.00		8.5975%	475	1000000	31-Aug-18	19-Dec-19	AAA CARE & AA

Sr. No	Description	Secured / Unsecured	Premium / Discount	Discount Amount (Rs. Cr)	Premium Amount (Rs. Cr)	Coupon (%)	Residual Tenure / Period of Maturity (Days)	Face Value	Date of Allotment	Final Redemption Date	Latest Credit Rating
	(Reissuance)										A IND
7	Reissuance - Series "C"-FY 2018-19-Option 2	Secured	Premium		0.09	8.9200%	1132	1000000	31-Aug-18	6-Oct-21	AAA CARE & AAA IND
8	Reissuance - Series "F"-FY 2018-19	Secured	Discount	0.06		8.8154%	1038	1000000	31-Oct-18	3-Sep-21	AAA CARE & AAA IND
9	Reissuance - Series "T"-FY 2017-18	Secured	Discount	0.66		7.9500%	1503	2500000	31-Oct-18	12-Dec-22	AAA CARE & AAA IND
10	Reissuance Series A1 FY 2018-19	Secured	Discount	0.64		8.6474%	1261	1000000	14-Nov-18	28-Apr-22	AAA CARE & AAA IND
11	Reissuance-Series "H" FY 2018-19-Option 1(Original Issuance - Series D3 Option 2 FY 18-19)	Secured	Discount	0.12		8.6197%	436	1000000	20-Nov-18	30-Jan-20	AAA CARE & AAA IND

Sr. No	Description	Secured / Unsecured	Premium / Discount	Discount Amount (Rs. Cr)	Premium Amount (Rs. Cr)	Coupon (%)	Residual Tenure / Period of Maturity (Days)	Face Value	Date of Allotment	Final Redemption Date	Latest Credit Rating
12	Reissuance-Series "H" FY 2018-19-Option 2(Original Issuance - Series N FY 17-18)	Secured	Discount	2.87		7.7000%	1416	2500000	20-Nov-18	6-Oct-22	AAA CARE & AAA IND
	Total			**5.75**	**0.23**						

As on September 30, 2019 there are no other borrowings including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares.

Restrictive Covenants under our Financing Arrangements:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
3. to create or permit any charges or lien on any mortgaged properties;
4. to amend its MOA and AOA or alter its capital structure; and
5. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As on the date of this Draft Shelf Prospectus, there has been no default/ delay in payment of principal or interest on any existing term loan, debt security or any other financial indebtedness including corporate guarantee issued/ availed by the Issuer in the past five years

SECTION VI- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are either initiated by us or by customers, past employees and other parties. These legal proceedings are primarily in the nature of (a) civil suits, actions and applications; (b) consumer complaints and (c) criminal complaints. We believe that the number of proceedings in which we are involved is not unusual for a company of our size in the context of doing business in India.

As on the date of the Draft Shelf Prospectus, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits, and arrears on cumulative preference shares, etc., by our Company.

For the purpose of disclosures in this Draft Shelf Prospectus, our Company has considered the following litigation as "material" litigation:

- *all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value exceeding 5% of the consolidated Profit after Tax as on March 31, 2019, i.e. more than ₹ 42.30 Crore;*
- *all criminal proceedings whether complaints, first information reports ("FIR"), bail applications or otherwise wherein our Company is a party; and*
- *any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, directors, our Promoter or our Group Companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company, directors, Promoter and/or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Save as disclosed below, there are no:

1. *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of the Draft Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*

2. *litigation involving our Company, Promoter, Directors, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of our Company;*

3. *pending proceedings initiated against our Company for economic offences and default; and*

   inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies' law, or reservations, qualifications or adverse remarks of the auditors of our Company in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company.

I. Litigations by and against our Company

Criminal Proceedings by and against our Company

1. Our Company granted a loan to Satish Kumar Sonkar ("Borrower") to finance the purchase of a vehicle. Upon the Borrower defaulting on certain instalments, the vehicle was repossessed. The Borrower filed a FIR for an offence punishable under Section 379, Indian Penal Code, 1860 and alleged that Rajesh Kumar Singh ("Applicant"), acting as the Manager of our Company had taken the vehicle. The Applicant fearing arrest based on the FIR had filed an application numbered M. Cr. C.(A) No.570 of 2009 for anticipatory bail before the High Court of Chhattisgarh at Bilaspur. The High Court passed an order granting anticipatory bail to the Applicant. The matter has been disposed off.

2. Our Company had granted a loan of ₹ 0.04 crores to Mr. Sanjay Bagal ("Complainant") for purchase of a tractor and an engine by entering into a loan cum hypothecation agreement in September 2010. After

the Complainant defaulted on the payment of two instalments, Bhagwan Sawargave, acting on behalf of our Company, allegedly seized the tractor. When the Complainant agreed to repay the outstanding amount, our Company refused to accept it and threatened to sell it. Thus, the Complainant filed a complaint numbered 141 of 2013 before the President, District Consumer Redressal Forum, Osmanabad ("Complaint"). The Consumer Forum Osmanabad rejected the Complaint and held that the Complaint was not maintainable because our Company had already initiated arbitration proceedings regarding the same matter. The Complainant filed a criminal application numbered CRI.M.A. No. 155 of 2016 before the Chief Judicial Magistrate, Osmanabad alleging that there had been no arbitration proceedings and that our Company had fabricated the facts and documents pertaining to it. However, on July 14, 2016 the petition was dismissed due to repeated non-appearance of the Complainant. In 2016, the Complainant, aggrieved by this order, filed a revision application before the Court of the Sessions Judge, Osmanabad. The matter is currently pending and has been listed for arguments.

3. Our Company granted a loan to Mr. Dongari Raju ("Borrower") for purchase of a vehicle by entering into a loan cum hypothecation on November 26, 2010. Due to the Borrower defaulting on the payment of 4 instalments, our Company seized the hypothecated vehicle on August 8, 2012. The Borrower requested our Company to release the vehicle upon payment of 2 instalments. When our Company did not agree to it, the Borrower filed a case numbered C.C. No. 184 of 2012 before the District Consumer Disputes Redressal Forum, Karimnagar ("Forum"). The Forum *vide* an order dated October 18, 2012 directed our Company to release the vehicle on the Borrower repaying 3 instalments. Aggrieved by this order, our Company filed a revision petition R.P. No. 53 of 2012 before the Consumer Disputes Redressal Commission, Andhra Pradesh ("Commission"). The Commission disposed of the petition by directing our Company to obey the order dated October 18, 2012. Our Company claimed that it had not received the instalments and so initiated arbitration proceedings against the Borrower and the guarantor. Our Company also filed a case before the Metropolitan Magistrate Fast Track Court No. II, Egmore, Allikullam, Chennai ("Magistrate") for dishonour of a cheque given by the Borrower. Aggrieved by these actions taken by our Company, the Borrower filed a criminal petition under Section 482 of the Code of Criminal Procedure,1973 bearing no. CRL. O. P. No. 2432 of 2017 in C. C. No. 3662 of 2017 praying for a stay order of the case before the Magistrate. The matter is currently pending and listed for hearing.

4. Upon non-payment of outstanding amount by Mr. G. Kumar ("Petitioner") to our Company, our Company had taken action against the Borrower. An order passed on April 13, 2017 in E.P. No. 19 of 2012 in arbitration case LOS/EFD/ARB/202/2010 before the Principal District Court, Tiruvannamalai, directed the Borrower to the repay of the outstanding amount and allowed the arrest of the Borrower. Aggrieved by this, the Borrower has filed a revision petition numbered C.R.P. (NPD) No. 1878 of 2017 challenging the order dated April 13, 2017 to be illegal and erroneous. The matter is currently pending and listed for hearing.

5. Our Company had granted a loan to Dinesh Prasad Yadav ("Borrower") to purchase a truck. The Borrower filed a criminal case bearing number 571/2010 against our Company and its officers before Judicial Magistrate of First Class, Jamshedpur ("JMFC") on April 24, 2010 under Sections 323, 379, 34 and 418 of the Indian Penal Code, 1860 alleging that the truck financed to him by our Company was snatched along with ₹ 0.015 crores. JMFC issued summons to which our Company filed an application under Section 205, Code of Criminal Procedure, before the JMFC for discharge of appearance of our Company's employees who had been transferred. The application was rejected and a non bailable warrant was issued. Our Company filed an anticipatory bail application bearing number 3864/2011, which was allowed. The matter is currently pending and has been listed for orders.

6. A criminal petition bearing reference 41/2010 was filed by Mr. Gopal Chandra Gorai ("Complainant") before Judicial Magistrate of First Class, Bishnupur of Bankura District on May 26, 2010 under Section 156(3) of the Code of Criminal Procedure, 1973, and under Section 379 and 427 of the Indian Penal Code, 1860. The Complainant alleged that his vehicle had been forcefully re-possessed as he had defaulted on the repayment of the loan. The Complainant went to the police to file a complaint, but the police did not take any concrete action. Therefore, the Complainant has filed the current criminal petition against our Company. The matter is currently pending and has been listed for evidence.

7. Mr. Nirmal Uttarsini ("Borrower") purchased a vehicle by availing a loan from our Company. When, the Borrower defaulted in repaying the loan, Mr. Manoj Kumar and Mr. Mitrabhanu Pattanayak, employees of our Company ("Employees") re-possessed the vehicle in accordance with the deed of hypothecation. However, the said vehicle was re-possessed from Mr. SK Nijammuddin ("Petitioner") who had no claim

over the vehicle. Hence, the Petitioner filed a criminal case before bearing number 2400/2013 before Chief Judicial Magistrate, Paschim Mednipur, wherein a FIR bearing number 411/2013 dated September 13, 2013 was registered by the police against our Company and the Employees. The Sessions Judge has granted anticipatory bail to the Employees. The vehicle of the Borrower has been released. The matter has been disposed off.

8. The electricity department of Purnea, Uttar Pradesh ("Petitioner") had sent a notice to our Company under Section 135 of the Electricity Act, 2003 alleging that there was theft of energy and that the fine amount had to be paid for the said theft. The Petitioner has filled a criminal case bearing number 595/2013 against our Company before the District Judge, Purnea, with a prayer to impose fine of ₹ 0.0096 crores on our Company. Our Company's bail application has been granted. The matter is currently pending for settlement.

9. Mr. Sumith Kumar ("Borrower") has filed a criminal petition bearing number 3354/2015 against our Company before the Andhra Pradesh, High Court. The Borrower has filed the case alleging that his asset was re-possessed forcibly by our Company. Our Company has marked its appearance in the court. The matter is currently pending and has been listed for hearing.

10. Rameshwar Lal Dhake ("Borrower") had financed a tractor from our Company in partnership with Mr. Hansraj Nayak. On default of repayment of the loan from our Company. Mr. Bablu Rajput, ("Employee") of our Company had re-possessed the vehicle on behalf of our Company. Aggrieved by this, the Borrower filed a criminal case with a FIR bearing No. 0326/2018 dated October 12, 2018 against the Employee. The matter is currently pending and listed for appearance.

11. Meva Ram ("Complainant") had filed a police complaint before the Judicial Magistrate, Mandal, Rajasthan alleging that the tractor along with the cultivator was illegally repossessed by Banwar Gurjar, Shankar, Ashish, Mohan Gurjar, Hirendra Pratap Singh and Deb Kiran ("Accused"). At the time of re-possession of the tractor, Nagji Ram Suthar was driving the said vehicle and he is an eyewitness in this matter. The matter has been registered as FIR bearing reference number 159/2012 dated December 19, 2012. The Accused have been charged under Section 386, Indian Penal Code, 1860. The matter is currently pending and listed for evidence.

12. Sangita Datta Kanakate and Purna, Parbhani ("Complainant") in front of Judicial Magistrate of First Class. The criminal case was filed against our Sachin Shinde and Malhar Inamdar ("Employees") under Section 363 of the Indian Penal Code. The Borrower and her husband took financial assistance from our Company for purchasing a tractor. On April 04, 2015, the agents of our Company visited the Complainant's house and asked for loan repayment. Further, the Complainant filed a charge-sheet against our Employees under Section 363, 34, on July 7, 2017. Our Company then filed a discharge application. The matter is currently posted for orders.

13. Our Company granted a loan of ₹ 0.019 crores to Bangi Seshanna ("Borrower") to finance the purchase of a vehicle. Upon the Borrower defaulting on certain instalments, the vehicle was repossessed. The Borrower filed a FIR bearing number 74/2019 dated February 27, 2019 in Kurnool-III Police Station for an offence punishable under Section 506 read with Section 34, Indian Penal Code, 1860 and Section 3(1)(zc) and Section 3(1)(y) of the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989 against our employees. Our Company moved a petition for quashing the FIR and the Court directed police to investigate the matter without arresting any of the accused.

14. Our Company granted a loan to Mr. L Devendran ("Borrower") to finance the purchase of a vehicle. The Borrower filed a criminal complaint bearing no CC137/2017 under Section 200 of Code of Criminal Procedure, 1973,before the learned Magistrate alleging that while availing the loan he gave 10 blank cheques to our Company and also paid the down payment to the dealer, but the vehicle was not delivered to him, even though some instalments were deducted from his account. The matter is pending for reply.

15. Our company granted a loan to Shree Shyam Pulp and Board Mills ("Borrower"). The Directors of the Borrowing Company had issued cheques in favour of our Company and were returned unpaid due to "insufficient balance" in the Borrower Company's bank account. Our Company had also obtained conviction order against the Directors of the Borrower Company. Aggrieved by such order of Ld. Trial Magistrate, Mandeep Kumar Dhillon ("Applicant") filed a writ petition bearing No. W.P. (Cr.) 1642 of 2018. The Applicant has argued and prayed for quashing of the aforesaid order of the Lt. Trial Magistrate,

stating that she had resigned from the Company a long time ago and that she was only inducted in the Board of the Company and not as a Chief Executive or Director of the Company. The matter is pending for admission.

16. Our Company granted financial assistance to Baldev Singh ("Borrower") to purchase a vehicle. Eventually the said loan was rejected but the dealer delivered the vehicle to the Borrower. The Borrower alleges that his vehicle was repossessed illegally, and that Company has committed fraud. The original criminal complaint was dismissed and hence the Borrower filed a criminal appeal bearing number CRA 342 of 2018 before the Session Court, Amritsar against an order passed by the lower court dismissing his criminal complaint. The matter is posted for hearing.

17. Our Company granted a financial assistance to Sarita ("Borrower"). The Borrower has filed a FIR bearing no. 176 of 2019 in Thanjavur Police Station against 5 employees of our Company. The said FIR has been filed under Section 147, 294(b), 324 and 506(i) of IPC. The Borrower has alleged that the employees of our Company got into a fight with her husband and also mistreated her and other family members. The matter is currently pending

18. Our Company granted financial assistance to Jaswant Singh ("Borrower"), for purchasing a vehicle. Upon the default and irregularity in paying the loan amount, the vehicle was repossessed, without giving any notice. The Borrower filed a criminal complaint which was dismissed by the Learned Magistrate on the ground that that complainant has no locus standi and this case is also not maintainable because the civil case is already pending before District Court. Hence, the Borrower filed this criminal miscellaneous petition bearing no. 4405 of 2018, under Section 482 of Code of Criminal Procedure, 1973 before High Court Jharkhand. The said petition was filed against the order dated September 19, 2018 of the Magistrate for offences under the Section 420, 406, 467, 468, 120B, 34 of Indian Penal Code, 1860. The matter is pending for filing of reply.

19. A FIR is filed by Sabrita Rana, against 5 employees of our Company in Lalgarh Police Station, Jhargram, West Bengal, under Section 341, 354B, 325, 427, 506, 34 of IPC. One of our employees' bike was in police possession, the same has been recovered. We filed for anticipatory bail before Additional Chief Judicial Magistrate of Jhargram and the same has been granted. The matter is on trial and now pending for police report.

20. Our Company had granted financial assistance to Nandkumar Pandurang Galande ("Borrower") for purchase of 4 vehicles. The Borrower further alleges that one of his vehicles was repossessed illegally without proper notice even after repaying the loan amount. He further alleges that our Company's officials harassed him by calling him to repay the loans. The Borrower alleges that the Company has committed fraud. The Borrower thus filed an application under Section 202 of CrPC before Judicial Magistrate, Pune. The Magistrate has directed police to investigate the matter and file report. The matter is pending for police report.

21. Our Company granted financial assistance for purchasing a vehicle Harpal Singh, ("Borrower") had availed financial assistance. He alleges that our Company had illegally repossessed the vehicle. The Borrower thus filed a petition under Section 156(3) of CrPC before Judicial Magistrate Kanpur. Further, Magistrate has directed police to file an FIR bearing no 0646 of 2018 against our employees in Bilhaur Police Station, Kanpur. The matter is pending for filing for police report.

22. Nayan Ravikumar Pandit ("Borrower") has filed criminal revision petition under Section 401 of CrPC before Calcutta High Court bearing No. CR719 of 2018. This revision petition has been filed against the criminal complaint filed by our company bearing no CS 17830 of 2018 in Calcutta High Court under Section 420 ,120B, 406 of IPC against the Borrower before Chief Metropolitan Magistrate, Calcutta. The Borrower is praying for issuing a rule call against the Company as to why the criminal complaint should not be quashed and to further grant stay on the original criminal proceedings until this revision is decided. The court passed an interim order by granting a stay on the original criminal proceedings. The matter is pending for hearing.

23. Our Company granted financial assistance to Manju Devi ("Borrower").The Company had initiated the proceedings under Section 420 of CrPC against the customer due to which the present criminal transfer petition has been filed. Further, we have withdrawn the proceedings against the customer. Hence, the matter is posted for withdrawal of the transfer petition filed by Borrower.

24. Jajala Trading Private limited ("Borrower") availed financial assistance from our Company. Borrower issued cheques for repaying the loan amount, but the cheques were dishonoured. Hence, our Company initiated proceedings under Section 138 of Negotiable Instruments Act, 1881. The Court passed an order on August 04, 2017 for issuance of process against the accused. Hence the present case is filed by the directors of the Company challenging the said order. The matter is currently pending before the court and is posted for final hearing.

25. In the criminal case of Sachin vs. State, the case was filed against our employees under the Section 363 of IPC. In this matter the Company has already taken bail for our ex-employee and we have moved an application under the Section 482 of CrPC for quashing of FIR. The application is unconditionally withdrawn by our Company on direction of Court and further moved discharge petition in lower court. This matter is on trial and pending for framing of charges

26. A FIR bearing no. 981/2018 has been filed against our employee Ashok Ghosh ("Accused") by the customers in Malda Police Station, West Bengal under the Section 420, 417, 468, 471, 472 of IPC. Upon the wrongdoings of Company's former FLO names Basant Poddar during his tenure and few customers have filed FIR against MCM Ashok Ghosh. The matter is currently pending in court and is posted for hearing.

27. The Company financed three machines of Leo Duct Engineers & Consultants Ltd & Ors. ("Borrower"). Eventually the Borrower defaulted in repaying the loan amount and is alleging that his all machines were repossessed and later sold out illegally. Customer filed criminal complaint under Section 156(3) of CrPC. against MD Dinanath Dubhashi and the Company for lodging FIR before Metropolitan Magistrate, Ballard Estate, Mumbai. Police officials filed closure report in favour of our Company mentioning that Criminal case cannot be filed if the dispute is of civil nature. However, court has again directed police to conduct fresh investigation and the matter is pending for police report.

28. Our Company granted financial assistance to Babita Kumari ("Borrower"). Upon default the Borrower failed to repay the loan amount and her vehicle was repossessed. The Borrower filed a criminal complaint under Section 156(3) of CrPC before Additional Chief Judicial Magistrate of Muzaffarpur alleging that the vehicle was repossessed illegally by our employees Anand Mishra & Abhay Singh. Furthermore, the Hon'ble Magistrate directed police officials to investigate the matter and it is currently pending for police report.

29. Our Company granted financial assistance to Pradip Kumar Kanaiyalal ("Borrower") to purchase a vehicle. The Borrower filed criminal complaint under Section 409, 418, 420, 421 ,423, 424, 504, 506(2) and 114 of IPC. The Borrower alleges that his vehicle was forcefully repossessed by Jitubhai Prajapati i.e., our Company's ex-employee and also by repo agents. Hence, he filed this criminal case no. 59 Of 2014 before Judicial Magistrate of First Class, Gandhinagar. The matter is posted for reply.

30. Our Company granted financial assistance to Narayan Manikrao Chature ("Borrower") to purchase a vehicle. On the account of default his vehicle was repossessed and sold for recovery of outstanding dues. The Borrower lodged a criminal complaint with Badlapur Senior P.I. and Ambernath police station alleging that the vehicle was illegally repossessed with the help of the dealer. He also alleged that a forged no objection certificate was created and handed over to RTO for transfer of vehicle and that the vehicle was sold for a meagre amount on purpose to harass the Borrower. Both police stations did not take cognizance of the complaints. He thereafter filed the criminal application before the Judicial Magistrate of First Class, Ulhasnagar for the issuance of search warrants under Section 93 and 94 of CrPC against our Company. The matter is currently posted for evidence.

31. Sanjay Kumar Sood ("Borrower") was granted a loan of ₹ 0.0279 crores from our Company which was to be repaid via 47 EMIs of ₹. 8192 each. There was some delay in payment of instalments hence arbitration was initiated, and the vehicle was repossessed. The Borrower approached the respondent for settlement and paid all the dues. After clearance of payment, our Company initiated case under Section 420 of CrPC against the Borrower. Hence, he filed a transfer petition bearing no 130/2019 in Supreme Court, the same is pending for withdrawal.

32. Our Company granted a loan to Rati Rajwar ("Borrower") to finance the purchase of a tractor. The Borrower has alleged that Om Prakash and Mithilesh Ojha ("Accused") (both ex-employees) forcibly

repossessed Borrower's tractor on the assurance that they were taking the tractor for servicing and thereafter sold of the tractor. Thereafter, the Borrower had filed a criminal complaint on July 01, 2009 alleging that despite of clearing the entire dues of Accused. The Company filed charge sheet and an application for quashing of entire criminal proceeding before High court of Kolkata under Section 482 of CrPC & anticipatory bail on behalf of ex- associate Mr. Ojha. Stay orders have been obtained in the quashing petition and the matter is pending for final orders.

33. Our Company had initiated proceedings against Madhavrao Ghorpade ("Borrower") under Section 138 of the Negotiable Instruments Act 1881. Our Company have obtained the conviction orders in the aforesaid proceedings. In view of the order, the Borrower has filed an appeal challenging it and this matter is posted for orders.

34. Mr. Suchil Theron ("Proprietor") of M/s Riya Stone Crusher, has filed a criminal complaint bearing C.R. No. 1973 C/2012 against Mr. Binod Shah ("Accused 1"), Proprietor of M/s M.K. Machinery, and Mr. Ashish Saha ("Accused 2"), Assistant manager of our Company. Such complaint was filed under Sections 120(B), 406, 420, 427 and 34 of IPC, before the Learned Chief Judicial Magistrate Kamrup, Guwahati. The Proprietor has alleged that his asset was illegally repossessed by our Company, through its officers with the help of Accused 1. This matter is currently pending in court and is posted for evidence.

35. Sanjay Kumar Mishra ("Borrower") filed a criminal complaint before the Chief Judicial Magistrate, Jamshedpur against our Company and its managing director and other officials under Sections 106, 406 and 420 of IPC for alleged theft of the tractor of the Borrower. Further, the Company filed a quashing petition before the Jharkhand High Court and a stay order was granted on the criminal proceedings. The matter is currently posted for argument waiting orders.

36. Rockwell Infrastructure ("Borrower") being an authorised dealer of our Company entered into a dealer finance facility of ₹ 0.75 crores on revolving basis for one year with interest @10.50%. Subsequently, it was revised to 12.50%. by our Company. On accounts of defaults, our Company had initiated proceedings under Section 138 of Negotiable Instruments Act 1881, against Archit Jhunjhunwala, the proprietor of Borrower Company and succeeded in getting conviction orders against Archit Jhunjhunwala has filed a criminal revision petition challenging the order of conviction. The matter is posted for final hearing.

37. Siksha 'O' Anusandhan University ("Borrower") has filed a criminal case against our Company and one of its officials. The case was filed before the Sub-Divisional Judicial Magistrate, Bhubaneshwar. The Borrower has alleged that our Company has cheated them by crediting excess Equated Monthly Instalments (EMI) in the accounts of our Company through electronic clearance system post closure of the loan account. The Borrower has sought direction to Inspector-in-Charge, Khandageri Police Station for registering the case and investigating the matter. The matter is currently posted for arguments.

38. Rekhabehen Kapadiya ("Complainant"), filed a criminal complaint before Chief Judicial Magistrate under the Section 465 ,467, 468, 471, 406, 420,120(B), 294(K), 504,506(2), 34 of IPC. The Complainant alleges that the Company officials had forged her documents and created a loan in her name by using use passport size photo, 3 Cheques and her signature. The matter is posted for appearance.

39. Our Company granted a loan to Rameshwar Singh ("Borrower") to finance the purchase of a tractor. Rameshwar Singh filed a criminal complaint before the Chief Judicial Magistrate, Jamshedpur, pursuant to which an FIR was registered against employees of our Company before Sakchi Police Station, in relation to refusal by the Accused to refund the amount deposited by the after the proposed loan was not sanctioned to him. The Company has filed a petition for quashing the criminal proceedings before the Jharkhand High Court. The Jharkhand High Court has granted a stay on the proceedings. The matter is currently posted for final order.

40. H B Mahadeva ("Borrower") availed financial assistance from our company to the tune of 0.041 crores for purchasing a vehicle (Ashok leyland) and repayment of the said loan was to be done through 48 EMIs. The Borrower alleges that his vehicle was repossessed without any intimation. Hence, Borrower has filed this private complaint bearing no PCR No. 230/2019 before Prl. Civil Judge (Jr. Dn) & JMFC, Nanjangudu, Mysore District. The matter is now posted for police investigation.

Criminal Proceedings against our Company under Section 420 of the Indian Penal Code, 1860

Our Company is a party to various criminal cases pending before various courts across India. All such criminal cases, while alleging the offences under Section 420, Indian Penal Code, 1860,also include allegations related to, *inter-alia*, cheating, fraud, defamation, illegal repossession and sale of the vehicles.

Civil Proceedings against our Company

There are various civil proceedings instituted against our Company before various courts across India which mostly arise in the ordinary course of its business. However, there is only one such civil proceeding which involves an amount more than 5% of the consolidated profit after tax for the Fiscal 2019.

Our Company had granted a financial assistance of ₹ 185 crores to DM South India Hospitality Private Limited ("Borrower") vide two different facility agreements of ₹ 100 crores and ₹ 85 crores, both dated March 31, 2017. Upon the occurrence of certain breaches, the shares pledged as security for the facilities were invoked by Our Company and partially sold pursuant to the Notice of Sale dated April 24, 2019 issued by Our Company to the Pledgors. Against the said invocation and subsequent sale, the Borrower, Mr. Dineshchand Hirachand Munot, Mr. Utkarsh Dineshchand Munot, Ms. Nandini Dineshchand Munot and Ms.Pragati Dinesh Bothra ("Pledgors") initiated proceedings under the Arbitration and Conciliation Act, 1996 against Our Company and Justice Ajit Prakash Shah, Former Chief Justice of the Delhi High Court was appointed as an Arbitrator by the Hon'ble Delhi High Court. The matter is currently pending.

Show Cause Notice issued to our Company

The Director General of GST Investigation ("DGGI") has issued a show cause notice ("SCN") dated October 18, 2018 to our Company, *inter-alia*, alleging that additional interest, penal interest and default interest charged to customers is liable to service tax and goods and services tax ("GST") as applicable. The SCN will be adjudicated in due course before the Principal Commissioner of CGST. The amount of tax involved in the SCN is ₹197.29 crores for the period starting from April 2013 to June 2017.Based on the tax opinions, our Company is of the view that such interest is not chargeable to service tax under Section 66D of the Finance, Act 1994. Our Company has filed detailed submissions for the SCN, and the matter was heard by the Principal Commissioner of CGST and reserved for orders thereafter. Further, the Central Board of Indirect taxes ("CBIC") vide its recent Circular 102/21/2019-GST dated June 28, 2019 clarified that the transaction of levy of additional/penal interest would not be subject to GST

Notice under Section 91 and Section 160 of the Criminal Procedure Code.

The Inspector of Police, Central Bureau of Investigation, Bank Securities and Frauds Cell has issued a notice under Section 91 and Section 160 of the Criminal Procedure Code, 1973, dated January 11, 2019 requisitioning documents from our Company, with respect to an investigation of a case registered against one Arvind Remedies Limited, Chennai, on or before January 21, 2019. The requisite documents were provided as per the said notice. Further, similar notices dated January 25, 2019, February 5, 2019 and February 28, 2019 were received by us from the abovementioned authority with respect to Arvind Remedies Limited requisitioning certain further documents to be provided. Notwithstanding anything contained herein above, the aforesaid notice is not material in the opinion of the Company. Arvind Remedies Ltd. account has been closed in the records of the Company and the Company has no current exposure on Arvind Remedies Limited.

Litigations by our Company

A. Criminal Proceedings by our Company

Our Company has initiated various criminal litigations which are pending before various courts across India. However, all criminal cases initiated by our Company before various courts pertain to the offences under Section 420 of Indian Penal Code, 1860, which include, *inter-alia*, fraud and cheating against customers on account of loan defaults, cash misappropriation, forgery, dishonest intention, illegal disposal of asset, criminal breach of trust, misrepresentation and wrongful gain.

B. Civil Proceedings by our Company

1. L&T Finance Limited ("Transferor 1") and L&T Fincorp Limited ("Transferor 2") amalgamated with Family Credit Limited (name subsequently changed to L&T Finance Limited, the "Transferee") by virtue of an order ("Amalgamation Order") passed by the National Company Law Tribunal, Mumbai,

approving the scheme of amalgamation ("Scheme").The Transferee had filed an application before the Collector and Superintendent of Stamps, Gujarat (the "Collector") for adjudication of stamp duty payable on transfer of certain immovable property belonging to Transferor 2 which is situated in Gujarat, to the Transferee, pursuant to the Amalgamation Order. Subsequently, the Collector passed an order dated August 29, 2017 (the "Collector Order") requiring the Transferee to pay a stamp duty amounting to Rs. 123.57 million within a period of 90 days, under the provisions of Gujarat Stamp Act, 1958 computed on the basis of the market value of the equity shares of Transferor 1 and the Transferor 2 which were issued to the shareholders of the Transferee pursuant to the provisions of the Scheme. The Transferee through its application filed with the Collector sought for recall and/ or modification of the Collector Order since the adjudication was erroneously conducted on the equity shares and not on the immovable property concerned which application was rejected by the Collector vide its Order dated October 26, 2017. Accordingly, the Transferee had filed the aforesaid special civil application before the Gujarat High Court seeking quashing of the Collector Order. The Gujarat High Court has passed a stay order vide an Order dated December 21, 2017 against the Collector Order. Subsequently, the Transferee basis the order of the Gujarat High Court approached the Chief Controlling Revenue Authority ("CCRA") Gandhinagar, Gujarat with a plea to set aside the order of the Collector dated August 31, 2018. The CCRA vide its order dated September 14, 2018 had remanded the matter to the Additional Collector and Superintendent of Stamps, Gandhinagar to revaluate the properties and to adjudicate and order accordingly. Interim demand notice dated December 12, 2018 was received from the Collector demanding ₹12.35 crores and to produce the stamp duties paid in the state of Maharashtra as well as West Bengal and to file our say by December 12, 201, additional time was sought to file our reply. Next date for hearing was fixed on January 1, 2019. A representation along with detailed submission was submitted with the Collector on January 16, 2019. After repeated follow up, the Transferee received a notice from the Collector on July 18, 2019 requesting for details of valuation of the shares of Transferor 1 and Transferor 2. The Transferee vide its letter dated August 13, 2019 filed a reply providing the requisite information as well as outlining its stand that it is the property which needs to be adjudicated and not the issue of shares, as directed by the CCRA, Gujarat. The Collector vide its letter dated November 19, 2019 has reduced the demand from. ₹ 12.35 crores to ₹ 6.25 crores by allowing a set off for the Stamp Duty paid by the Transferee in the State of Maharashtra. The Transferee does not agree to the revised claim by the Collector and hence will appear before the Collector on December 06, 2019 to present its case.

2. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("Regulations") framed under the Bankruptcy Code in respect of the corporate insolvency resolution process ("CIRP") initiated by various creditors against Castex Technologies Limited ("Borrower"). Our Company has filed its claim amounting to ₹ 152.15 crores before the interim resolution professional. The resolution professional has filed an application before the National Company Law Tribunal, Chandigarh for withdrawal of the resolution plan as the resolution applicant being the Liberty House Group failed to comply with the requisite terms. The matter is currently pending.

Further, our Company has also filed an arbitration petition bearing Comm. Arbitration Petition (L) 920 of 2018 against Mr. Arvind Dham (the "Guarantor") before the Hon'ble Bombay High Court ("Court") under Section 9 of the Arbitration and Conciliation Act, 1996. The Court, vide its order dated October 11, 2018 has recorded the undertaking given by the counsel of Guarantor not to sell, alienate, encumber, part with possession and/or create third party rights in respect of any of the moveable and immoveable properties disclosed in his affidavits dated September 5, 2018, September 14, 2018 and October 1, 2018. The matter is currently pending before the Court.

3. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("Regulations") framed under the Bankruptcy Code in respect of the corporate insolvency resolution process ("CIRP") initiated by various creditors against Bhushan Steel Limited ("Borrower") under the Bankruptcy Code, filed by various creditors of the Borrower. Our Company has filed its claim of ₹ 114.68 crores before the interim resolution professional. The resolution plan was approved by the National Company Law Tribunal ("NCLT") under which our Company has received an amount of ₹ 70.89 crore plus 1,57,836 equity shares valued at ₹23.95 per share. However, the resolution plan contains provisions wherein a carve out has been made in favour of the lenders to recover their outstanding dues from the guarantors of the Borrower. In view of this carve-out, the Company has initiated arbitration proceedings against the guarantors of the Borrower, i.e., Mr. Brij

Bhushan Singhal and Mr. Neeraj Singhal. Further, the Company filed a statement of claims on February 15, 2019 before the sole arbitrator, claiming defaults in payments of loans advanced by the Company to the extent of ₹ 67.36 crores. The Guarantors have filed their counter defence in the matter as well as an application under Section 32 of the Arbitration and Conciliation Act, 1996, seeking termination of the proceedings. The matter is currently at the evidence stage and is pending adjudication.

4. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("Regulations") framed under the Bankruptcy Code in respect of the corporate insolvency resolution process ("CIRP") initiated by various creditors against Reid & Taylor ("Borrower") under the Bankruptcy Code, filed by various creditors of the Borrower. Our Company has filed its claim of ₹ 92.74 crores before the interim resolution professional. In the absence of any resolution plan, the committee of creditors have resolved to liquidate the Borrower. The NCLT, Mumbai has passed an order for the liquidation of the Borrower. Our Company has filed its Form D and one of the co lenders Finquest Financial Service Private Limited has informed the liquidator that they do not wish to relinquish their security into the liquidation estate. IDBI Bank is currently in discussions with the promoter of Finquest Financial Services Private Limited for resolution of the matter.

5. Our Company had initiated arbitration proceeding against Saumya Mining Limited ("Borrower"), Ajay Jain, Ashok Jain and Pradnya Jain due to default of payment of the Borrower under a facility agreement dated September 26, 2013 and the security documents, deed of hypothecation and deed of guarantee. The sole arbitrator passed an award in favour of our Company directing the Borrower to repay an amount of ₹ 45.48 crores to our Company. On October 22, 2018, our Company filed an Execution Application (L) No. 2704 of 2018 before the Bombay High Court. Our Company filed Chamber Summons (L) No. 1593 of 2018 in Execution Application (L) No. 2704 of 2018 for the execution of the award and payment of ₹ 45.48 crores plus interest till date of repayment. The matter is currently pending.

6. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("Regulations") framed under Bankruptcy Code in respect of the corporate insolvency resolution process ("CIRP") initiated by various creditors against Metalyst Forgings Limited ("Borrower"). Our Company has filed its claim of ₹ 66.21 crores before the interim resolution professional. The resolution plan ("Resolution Plan") was approved by the Committee of Creditors, however it is pending approval before the National Company Law Tribunal, Mumbai ("Tribunal"). In the meantime, the resolution applicant, Deccan Value Investors ("RA"), has filed an application for withdrawal of the Resolution Plan. The resolution professional has opposed the withdrawal. However, the RA has alleged that the resolution professional is guilty of misrepresentation and concealment of material information Bharat Forge Limited has also submitted its resolution plan which is pending for voting. The matter is currently pending before the Tribunal.

7. Emta Coal Limited ("Borrower") entered into a facility agreement with L&T Infrastructure Finance Company ("LTIF") on October 17, 2012 for ₹ 100.00 crores. LTIF assigned the outstanding term loan principal of ₹ 71 crores to L&T FinCorp Ltd (which is now L&T Finance) effective from July 31, 2013 which was disbursed in full. However, even after repeated notices, the Borrower consistently failed to fulfil its repayment obligations. Our Company finally agreed to a partial settlement of the hypothecated assets and entered into the partial settlement agreement on June 15, 2016. The Borrower repaid a part of the amount. However, the Borrower again defaulted under the partial settlement agreement with the outstanding amount at ₹ 56.71 crores. Our Company filed a plaint numbered C.S. No. 140 of 2018 before the Calcutta High Court praying for the repayment of the outstanding amount coupled with interest. The High Court issued a writ of summons against the defendants on November 13, 2018 which was returnable on January 29, 2019.The matter was heard before the Ld. Master on September 24, 2019.We appeared through our advocates.and the matter is currently pending.

8. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("Regulations") framed under the Bankruptcy Code in respect of the corporate insolvency resolution process ("CIRP") initiated by various creditors against it. Our Company has filed its claim of ₹ 48.01 crores. The resolution plan has been approved by the National Company Law Tribunal ("NCLT") Hyderabad vide order dated June 3, 2019. Though the implementation of the approved resolution plan has currently been stayed by National Company Law Appellate Tribunal

("NCLAT") Delhi. The matter is currently pending for admission before the NCLAT.

9. Our Company initiated arbitration proceedings against PMT Machine Limited ("Borrower") and guarantors of the Borrower claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on December 27, 2012 ("Award'). Our Company filed an Execution Application No. 365 of 2013 in Arbitration No. 1036 of 2012 before the Bombay High Court ("Court") on April 27, 2013 for the execution of the Award. The Court issued a warrant of attachment attaching the movable and immovable properties of the Borrower till January 31, 2014. However, the parties signed consent terms for repayment of the loan on February 13, 2014. The Borrower repaid part of the outstanding amount but again defaulted on repayment in 2017 according to the consent terms. On January 11, 2018, the registrar of the Court in Chamber Order (L) 50 of 2018 in execution application No. 116 of 2014 in Arbitration No. 1036 of 2012 passed a chamber order extending the warrant of attachment of the movable and immovable properties till January 31, 2019. The amount involved in this matter is ₹ 26.14 crores. Due to the moratorium under the corporate insolvency resolution process ("CIRP") proceedings, the matter is currently pending and has been stayed.

In addition, our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 framed under Bankruptcy Code in respect of the CIRP initiated by various creditors against the Borrower. Our Company has filed its claim of ₹ 51.28 crores.

10. Our Company claimed that Zylog Systems Limited ("Borrower") and guarantors of the Borrower had defaulted in the payment of the loan provided by our Company in May 2012. Our Company sent a winding up notice to the Borrower on February 28, 2013 demanding the Borrower to repay the amount of ₹ 31.56 crores. In April 2013, our Company filed a winding up petition numbered C.P. 143 of 2013 before the High Court of Madras praying for the winding up of the Borrower and appointment of an official liquidator, which has subsequently been withdrawn.

Our Company then initiated arbitration proceedings against the Borrower. The arbitrator passed an award in favour of Company on December 30, 2014 ("Award'). Our Company filed a Chamber Summons (L) No. 1266 of 2015 in Execution Application (L) No.1484 of 2015 in Arbitration No.1294 of 2013 before the Bombay High Court dated July 3, 2015 for the appointment of a receiver, disclosure of the details of the properties of the Borrower and repayment of the loan. The amount involved in this matter is ₹ 42.87 crores. The matter is currently pending.

Our Company has also filed a Contempt Petition bearing No.58 of 2013 in Arbitration Petition No. 325 of 2013 against the Borrower before the Hon'ble Bombay High Court on the ground of *inter alia* wilful disobedience and contempt of order dated May 3, 2013 passed by Hon'ble High Court in said Arbitration Petition. The matter is currently pending.

11. Our Company sent a winding up notice to Kemrock Industries and Exports Limited ("Borrower") and Mr. Kalpesh Patel ("Guarantor") on March 12, 2013 and filed a winding up petition numbered Company Petition No. 122 of 2013 due to repeated defaults of the Borrower. The High Court of Gujarat ("Court") passed an order dated August 5, 2014 directing the winding up of the Borrower and appointment of an official liquidator. On August 7, 2014, the Borrower filed an application numbered 213 of 2014 for amendment of the original order and request the Court to grant time to the Borrower to repay the outstanding amount. Our Company had filed petition under Section 9 of Arbitration Act and obtained interim orders.

Our Company initiated arbitration proceedings against the Guarantor claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on August 12, 2015 ("Award'). Our Company filed a Chamber Summons No. 341 of 2016 in Execution Application No. of 1386 of 2016 in Arbitration No. 336 of 2013 before the Bombay High Court for the appointment of a receiver and execution of the Award. The amount involved in this matter is ₹ 43.08 crores plus interest till repayment date.

12. Precision Engineers and Fabricators Pvt. Ltd. ("Borrower") had availed two loans one from our Company to the tune of ₹ 3 crores and ₹ 26.5 crores. When the Borrower consistently defaulted, our Company filed a winding up petition numbered C.P. No. 207 of 2016 against the Borrower before the Calcutta High Court ("Court") in February 2016. The Court issued summons in June 2017. In the

meantime, one of the operational creditors of the Borrower had filed an application under the Bankruptcy Code which was admitted. Our Company has filed its claim for the sum of ₹ 28 crores before the Interim Resolution Professional, Mr. S M Gupta, who has been appointed by the National Company Law Tribunal, Kolkata. The Committee of Creditors ("COC") meetings were concluded and the resolution plan was accepted by the COC wherein our Company had to accept a major haircut by accepting a sum of ₹ 9 crores against the total claim. The resolution plan was defaulted upon and the COC had approached the National Company Law Tribunal for orders of liquidation. Currently, Mr. Rasik Singhania is appointed as the liquidator in the matter. The claim of our Company before the liquidator was filed for a sum of ₹ 51.12 crores, however the liquidator has accepted the claim for a sum of ₹ 47.59 crores. The matter is currently pending.

13. Our Company has filed an intervention application in the National Company Law Appellate Tribunal ("NCLAT") under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India ("UOI") pending before the NCLAT, in its capacity as the financial creditor of Moradabad Bareily Expressway Limited ("MBEL"), a subsidiary of IL&FS Transportation Networks Limited ("ITNL"), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited ("IL&FS"). The said intervention application also seeks a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of Our Company. MBEL has now been classified as a Green entity from the Amber category and has started servicing its debt obligations as per agreed terms. The matter is currently pending.

Our Company has also preferred a civil appeal bearing reference number 2397-98 of 2019 before the Hon'ble Supreme Court of India under Section 423 of the Companies Act, 2013, *inter alia* assailing the order dated February 11, 2019, passed by the NCLAT. This appeal is pending admission.

14. Our Company had granted financial assistance to KSK Mineral Resources Pvt Ltd ("Borrower") in which there was a Corporate Guarantee executed by the KSK Energy Ventures Ltd ("Corporate Debtor") in favour of the Company. Thus, our Company has submitted Form C before the Resolution Professional for their exposure in the Borrower Company with its claim of ₹ 62.36 crores on the basis of Corporate Guarantee executed by the Corporate Debtor. The matter is currently pending.

15. Our Company has submitted its proof of claim (Form-C) as a financial creditor of Raheja Developers Limited ("Borrower") in the corporate insolvency resolution proceeding under the Insolvency and Bankruptcy Code, 2016, initiated by the Home Buyers against the Borrower for the recovery of their dues before the National Company Law Tribunal, Delhi. The amount involved in the case is ₹ 534.28 crores. The matter is currently pending. Company filed an Appeal objecting to same, based on which NCLAT vide its order dated September 17, 2019 reserved final order and in the interim stayed constitution of Committee of Creditors and directed Interim Resolution Professional ("IRP") to run company on going concern basis. The matter is currently pending. Subsequently, clarification was sought from the Hon'ble NCLAT with regard to our right as creditor versus management of company by IRP, to which Hon'ble NCLAT was pleased to pass an order dated November 18, 2019 directing the IRP to run company on going concern basis without affecting rights of the creditors. In view thereof, the company is obligated to honour their obligation under transaction documents. Order copy is not yet uploaded on site.

16. Our Company filed a petition (Petition/82/2019) ("Petition")before the Telecom Disputes Settlement and Appellate Tribunal ("TDSAT"), New Delhi, inter-alia challenging the Department of Telecommunication's ("DoT") provisional assessment amounting to ₹ 1,600 crores, as license fee, plus interest and penalty for an internet service provider license ("ISP license") held by one L&T Netcom Ltd (an erstwhile Larsen and Toubro Limited group company). L&T Netcom Ltd merged with our Company in 2004. Our Company paid the amounts due, towards license fees, calculated on the basis of percentage of adjusted gross revenue earned exclusively from the ISP business. The ISP License Agreement expired in January, 2015. The DoT, while undertaking assessment of their demand included all the revenue earned by the Company from financial services business of the Company in their computation instead of including the revenue only from ISP business. The DoT vide its provisional assessment notices dated December 24, 2018 and December 26, 2018 demanded the outstanding license fee (including interest, penalty and interest on penalty) for the financial years 2006-07, 2008-09, 2011-12. The aforesaid method of computation has been challenged vide the Petition. TDSAT while admitting the petition has vide its order dated October 21, 2019 inter-alia allowed our Company to seek interim

relief if any coercive steps were taken by the DoT. Our Company has not received any other demand, pursuant to the order dated October 21, 2019. The matter is currently pending and listed for directions on December 9, 2019.

Cases filed by our Company under Section 138 of the Negotiable Instruments Act, 1881

Our Company has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are approximately 14,762such cases pending before various courts. The total amount involved in such cases is approximately ₹ 321.47 crores.

II. Litigations involving the Directors of our Company

Our Company, including the Directors have been impleaded as a party in various civil proceedings, including but not limited to consumer cases, writ petitions, arbitration proceedings and civil suits filed by the borrowers of our Company on account of various disputes between the borrowers and our Company, before various forums. These disputes have arisen in the ordinary course of business activities of our Company, mostly on account of re-possession of hypothecated vehicles pursuant to defaults committed by the borrowers in the repayment of the financial assistance availed by them from our Company. These matters are at various stages of adjudication and are currently pending.

In these matters, the Directors have not been specifically named, except as disclosed under the heading of '*Civil proceedings involving any director of our Company' and 'Criminal proceedings involving any director of our Company'*. Further, no allegation has been levelled against any of the Directors. Accordingly, the above disclosure has been made instead of including the same under the heading of '*Civil proceedings involving any director of our Company' and 'Criminal proceedings involving any director of our Company'*.

Civil proceedings involving any director of our Company

A civil proceeding has been initiated against Mr. Dinanath Dubhashi, the Director of our Company (whose position, in the civil suit has been incorrectly noted as the Managing Director of our Company) wherein our ex-employee, Mahinder Solanki, filed a civil suit bearing no 346 of 2019 against Mr. Dinanath Dubhashi, Mr. Ajay Pandey, Mr. Anand Khatri, Ms. Priyanka Agarwal and Mr. Ashish Goyal. He joined as Area Collection Manager in Kota on May 5, 2017. He later secured a job with HDFC, hence he resigned from our company on August 10, 2019 and was serving notice period. He alleges that whilst on his notice period his senior harassed him and coerced him for taking back the resignation and that his salary was kept on hold by the company owing to some disciplinary issues. He further alleged that our company terminated him on September 2, 2019. Hence, he filed this suit bearing no. 346 of 2019 in Civil Court Kota, praying for getting his relieving letter. The matter is posted for hearing.

Criminal proceedings involving any director of our Company

There are two criminal proceedings initiated against Mr. Dinanath Dubhashi, the Director of our Company (whose position, in the criminal complaint, has been incorrectly noted as the Managing Director of our Company) by Leo Duct Engineers & Consultants Ltd. ("Petitioner") which had availed a loan from our Company to finance three machines. As the Petitioner defaulted in repaying the financial assistance, our Company repossessed the machines and sold them. The Petitioner filed a criminal complaint bearing No. 25/SW/16 before the Additional Chief Metropolitan Magistrate, Ballard Estate, Mumbai ("Court") under Section 200 of the Code of Criminal Procedure, 1973 against Mr. Dinanath Dubhashi and others on the ground that the machines were repossessed wrongly. The police have filed a closure report in favour of our Company stating that in view of the dispute being civil in nature, the criminal case filed preferred by the Petitioner is not maintainable. Our Company is yet to receive summons from the Court.

The matter is currently pending, and the next date of hearing is December 04, 2019 for Police Report.

Another Criminal matter was initiated against Mr. Dinanath Dubhashi, The Director of our Company (whose position, in the civil suit has been incorrectly noted as the Managing Director of our Company) by a Borrower Jaswant Singh. Our company had given financial assistance to Jaswant Singh, for purchasing a vehicle, due to irregularity in paying the loan amount, the vehicle was repossessed without

giving any notice. The borrower filed a criminal complaint which was dismissed by the Learned Magistrate on the ground that that complainant has no locus standi and this case is also not maintainable because the Civil case is already pending before District Court. Hence, the Borrower filed this Criminal miscellaneous petition before High Court Jharkhand under Section 482 of CrPC bearing no 4485 of 2018, against order dated September 19, 2018 of the Magistrate for offences under Sections 420, 406, 467, 468, 120B, 34 of IPC. The matter is pending for filing reply.

L&T Finance Holdings Limited (our Promoter)

There are no civil litigations initiated by and/or against our Promoter basis the materiality policy adopted by our Promoter. Further, there are no criminal cases initiated by and/or against our Promoter.

III. Litigations involving Group Companies

A. Larsen & Toubro Limited

Larsen & Toubro Limited ("L&T") has taken the threshold of ₹ 100 crores for civil matters in accordance with the internal policy of L&T. Further, no threshold has been applied for other matters disclosed below.

a. Civil Proceedings

1. Northwest Redwater Partnership ("NWR") and L&T had entered into contract where L&T was to provide carbon steel, stainless steel and alloy pipe spools, piping materials and other materials to NWR, Canada. In March 2017, NWR issued a notice to L&T under the Arbitration Act of Alberta, *inter-alia*, claiming an amount of CAD 121 million (₹ 625.5 crores) on account of damages due to breach of contract and negligence. Simultaneously, with issue of arbitration notice NWR also filed civil claim before Court of Queen's Bench, Alberta. L&T filed its reply to claims before the Court of Queen's Bench, Alberta and subsequently parties by consent agreed to withdraw the proceedings from the Court. NWR submitted an overview of claim to L&T in September 2017 revising claim to CAD ₹ 819.3 crores, L&T submitted its reply on December 22, 2017 reiterating its counterclaim of about CAD 16 million (₹ 830.08 crores). Subsequently, the parties met at Houston in February 2018 for engaging in negotiations without prejudice. Consequent to the meeting, parties signed the ADR Agreement in June 2018. The first stage of ADR process is information exchange, without prejudice meeting between parties and formal mediation. In the position papers exchanged for mediation NWR has revised its claim to CAD 148 million (₹ 767.4 crores). The mediation concluded in June 2019 without a resolution. The matter has now proceeded to arbitration. NWR has filed its Statement of Claim, our Company has filed its Statement of Defence and Counterclaim. Matter is currently pending.

2. L&T had applied for de-notification from SEZ of certain units situated at Vadodara and accordingly was required to obtain no objection certificates ("NOCs") from various authorities including the stamp duty department (the "Department") of Gandhinagar. Accordingly, L&T had filed an application with the Department for obtaining a NOC. However, the Collector and Additional Superintendent of Stamps, Gandhinagar (the "Collector") passed an order against L&T (the "Order") demanding L&T to pay stamp duty aggregating to ₹ 33.5 crores. L&T then filed a writ petition before the Gujarat High Court against the Order. The writ petition was disposed of by the Gujarat High Court and L&T was directed to file an appeal before the Chief Controlling Revenue Authority ("CCRA"). The Gujarat High Court directed CCRA to issue the NOC during the pendency of the appeal, subject to L&T depositing a percentage of stamp duty amount and furnishing a corporate guarantee. L&T filed a revision application before the CCRA pursuant to the Gujarat High Court order. CCRA rejected the revision application and ordered payment of stamp duty along with a penalty. L&T filed a special civil application bearing number 15654 of 2016 before the Gujarat High Court for, *inter-alia* setting aside the orders passed by the Collector and CCRA, stay on recovery of penalty and refund of amount deposited with Industries commissioner and CCRA. The Gujarat High Court has admitted the matter. The matter is currently pending.

3. The Additional Director of Mines, Kota, passed order against L&T for deposit of approximately ₹ 20 crores towards royalty payment in connection with a supercritical thermal power project executed for Rajasthan Rajya Vidyut Utpadan Nigam Limited ("RRVUNL"), which was thereafter confirmed by the Appellate Authority for Mining. RRVUNL withheld such deposit amount from L&T's running bills. Thus, L&T filed a writ petition numbered CW 119 of 2017 before the Rajasthan High Court against the

withholding of deposit amount. The Rajasthan High Court admitted the petition, directing 50% of the demanded amount to be released by RRVUNL in favour of L&T and Department of Mining. The matter is currently pending.

4. L&T initiated arbitration proceedings against Visa Power Limited ("Visa Power") in relation to the disputes arising out of contract entered into between Visa Power and L&T. Visa Power had awarded a contract to L&T for balance of plant package for setting up of a 2x600 MW Visa Raigarh Super Thermal Power Project at Devari and Dumarpali villages in the Raigarh District of Chhattisgarh. In terms of the contract, Visa Power was required to make payments to L&T and L&T was required to furnish a bank guarantee in favour of Visa Power. The alleged failure of Visa Power to make timely payments to L&T, resulted in termination of the contract. Subsequently, Visa Power invoked the bank guarantee furnished by L&T. Therefore, L&T initiated arbitration proceedings against Visa Power and filed a statement of claim seeking for a total claim amount of ₹ 602.975 crores along with interest of 18% per annum till realisation of the same. Visa Power filed a counter claim of ₹ 182.987 crores consisting mainly consequential damages which was dismissed on December 5, 2017. An application before the National Company Law Tribunal ("NCLT") was filed for initiation of corporate insolvency proceedings against Visa Power filed by Bank of Maharashtra as one of the creditors of Visa Power (the "Proceedings"). Pursuant to the Proceedings, a resolution professional was appointed, and arbitration proceedings were suspended during the moratorium period. As the bank guarantee was encashed, L&T has filed applications before the NCLT, Kolkata for depositing the amount in a fixed deposit. This amount is already part of the statement of claims filed by L&T before the NCLT, Kolkata. NCLT, Kolkata vide order dated September 7, 2018 dismissed both the applications filed by L&T. L&T has preferred an appeal before NCLAT, New Delhi with respect to the dismissed applications. Further, *vide* an order dated December 3, 2018 passed by the Hon'ble NCLAT, Delhi, the appeal filed by L&T was dismissed against which L&T has preferred an appeal before the Supreme Court which was dismissed vide order dated March 15, 2019. The Corporate Insolvency resolution proceedings have come to an end and Visa Power has gone into liquidation. L&T has filed its claim before the Official Liquidator at present. Further, L&T had written to the arbitrators to revive the arbitration proceedings against Visa Power Limited which was accepted by the Arbitral Tribunal. The matter was finally heard and reserved for award.

5. Indian Oil Corporation Limited ("IOCL") has filed an appeal under Section 34 of the Arbitration and Conciliation Act, 1996, before the Delhi High Court against the award dated May 18, 2017, passed in favour of L&T for ₹ 172.00 crores. L&T has filed an execution application against IOCL for the aforesaid award which is heard along with the aforesaid appeal. The appeal under Section 34 of the Arbitration and Conciliation Act, 1996 was decided in L&T's favour *vide* an order dated June 1, 2018. IOCL has filed a second appeal number F.A.O. (O.S.) (Comm) No. 171 of 2018, before the division bench of Delhi High Court. The matter is currently pending.

6. L&T has filed an arbitration against NTPC to the tune of ₹116 Crore (approx) before the Arbitral Tribunal for reimbursement of minimum wages which have been revised pursuant to notification of January 2017. All pleadings were filed, and matter was finally heard. L&T has filed an application for leading expert evidence which is admitted by the Arbitral Tribunal. Expert evidence was led, written submissions were filed by both parties and the matter is reserved for award.

7. L&T has filed Writ Petition No. 1541/2017 challenging, *inter-alia*, property tax levied from April 1, 2010 till date, on the open and scattered lands within the property in Powai (West) and the incorrect method of computation of the Capital Value ("CV") on the undeveloped and open land, which was not assessed under the Rateable Value method. L&T, *inter-alia*, prayed that (i) notices issued by Municipal Corporation of Greater Mumbai ("MCGM") be quashed and set aside; (ii) restrain Respondents from passing any order in respect of fixing rateable value without following statutory procedure of MCGM Act & MMRDA Act; (iii) call for records from MCGM; and (iv) restrain Respondents from passing any order unless instructions have been given by State of Maharashtra. The matter has been admitted before the Bombay High Court. The Court passed an order dated April 11, 2017 directing L&T to pay 50% differential property tax demanded in the property tax bills amounting to ₹ 32.30 crores. The matter is currently pending for hearing and final disposal.

8. L&T has filed Writ Petition No.1742 of 2002 before the Bombay High Court against the action taken by the Municipal Corporation of Greater Mumbai ("MCGM") of preventing L&T's trucks from entering the municipal limits of Mumbai. L&T had entered into an agreement with Systems Application and

Products in Data Processing Private Limited ("SAP India") for obtaining license to use proprietary software (the "Software") of SAP India. The MCGM had required L&T to furnish certain documents for the purposes of investigating the use of the Software in Mumbai. Subsequently, the MCGM demanded an octroi of ₹ 0.236 crores from L&T. L&T raised objection to the same and paid an amount of ₹ 0.045 crores under protest. Due to non-payment of the entire octroi amount, MCGM had prevented L&T's trucks containing ready-mix cement from entering the municipal limits of Mumbai. Due to the short life of ready-mix cement, the consignment of cement had to be returned. The amount involved in the matter is ₹ 0.236 crores. The Bombay High Court vide an order dated June 28, 2002 directed MCGM to permit the trucks, which were detained on June 25, 2002 and all subsequent trucks and goods of L&T to enter into the municipal limit of greater Mumbai subject to payment of ₹ 0.19 crores , which was deposited by L&T on June 28, 2002. The writ petition was admitted on November 18, 2002. The matter is currently pending.

9. Municipal Corporation of Greater Mumbai ("MCGM") had issued notices to L&T under the Mumbai Municipal Corporation Act, 1888 for fixation of the ratable value of amenity with respect to a parcel of land held by L&T. The Small Causes Court passed an order in favour of L&T. MCGM then filed First Appeal No. 270 of 2006, First Appeal No. 287 of 2006 and First Appeal No. 269 of 2006, before the Bombay High Court against the order passed by the Small Causes Court, Mumbai against the rateable value fixed by MCGM. The amount involved in the matter is ₹ 0.112 crores. The first appeal has been admitted and no interim relief has been granted in favour of MCGM. The matter is currently pending.

10. Municipal Corporation of Greater Mumbai ("MCGM") has filed First Appeal No. 2207 of 2006 before the Bombay High Court against the order passed by the Small Causes Court, Mumbai tax in favour of L&T pertaining to assessment of property. The first appeal has been admitted by the Bombay High Court and will come up for final hearing in due course. The first appeal has been admitted and no interim relief has been granted in favour of MCGM. The amount involved in the matter is ₹ 3.657 crores. The matter is currently pending.

11. L&T had filed several applications before Municipal Corporation of Greater Mumbai ("MCGM") seeking their approval for commencement of various construction works. L&T had paid an amount of ₹ 0.307 crores under protest as directed by MCGM and thereafter filed a claim before it for refund of certain charges. MCGM rejected the claim of L&T. For refund of these sewerage charges, a Writ Petition No. 1601 of 2005 has been filed which is admitted and pending hearing and final disposal.

12. EMTA Coals Limited ("EMTA") had purchased a total of 128 Komatsu HD785 Dump Trucks and other mining equipment from L&T for which EMTA had entered into 18 Full Maintenance Contracts ("FMC") with L&T between January 2006 and August 2013. The FMCs were renewed from time to time. L&T approached EMTA for release of payments under FMC but the same was consistently delayed. A winding up notice bearing no. VBT/RDB/ADK 1049 dated March 4, 2015 was issued by L&T to EMTA under Sections 433 and 434 of the Companies Act, 1956 calling upon EMTA to pay a sum of ₹ 89.3 crores, together with interest at the rate of 20% per annum and other charges. Despite receipt of the notice, no payment was made accordingly after subsequent correspondence exchanged between the parties. A total sum of ₹ 130 crores is due from EMTA for which a winding up petition numbered AP 476 of 2016 is filed before the Kolkata High Court. EMTA has filed a petition under Sections 11, 14 and 15 of the Arbitration and Conciliation Act, 1996 for ₹ 142 crores. The aggregate amount involved in this matter is ₹ 129.5697 crores as on March 31, 2015 plus interest at the rate of 20% per annum till realization. The matter is pending.

13. G V Bapat, a food inspector filed a complaint against L&T Grahak Sahakari Sanstha Maryadit, the supplier and buyer of food items used in the canteen of L&T, before the Additional Chief Metropolitan Magistrate, Mazgaon under Section 2 of the Prevention of Food Adulteration Act, 1954 in relation to adulterated food being supplied. An exemption application numbered CC No. 465/S of 2003 has been filed, which was allowed by the Additional Chief Metropolitan Magistrate, Mazgaon. The Ld. Magistrate has framed the charges against both the accused. Matter is currently pending for recording of further evidence on prosecution side.

14. L&T in a joint venture with M/s. Alpine Mayreder Bau GmbH, were the contractors for the construction of a 12-kilometre-long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (NTPC) (Project Lot – 1). Disputes arose pertaining to the works under different heads with claims being made for various additional works. The arbitration

hearings have been concluded and the parties have filed their written submissions, in compliance with the order of the Arbitral Tribunal. The amount involved is ₹ 251 crores. The Arbitrators (by majority) have published an arbitral award dated December 26, 2018 for ₹ 62.88 crores which would be payable by NTPC. Further, future interest at the rate of 18% per annum, shall be payable on the awarded sum from the date of the said award till the date of payment. Further, NTPC filed a Petition before the Delhi High Court challenging the majority Arbitral Award dated December 26, 2018. The hearing for the admission of the petition is dated February 02, 2020.

L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kilometre long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (NTPC) Project Lot-2. The arbitration is in progress and is posted for further proceedings .

15. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH, were the contractors for the construction of 12 kilometre long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation ("NTPC") (Project Lot -2). There have been claims for declaration regarding the impossibility of performance due to adverse geological conditions at the project site. By way of an amendment to the Statement of Claim, L&T has included monetary claim of ₹ 867 crores towards reimbursement of costs, payment of balance amounts and claims. Pursuant to which, NTPC has raised counter claim of ₹ 3150.7 crores. The arbitration is in progress and posted for further proceedings between December 07, 2019 and December 08, 2019.

16. L&T has raised claims of ₹ 165.67 crores in an arbitration against Rail Vikas Nigam Limited ("RVNL") pertaining to the Kolkata Metro Railway Line Project (ANV IV Package) due to various delays of RVNL, revision of the rate on account of change in quantity of pile, execution of works outside the original scope of work and seeking for the declaration of entitlement of taking over certificate. The arbitration is in progress and has been posted for further hearing on January 07, 2020.

17. L&T-SCOMI Engg. Bhd Consortium ("LTSE") initiated two separate arbitration proceedings against Mumbai Metropolitan Region Development Authority ("MMRDA"), one with respect to claims of interest on delayed payment of the certified bills amounting to ₹ 108.55 croresand ₹ 52 crores, on escalation on uncovered price adjustment during extended period. With respect to first dispute, the arbitral tribunal on January 31, 2019 passed an award in favour of LTSE for an amount of ₹ 37.48 crores. MMRDA had moved a Notice of Motion along with Sec. 34 Application. The Bombay High Court *vide its* order dated September 19, 2019 directed MMRDA to deposit 50% of the award amount. LTSE can withdraw the same by tendering the BG of the equal amount. MMRDA deposited an Amount of ₹20,53,80,300/- on 07/10/2019. With respect to 2nd dispute i.e. claims on escalation on uncovered price adjustment during extended period, due to non-payment of fees to the Arbitrators by MMRDA, the arbitration proceedings stood suspended. L&T paid the Arbitrators fee on behalf of MMRDA and the Arbitration proceedings resumed. The hearing took place on November 18, 2019. The Tribunal directed to commence the cross examination of witness on January16, 2020 and to complete the same on January 17, 2020.

18. L&T had referred its disputes to arbitration against National Hydroelectric Power Corporation Limited ("NHPCL") pertaining to Subansiri Lower Hydro Electric Project. L&T has raised contractual claims under various head to the tune of ₹ 1908.83 crores. NHPCL has made a counter claim of ₹ 54.59 crores plus 14% interest. L&T filed its defence to the counter claim pursuant to which the parties were directed to file admission-denial of documents and issues were framed. Arbitration is in progress and next date for further directions is fixed to October 06, 2019.

19. L&T has initiated arbitration and filed a claim of ₹ 221.25 crores against Bhabha Atomic Research Centre, Trombay ("BARC") towards pending final bills, claims and other charges. BARC has filed their counter claim of ₹ 249.76 crores and L&T has filed its reply to the defence cum counter claim and is further in the process of finalising further documents for filing. Arbitration is in progress and posted for further proceedings on November 29, 2019.

20. L&T has a claim of ₹ 40.5 crores against Bangalore Metro Rail Corporation Limited ("BMRCL") pertaining to Reach 3A project. In respect of certain variation claims that fructified into a dispute, L&T has invoked additionally as a second reference in the same package, R3A package. BMRCL has made a counter claim of ₹ 20.50 crores. On June 20, 2019, Hon'ble Arbitral Tribunal pronounced the Award

directing BMRCL to pay L&T ₹10.71 crores including interest and arbitration cost and disallowed all the counter claim of BMRCL.

21. L&T invoked arbitration with a claim of ₹ 52.97 crores against Bangalore Metro Rail Corporation Limited ("BMRCL") with respect to certain disputes arising out of the Reach 4P2 project. The claim is towards, *inter-alia*, extended stay costs and costs incurred towards variations. BMRCL has made a counter claim of ₹ 16.68 crores. Favourable award for ₹0.87 crores plus 12% interest towards claims on variation in granite works, electrical panel work, chemical anchor fastener and rebar works and ₹ 0.06 crores towards arbitration cost. Counter claim of BMRCL totally rejected.

22. In respect of prolongation cost claims and variation in R3P1 project, L&T has invoked arbitration against Bangalore Metro Rail Corporation Limited ("BMRCL") for a claim amount of ₹ 119.5 crores. BMRCL made a counter claim of ₹ 28.57 crores. The arbitral tribunal in its Award on April 30, 2018 order for payment of ₹ 36.51 crores plus the arbitrator's fee of ₹ 0.1512 crores in favour of L&T and the bank guarantees of L&T were released. BMRCL have challenged the award ("Award") vide Suit No. A.S. No. 141/2018 before the City Civil Court, Bengaluru and has filed an interim application seeking interim relief of stay of operation of the Award. Case is now registered as Commercial Disputes case in Com. A.S. No.141/2018 and transferred to Commercial Court, Bangalore. Posted to November 29, 2019 for further arguments.

23. In respect of certain claims relating to Viaduct and Elevated stations - Reach 3 package, L&T had initiated arbitration against Bangalore Metro Rail Corporation Limited ("BMRCL"). L&T had also filed their counter claim of ₹ 162.83 crores. On August 4, 2018, the arbitral tribunal awarded an amount of ₹ 1743.94 crores to L&T and allowed BMRCL's Counter Claim to an extent of ₹ 0.3121 crores. L&T filed an arbitration suit no AA 221/2018 before the City Civil Court, Bengaluru challenging the arbitral award wherein certain claims of L&T on the extended stay cost and others were rejected. Case is now transferred to Commercial Court and is pending for Arguments. BMRCL has also filed an arbitration suit no. AA 222/2018 before the City Civil Court, Bengaluru challenging the arbitral award passed in the arbitration proceedings between L&T and BMRCL and the same is also pending before Commercial Court, which is pending for Arguments.

24. The Collector and District Registrar, Hyderabad, issued a show cause notice No. G3/Sec-73/2013 dated March 3, 2013 ("Notice") to L&T Metro Rail (Hyderabad) Ltd. ("LTHMRL") and L&T alleging that in respect of an EPC contract executed between LTHMRL and L&T, L&T had paid less stamp duty. L&T had challenged the Notice vide a writ petition before the High Court, Andhra Pradesh ("Court"), wherein the Notice was suspended by the interim order of the Court dated April 7, 2014. The matter is pending, and interim stay has been extended until further orders. The amount involved in the matter is ₹ 619.75 crores.

25. The Joint Commissioner of Labour and Assessing officer, Government of Telengana, Ranga Reddy Zone, Hyderabad ("Authority") issued a demand notice No. A/BOCW-27/2014 dated September 29, 2014 directing L&T Metro Rail (Hyderabad) Limited ("LTHMRL") to pay cess of 1% under the Building & Other Construction Workers Act, 1996 ("BOCW") on the cost of construction carried out up to end of February 2014, failing which the Authority has stated that he will assess the amount of cess and recover the arrears along with one time penalty. LTHMRL filed a case numbered W.P. No. 35582 of 2014 against the Authority before the High Court, Hyderabad. The court granted interim stay on the demand of 1% on cost of construction on November 24, 2014 for a period of 3 weeks. The High Court on December 09, 2014 extended the stay until further orders and directed the Respondents to file their counter. The date of next date of hearing has not been notified. The amount involved in the matter is ₹ 140 crores.

26. Sojitz-L&T(Consortium) India invoked two separate arbitrations against Dedicated Freight Corridor Corporation of India Ltd., ("DFCCIL") with respect to two separate disputes under the International Chamber of Commerce ("ICC") Arbitration Rules for CTP 1 and 2 packages for ₹ 135 crores and ₹ 254.91 crores. The first dispute is with regard to the interpretation on the provision about stage payments. On November 15, 2019, ICC Arbitral Tribunal held the conduct of DFCCIL in denying the payment to the contractor is wrong and had ordered to pay the interest on these delayed payments of ₹ 115.59 crores and also the entire cost of arbitration. The second dispute is regarding the cost associated with extended stay during achievement of milestone 1 for the project making a claim of ₹. 0.25 crores, wherein the matter is currently pending.

27. L&T invoked arbitration against Dedicated Freight Corridor Corporation of India Ltd., ("DFCCIL") with respect to two separate disputes under the International Chamber of Commerce ("ICC") Arbitration Rules for CTP 1 and 2 packages for ₹ 135 crores and ₹ 254.91 crores. The first dispute is with regard to the stage payment issues wherein arbitration award is awaited. Tribunal has sought time from ICC for deciding the Award. The second dispute is regarding the cost associated with extended stay during achievement of milestone 1 for the project. The matter is currently pending.

28. L&T invoked arbitration against Department of Atomic Energy, Mumbai ("DAE") in relation to construction of academic township, sports complex and residential township along with necessary infrastructural facilities for National Institute of Science Education and Research at Jatni, Khurda, raising claims towards outstanding payments, final bill, release of bank guarantee to the tune of ₹ 133.79 crores with an interest of ₹ 77.09 crores. The arbitration has begun, and the matter is currently pending. Further, DAE has made a total counter claim of ₹2.0735 crores. The Arbitration proceeding in progress and is posted for continuation of arguments on November 27, 2019 and November 28, 2019.

29. A consortium comprising of M/s. Patel Engineering and L&T ("Patel-L&T Consortium") initiated arbitration against NHPC Limited in relation to Parbati Hydroelectric Project, Stage III-520 MW at Himachal Pradesh towards claims raised by Patel-L&T Consortium for outstanding payments, final bill, release of bank guarantee to the tune of ₹ 492.11 crores. NHPC filed an Application under Section 13 read with Section 12 of Arbitration Act before the Tribunal praying for setting aside the appointment of Presiding Arbitrator which was set aside by the Tribunal. NHPC further filed another application seeking for stay of the proceedings before the Tribunal which was also rejected. Presently, NHPC has approached the District Court, Faridabad filing an application under Section 14 of the Arbitration Act challenging the appointment of the Presiding Arbitrator. During the pendency of the said application, the court has directed stay of the arbitral proceedings.

30. Mr. Uday Dixit ("Petitioner 1"), who retired on April 30, 2016, had challenged his transfer from Mahape to Mysore in 2012. Mr. Dinesh H. Sawant ("Petitioner 2") was terminated on May 19, 2010 as he had failed to report to duty from May 5, 2010 continuously, till terminated. Both Petitioners have been filing series of complaints against L&T before various authorities on the ground that L&T is illegally developing its land in Powai but their complaints have been consistently dismissed. Finally, the Petitioners filed a writ petition bearing Writ Petition No. 1578 of 2016 against, *inter-alia*, L&T before the Bombay High Court. The Petitioners have prayed for, *inter-alia*, confiscation of the land in Powai; appointment of a receiver for the land and withdrawal or change the user permission. L&T is yet to reply to the draft amendment made to the petition. The Petitioners have withdrawn the petition and filed and a fresh petition on the same grounds has been filed by Loyal Tigers Welfare Association, being Civil Writ Petition No.9486 of 2019 against State of Maharashtra & Ors. before the Bombay High Court. Loyal Tigers Welfare Association is a registered society whose Secretary is Mr. Uday Dixit. The matter is at pre-admission stage.

31. Mr. Surendra Sharma ("Petitioner") filed a suit bearing Suit No. 2755/ 2011 before the Bombay High Court. The suit arises from a family dispute with respect to non-payment of money as agreed in a settlement deed executed between the Petitioner and Smit Properties Pvt. Ltd. ("Smit Properties"), being L&T's predecessor regarding the property. The property was bought by L&T from Lt. Durgadevi Sharma who had made a will and all defendants in the matter are family members and beneficiaries to the will. L&T was made defendant no. 20 since one of the prayers in the suit challenges the conveyance between L&T and Smit Properties. The chamber application was filed by Smit Properties to bring on record its written statement after a delay of 5 years. The matter is kept for Direction and next date is yet to be notified.

32. Mr. Rajendra Sharma filed an identical suit bearing Suit No. 2593 /2012 before the Bombay High Court against his family members, Smit Properties & L&T in 2012 for non- receipt of the amount due to him from Smit Properties thereby praying for the cancellation of the deed of conveyance between Chittaranjan Sharma & Smit Properties and the further sale between Smit Properties & L&T. The matter is listed for framing of issues on December 2, 2019

33. L&T had leased plot no. 4D and 4E of the Marve Bungalow which is situated on a composite piece of land comprising of three sub plots bearing Nos.4C, 4D and 4E at Aksa Village, Madh Marve Road, Malad West, Mumbai. The lease of Plot no. 4D expired on January 31, 2016. The legal heirs of the

lessors have filed a T.E.R Suit for eviction against L&T in the Bandra Small Causes Court. L&T filed an application to deposit rent for the period subsequent to April 1, 2017. As per the order dated November 10, 2017, the rent for the period between April 01, 2017 to March 31, 2018 has been deposited in the Court. The matter has been posted to November 29, 2019 for hearing on the amendment application and application for inspection of the documents and the second/subsequent amendment application.

34. A criminal complaint numbered 359/18 has been filed against L&T Ltd. and Mr. S.C. Bhargava, before the Presiding Officer & Judicial Magistrate First Class, Labour Court, Surat, for the alleged breach of provisions under Inter State Migrant Workmen (Regulation of Employment and condition of Service) Act 1979 and the Interstate Migrant Workmen (Regulation of Employment and condition of Service) Central Rule, 1980. The matter is currently pending.

35. A criminal complaint under Section 420 of IPC, has been filed by L&T through its Electrical and Systems Equipment Division ('Company'), before the Police Station, Delhi Cantt. against Ravindra Brothers, a Proprietorship Firm. Ravindra Brothers had raised a Purchase Order No. RB/L&T/01 dated June 15, 2016 on the Company for "Supply of HT 11 KV VCB Panel Board as per specifications A/C MES Vasco Work with relay Numerical Type Siemens (7SJ62) / Schneider (P127)" ("Material") for a sum of ₹ 0.23 crores Ex-works, exclusive of taxes and duties. The said Material was duly delivered to MES, Goa and accordingly, the Company raised an invoice dated October 07, 2016 on Ravindra Brothers for a sum of ₹0.24 crores, being the amount payable to the Company. However, Ravindra Brothers failed to make the said payment. Since no effort was taken by the IO, the issue has been raised before the DCP, office. The matter is pending.

36. A Criminal Complaint numbered 187/11 has been filed by L&T Limited against Anjali Electricals & Pumps before the Civil Court at Morwadi, Pimpri, Pune under Sections 403, 406, 417 and 420 of the IPC pursuant to the failure by the accused to reply to legal notices dated 25.11.2010 and 20.12.2010 issued by L&T Limited demanding payment of ₹ 0.53 crores against fraud by the accused. Subsequently, a Criminal Revision Application numbered 188/14 has been filed by Anjali Electricals & Pumps through its representative, Sagar Gulavani against L&T Limited before the District and Sessions Court, Shivaji Nagar, Pune. The matters are currently pending.

37. A Criminal Complaint being No. CC No. 6103/SS/2015 u/s 138 of Negotiable Instruments Act, 1881, has been filed before the Metropolitan Magistrate, 33rd Court at Ballard Pier, B.P.T, Ballard Estate, Mumbai by L&T against Insys India Solutions in relation to the cheque issued by Insys India Solutions amounting to ₹ 0.92 crores. The parties have settled the matter and the payment has been received. Disposal order is awaited from the Court.

38. A Criminal Complaint being No. CC No. 418/13/2013 under Section 138 of Negotiable Instruments Act, 1881, has been filed before the Patiala House Court, Delhi by L&T against Global Switchgear in relation to the dishonor of the cheque issued by Global Switchgear amounting to ₹ 2.82 crores. The accused has been declared as a Proclaimed Offender under Section 82 of the Criminal Procedure Code, 1908.

39. A Criminal Complaint being No. CC No. 1528/SS/2019 u/s 138 of Negotiable Instruments Act, 1881, has been filed before the Additional Chief Metropolitan Magistrate, 23rd Court at Esplanade by L&T against Square Automation Private Limited in relation to the dishonor of the cheque issued amounting to ₹ 0.40 crores issued by the accused. The matter is currently pending

40. L&T initiated an arbitration proceeding against Ministry of Health and Family Welfare (MOH&FW) relating to the construction of the AIIMS Bhubaneshwar Project. Disputes pertaining to non-release of outstanding, delay claims, escalation etc. to the tune of ₹ 215.42 crores. Earlier, we also moved an interim application under Section 17 of the Act seeking interim protection against our bank guarantees. The matter is reserved for orders.

41. Experion Developers Private Limited ("EDPL") invoked BGs citing non-performance causing delay in execution of Design & Build Contract for Group Housing Project at Gurgaon and defects. L&T challenged the invocation of BGs and initiated arbitration raising claims towards non-payment of outstanding payments and other dues for an amount of ₹ 208.54 crores. Respondent to file its written statement and counter claim. The Arbitration proceedings are in progress.

42. As the Dispute resolution process initiated against HLL in respect of our claims in ESIC, Kollam Project

failed, we invoked arbitration with regard to non-release of outstanding, delay claims, escalation, tax reimbursements etc. to the tune of ₹ 527.03 crores. Statement of Defence to be filed on or before November 30, 2019, by Respondent. The Arbitration proceedings are in progress.

43. L&T - Scomi Engg Bhd. Consortium invoked arbitration against MMRDA with respect to claims for prolongation costs relating to extension of time. Statement of Claim filed praying for a sum of ₹ 1,659.20 crores (L&Ts portion - ₹ 744.84 crores) along with interest. The preliminary hearing took place on November 11, 2019. MMRDA was directed to file the SOD and counter claim, if any, on or before December 24, 2020 and LTSE to file its rejoinder and reply to counter claim on or before January 31, 2020. The proceedings are adjourned to February 14, 2020.

b. Criminal Proceedings

1. Central Bureau of Investigation ("CBI") has registered a FIR with Case No. RC. 8A/2017-D on September 8, 2017 in Dhanbad, Jharkhand against certain officials of Bharat Coking Coal Limited, L&T Ltd and unknown others in relation to alleged criminal conspiracy, cheating and criminal misconduct with regard to award of contract to L&T Ltd against notice inviting tender dated March 25, 2013 for supply of 100 numbers of 35 Te Tippers with Maintenance & Annual Repair Contract (MARC) for 6 years for estimated cost of ₹ 383.92 crores. Investigation is pending.

2. Manoj Mendon was an employee of a clearing house agent appointed by L&T for clearing pay-orders and customs duties for goods and components imported by L&T. While performing his duties, Manoj Mendon fraudulently claimed ₹ 0.29 crores from L&T's bank account in 2004. To recover this amount, L&T filed a criminal complaint numbered CC NO. 2269 / PW / 2005 in 2005 against Manoj Mendon and others. The case is pending in the Additional Chief Metropolitan Magistrate, Ballard Pier Court, Mumbai at the stage of hearing.

3. Ramesh Bhatt ("Accused") was working with L&T in accounts department at Powai Works. He was handling and was familiar with procedure for passing bills and releasing payments to the vendors. He indulged in preparing forged documents during the period of June 9,1986 to June 16, 1992. He duped L&T to the tune of ₹ 1.25 crores by following different modus operandi. A criminal complaint numbered CC NO.PW / 2201897 / 1994 was filed to recover the amount from the Accused and now the matter is still pending in Magistrate Court, Andheri, Mumbai at the stage of hearing.

4. Kamaljeet Singh Shekhawat, a customer of L&T, filed a criminal case numbered CRLMP/2388/2014 against L&T and Komatsu India Private Limited before the Thana Mandan, District Alwar, Rajasthan alleging that Komatsu failed to return the equipment belonging to the Complainant. The matter is currently pending.

5. Mr. Uday Dixit is a disgruntled ex-employee of L&T Ltd. He had circulated various defamatory messages against L&T and its senior management in its Kolkata office. In relation to the same, criminal complaint numbered CS/0045822/2017 has been filed before the Court of 18th Metropolitan Magistrate, Calcutta under relevant provisions of Indian Penal Code, 1860 ("IPC") for defamation and extortion. Summons have been issued on the basis of police report. Further criminal complaints numbered 2473/2017 and 2126/2017 have been filed before the judicial magistrate, Patna under the relevant provisions of the IPC and the Information Technology Act for defamation and criminal intimidation. Since accused did not appear before Court on issue of summons and warrant, non bailable warrants were issued and accused was arrested and produced before the Hon'ble Court. Bail has been granted to accused and matter is proceeding as per due course.

6. A Criminal Complaint being No. CS No. 4291 of 2019 u/s 138 of Negotiable Instruments Act, has been filed before the Learned 14th Metropolitan Magistrate, Kolkata by L&T through its E&A Division against Messrs Arun Electricals acting through its Proprietor Mr. Avinash Singh in relation to the cheque issued by Messrs Arun Electrical towards its partial discharge of legal debt. The balance outstanding amount of ₹ 0.21 crores - is still due and payable by Messrs Arun Electricals. The matter is currently pending. Similarly, criminal complaint being Case No. 17235/19 u/s 138 of the Negotiable Instruments Act has been filed by L&T before the Learned 14th Metropolitan Magistrate, against M/s. Arun Electricals for ₹0.20 crores which is also pending.

7. A criminal case No. TR No.153/2015 had been initiated by Labour Enforcement Officer (Central) before

the Sub-Divisional Judicial Magistrate, Sherghati against the L&T and Mr. M.P. Sharma for alleged non-compliance under Building & Other Construction Workers (RE &CS) Act, 1996 ("BOCW") read with the rules. A criminal revision application No. 52 of 2018 arising out of G.O. Case No.07/2005 is pending before District Judge, Gaya. The last date of hearing was March 06, 2019 and it has been now posted to December 09, 2019 for further arguments.

8. A criminal case numbered Special Case No. 28/ 2004 has been initiated by the Central Bureau of Investigation ("CBI") before the Court of Special Judge CBI Court No. 2, South Bihar Patna against S.K. Soni, Project Director of National Highway Authority of India ("NHAI"), Brig Kapoor, Engineer appointed by NHAI, J. Ganguly, EVP, L&T under Sections 420 and 120B of Indian Penal Code, 1860 and Sections 13(2) and 13(1)(d) of the Prevention of Corruption Act due to the execution of Golden Quadrilateral project in Delhi - Kolkata leg which was awarded by NHAI to L&T-HCC JV. The case relates to the alleged sub-contracting of more than 10% of the total value of the project in contravention of the contract conditions and causing alleged pecuniary loss of ₹ 22 crores to NHAI. While the case is pending before the special court, the same dispute was raised by NHAI before the Dispute Review Board ("DRB") as well as the arbitral tribunal. Both DRB and the arbitral tribunal have totally dismissed the claims of NHAI and held that there was no subcontracting of more than 10% as alleged by NHAI and there was no pecuniary loss as alleged by NHAI. No appeal was filed and NHAI entered into a settlement as well. L&T filed a criminal revision petition seeking quashing of the criminal case and the High Court of Patna was pleased to hold that CBI had to conduct a fresh investigation in light of the DRB and arbitral awards rendered in favour of L&T. As per the direction of the Patna High Court, CBI had investigated the issue again and submitted the final report before them. The discharge petition would be filed as and when the matter is taken up for framing of charges. The last hearing was held on March 14, 2019 and has now been listed for appearance on December 02, 2019.

9. The matter with FIR No.RC0042010 A0003 where L&T is a party has been filed before Special Judge, Anti-corruption, Jammu and is pertaining to alleged irregularities in execution of the contract for executing the rural electrification works in Udhampur district and contract for supply of materials. The allegations are for procuring material from unapproved vendors. The matter is currently pending, and the next date of hearing is awaited.

10. There has been prosecution with suit numbered CC No.10 FI/2014 against L&T for alleged violation of the provisions of Building & Other Construction Workers Act, 1996 ("BOCW") at the DLF Capital Green Project site. The directors of L&T on behalf of L&T filed a quash petition which was disposed of with an observation to seek relief before the lower court where such discharge petition is pending. The matter is currently pending, and the next date of hearing is awaited.

11. Central Bureau of Investigation ("CBI") has filed a criminal case CC No.70/2004 against the officials of L&T alleging conspiracy with the officials of Oriental Insurance in respect of NTPC Simhadri job claims settled by them. Separate appeals have been filed for the convicted individuals and our Company. The matter has been posted for next appearance on December 02, 2019.

12. There has been prosecution with suit numbered CC No.55F1/2014 before Karkardooma Court, Delhi for alleged violation of the provisions of Building & Other Construction Workers Act, 1996 ("BOCW") at the DLF Capital Green Project site. L&T filed quash petitions in the High Court against the criminal complaint, which has been allowed in respect of all save and except for two petitioners for which necessary action is being taken up. The matter is currently pending and the next date of hearing is awaited.

13. A complaint has been filed by Labour Enforcement Officer against L&T before Metropolitan Magistrate, Patiala House, New Delhi for alleged violation of certain provisions of Contract Labour (Regulation and Abolition) Act at the construction site for elevated viaduct and ramp at Punjabi Bagh, ESI Hospital and Mayapuri, New Delhi. The cross-examination of the defendant's witness No.3 was held on March 15, 2019. The matter has now been concluded and order is awaited.

14. During the execution of a bridge project (minor bridge location CH 429), a police head constable travelling on a motorcycle passing through L&T's construction site met with a fatal accident on March 24, 2016. His brother, Mr. Govind Bapurao Gaikwad("Complainant"), filed a FIR against L&T and its employees before the Manwath police station under Sections 304A, 279 and 34 of the Indian Penal Code, 1860. Subsequently, an anticipatory bail with suit No. SCC 99 of 2016 had been granted to the staff

members of L&T against whom the FIR was filed. The matter is currently pending, and the next date of hearing is awaited.

15. The State represented by the Labour Enforcement Officer, Ponda and Vasco, Goa ("Complainant") has alleged that L&T had commenced its contract works from March 18, 2014 by engaging about 395 contract workmen without obtaining the requisite license and violating Section 12(1) of Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971. Two criminal petitions have been filed by the Complainant against L&T and its officials before the Judicial Magistrate First Class, Panaji, Goa pertaining to non-compliance of the provisions of Inter-state Migrant Workmen Act and Contract Labour Act, relating to Goa-Mandovi Bridge project. The matter has been adjourned and is currently pending.

16. The State represented by the Labour Enforcement Officer, Ponda and Vasco, Goa ("Complainant") has alleged L&T had employed Inter State Migrant Workmen numbering 395 workmen without obtaining the requisite license thus violating Section 8(1) (b) of the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and non-maintenance of Register of Migrant Workmen in Form XIII, thus breaching Rule 49 of the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) & Central Rules, 1980. The matter is before Judicial Magistrate First Class, Panaji, Goa and the last hearing was held on December 7, 2018 for the purpose of reporting. The matter is now listed for final hearing.

17. The Municipal Corporation of Greater Mumbai ("Complainant") filed complaints against an official of Scomi Engineering Berhad, an official of L&T and an incorporated consortium consisting of L&T and Scomi ("LTSE") (collectively the "Accused"), before the Metropolitan Magistrate under Sections 478, 478-1A and 478-1B of the Mumbai Municipal Corporation Act, 1888. The complaint bearing C.C. No. 4200058/Misc/15 was filed for fabrication of receipts of Octroi duty of ₹ 1.136 crores and complaint bearing C.C. No. 4200003/Misc/16 was filed for evasion of Octroi duty of ₹ 0.067 crores. On the last hearing, the complaints were disposed as rejected on 20th April 2019. Applied for certified copy of the Order.

18. Sandhya engineering, a sub-contractor in Techno park project filed a criminal complaint bearing C.C. No.124/2017 in J.M.F.C. Paravur, Kollam before Judicial Magistrate, Paravur, Kerala alleging cheating and criminal breach of trust relating to his sub contract payments and under the Orders of the Court, police conducted investigation and filed final report. L&T filed a quash petition before the High Court and secured stay of proceedings. L&T has filed a discharge petition before the lower court. The arguments on discharge petition concluded and orders reserved.

19. A complaint has been filed by a Mittal, a sub-contractor alleging offences of cheating, forgery against the officials of L&T, in respect of work done at Perto Project. L&T preferred a petition bearing Miscellaneous Petition No. 6702/2017 under Section 482 of Code of Criminal Procedure, 1973 before the Judicial Magistrate, Jaipur which stayed the investigation of the FIR registered at P.S. Vaishali Nagar, Jaipur (West). The matter is pending. The court had referred the matter to the High Court mediation Centre to explore settlement. However, the mediation failed. Mittal has filed a miscellaneous petition seeking vacation of stay order. The matter is posted on November 28, 2019 for admission before the High Court Bench at Jaipur.

20. A complaint bearing Suit No. CC No. 161/2L/16 has been filed by Labour Enforcement Officer against L&T before the Patiala House Courts, New Delhi for alleged violation of Sections 23 & 24 of Contract Labour (Regulation and Abolition) Act. The matter was disposed off on April 12, 2019.

21. A complaint bearing No. CC No. 109/2L/18 has been filed by Labour Enforcement Officer against L&T before the Patiala House Courts, New Delhi for alleged violation of Sections 23 & 24 of Contract Labour (Regulation and Abolition Act). The appearance has been entered and the matter was posted on February 28, 2019. The matter was disposed off on March 08, 2019.

22. A complaint bearing case No. 3060/04 was filed before the 11th Chief Metropolitan Magistrate, Kolkata under Section 420 of the Indian Penal Code, 1860 by S. K. Poddar of Kiran Properties against L&T alleging non-payment of brokerage relating to leasing out of office space on the 5th floor to British Airways. A summons was issued and subsequently Sadhana Mishra was produced in Court on October 14, 2004 and released on bail on a surety of ₹ 0.001 crores. L&T filed an application under Section 205

which has been allowed. The last hearing was held on December 31, 2018. The matter has been posted to January 04, 2020 and is currently pending.

23. On September 02, 2015, Anil Baxla who was working in Fabrication shop sustained minor injuries. This was reported to the Factory Inspector, Rourkela. The Factory Inspector filed this case bearing Case No. 2 (C) CC 96/15 in the court of JMFC, Rajgangpur against SNS (the then occupier) and Mr. Sandip Choudhuri (the then manager) of the factory on the allegation of the lacuna on the part of the management. The matter was not taken up for hearing on November 08, 2019. The matter is currently pending.

24. A complaint bearing CC No.3308662 has been filed against L&T by the Labour Enforcement Officer, BOCW, before the Lucknow Magistrate Court regarding non-compliance of provisions of Building & Other Construction Workers Act, 1996 ("BOCW") pertaining to River View Apartment Project at Lucknow for the Lucknow Development Authority. The last hearing was on November 02, 2019. The matter is currently pending.

25. A criminal complaint bearing A.B.A No. 4663 of 2018 and A.B.P. No. 367 of 2018 was filed by one of L&T's vendors Sharma Construction Services in connection with non-payment of dues for the services provided by them at L&T's Bokaro Steel City Project. The summons was received from the Court of SDJM, Bokaro against L&T's staff, Mr. Tanmoy Boxi and Mr. Srinivas Pabolu under Section 323, 385, 379 and 34, Indian Penal Code, 1860. Anticipatory bail was applied for both the employees before the High Court of Jharkhand at Ranchi. The Hon'ble Court was pleased to stay the proceedings until further orders. Anticipatory bail has been granted for both employees. Interim order continues.

26. In connection with non-compliance of labour laws and series of variation, Deputy Director of Factories, Kancheepuram, issued a show cause notice and initiated criminal proceedings bearing CC Nos. 137 to 142 of 2018 before the Chief Judicial Magistrate, Chenglepet against the Occupier (MVS) and the Factory Manager, Mr. P Dinesh Kumar. Upon filing the withdrawal Petitions by the Complainant, Hon'ble Court allowed the petitions and passed an order stating that the matters have been closed.

27. Police registered a FIR in a hit and run case and a complaint was lodged with NHAI alleging that poor road condition was the cause of accident. Due to non-action from NHAI the aggrieved party moved the High Court of Punjab and Haryana (P&H). The case was re-investigated, and challan was filed against six accused viz. L&T, Director of L&T, RK Jha (Project Manager of L&T), DA Tollway Limited, Director of DA Tollway Ltd), Rajesh M (Project Manager, DA Tollway). Further pursuant to an order of the Judicial Magistrate a supplementary charge sheet has been filed impleading all the Board of Directors of L&T. We moved the High Court, Punjab and Haryana seeking quashing of the criminal complaint for the Directors. High Court has stayed the proceedings against all the Directors named in the Supplementary charge sheet. Matter posted before the High Court on November 11, 2019 for further proceeding and filing of pleadings. Lower Court has been appraised of the stay granted by the High Court and the matter is posted to January 30 2020 for appearance .

28. State represented through the Labour Enforcement Officer (Central), Chandigarh, filed a complaint under Section 24 C.L. (R&A) Act, 1970 against the company through its MD. It is alleged in the complaint that during the site visit, LEO (Central), Chandigarh, observed certain non-compliances and issued a Summon dt. July 21, 2019 to appear before the Court. The hearing is posted to January 15, 2020 for appearance.

29. Shailendrasinh Dashrathsinh Chavda, filed a case following a fatal incident occurred at site. BOCW officials filed a case under CC 747/2018 under Gujarat Unprotected manual workers (Regulation of employment and welfare) ACT,1979 Section 47 (Penalty for contravention of provisions regarding safety measures). Judgment given by CJM that " Under provisions of Section-248(1) of criminal procedure code, the accused are released giving them "Benefit of the Doubt" in the case of offence committed by the accused in companionship of each other for the breach rule 209(B) of the Gujarat Building and other Construction Works (Regulation of Employment and Conditions of Rules 2003). The appeal filed by State against the said judgement before Rajpipla Session Court. We have entered appearance and orders reserved on condonation of delay application.

c. Regulatory Proceedings

1. The Regional Officer, of Gujarat Pollution Control Board (the "GPCB") filed a criminal complaint numbered 73507 of 2014 on behalf of GPCB, against L&T and seven officers of L&T, before the Chief Judicial Magistrate First Class, Surat under Section 15 read with Section 16 of the Environment (Protection) Act, 1986 alleging that the construction of flats and buildings was commenced without obtaining an environment clearance as required under the notification issued by the Ministry of Environment and Forests. The matter is disposed of vide Order dated October 3, 2019 wherein L&T was directed to pay a total penalty of ₹ 0.008 crores.

2. The Regional Officer, of Gujarat Pollution Control Board (the "GPCB") filed a criminal complaint with criminal case number 4897 of 2012, on behalf of GPCB, against L&T and the directors of L&T, including A. M. Naik and S. N. Subrahmanyan, before the Chief Judicial Magistrate First Class, Vadodara under Section 15 read with Section 16 of the Environment (Protection) Act, 1986 alleging that the construction of flats and buildings was commenced without obtaining an environment clearance as required under the notification issued by the Ministry of Environment and Forests. The matter was disposed of vide Order dated March 9, 2019 wherein L&T was directed to pay a total penalty of ₹0.02 crores.

3. Mr. Mayank Agrawal ("Complainant") has filed a complaint bearing Complaint No. CC006000000056800 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 403 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to around ₹ 4.04 crores. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal being No.AT006000000021232 before the Maharashtra Real Estate Appellate Tribunal challenging the said order. The next date of hearing in the appeal is December 03, 2019.

4. Mr. Ankesh Agrawal ("Complainant") has filed a complaint bearing Complaint No. CC006000000056809 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 503 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to around ₹ 4.06 crores. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal bearing number AT006000000021231 before the Maharashtra Real Estate Appellate Tribunal challenging the said order. The next date of hearing in the appeal is December 03, 2019.

5. Mr. Mittal Anil Padia ("Complainant") has filed a complaint bearing Complaint No. CC006000000056757 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 601 in Tower T8, Emerald Isle, Powai but wants to withdraw the booking due to delay in handing over the possession. The Complainant further claims refund with interest and bank processing fees, legal charges, service tax, TDS, stamp duty, registration fees and other out of pocket expenditures aggregating to ₹ 5.04 crores. The complaint has been disposed of *vide* an order dated January 31, 2019 wherein the Maharashtra Real Estate Regulatory Authority has directed L&T to *inter alia* refund the amount paid by Complainant together with interest recorded therein. L&T has filed an appeal bearing number AT006000000021230 before the Maharashtra Real Estate Appellate Tribunal challenging the said order. The next date of hearing in the appeal is December 03, 2019.

6. Mr. Banmali Tandon ("Complainant") has filed a complaint bearing Complaint No. CC006000000057215 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked flat no. 305 in Tower T04, Emerald Isle and had withdrawn his complaint vide order dated October 24, 2017. The Complainant has again filed this complaint alleging non-refund of TDS amount, service tax, and MVAT and interest due on the prepayment of the advance money. The said complaint was disposed of vide Order dated April 30, 2014 directing L & T to pay the Complainant the amount of Service tax and VAT together with interest at the rate of 10.75% from June 28, 2018 till payment. L&T has filed an appeal before the Maharashtra Real Estate Appellate Tribunal being No.

AT006000000031569 of 2019 challenging the said order. The next date in the Appeal is awaited from Appellate Tribunal.

7. Mr. Suresh Swamy ("Complainant") has filed a complaint bearing Complaint No. CC006000000057656 before the Maharashtra Real Estate Regulatory Authority. The Complainant had booked a flat bearing number 301 in Tower T08, Emerald Isle. The Complainant wants to proceed with the project but is seeking compensation for delay in handing over of possession of his flat. The Complaint was disposed of vide order dated April 22, 2019 which was rectified on June 19, 2019directing L & T to pay interest to the Complainant for the delayed period. L&T has filed an appeal being No. AT006000000031647 before the Appellate Tribunal challenging the said Order dated April 22, 2019. Next date of the appeal is December 11, 2019.

8. Mr. Reny Varghese ("Complainant") has filed a complaint bearing Complaint No. CC006000000057669 before the Maharashtra Real Estate Regulatory Authority. The Complainant has booked flat no. 1401 in Tower T08, Emerald Isle. The Complainant wants to continue with the project but is seeking compensation for delay in handing over of possession of his flat. The matter has been disposed off as withdrawn vide order dated June 04, 2019.

9. Mr. Vishal Singhal & Ors. ("Complainant") has filed a complaint bearing Complaint No. CC006000000057747 before the Maharashtra Real Estate Regulatory Authority. The Complainant has booked flat no. 1302 in Tower T08, Emerald Isle. The Complainants wants to continue with the project but are seeking compensation for delay in handing over of possession of flat. The matter has been disposed off as withdrawn vide order dated June 04, 2019.

10. Mrs. Rekha Sinha ("Complainant") had filed a complaint before MahaRERA bearing Complaint No. 23296. The Complainant after taking possession of her flat filed complaint seeking compensation for delay in hand over of possession of her Flat. The said complaint was disposed of as dismissed vide order dated May 3, 2018. The Complainant had challenged the said order dated May 3, 2018 by filing First Appeal being Appeal No. AT006000000010425 before the Maharashtra Real Estate Appellate Tribunal. The appeal has been disposed off vide order dated March 14, 2019 wherein the Appellate Tribunal has set aside the order dated May 03. 2018 passed by the Learned Member and Adjudicating Officer of RERA. It has further directed the Promoter to pay interest on delayed possession of six months on the amount of ₹1.66 crores to the allottees at the prescribed rate. L&T preferred a second appeal before the Hon. Bombay High Court challenging the Order dated March 14, 2019 passed by the Maharashtra Real Estate Appellate Tribunal in Appeal No. AT006000000010425. The said Appeal has been disposed of by the Hon. Bombay High Court vide its order dated October 17, 2019 wherein the impugned Order dated March 14, 2019 was set aside and the matter was remitted back to the Tribunal for hearing the same afresh. The next date of hearing before the Appellate Maharashtra Real Estate Appellate Tribunal is awaited from the Tribunal.

11. Mr. Sudhir Gurtoo ("Complainant") has filed a Complaint before MahaRERA bearing complaint No.CC006000000078573. The Complainant has booked flat No. 2002 in Tower T08, Emerald Isle. The Complainant has taken possession of his Flat but is seeking compensation for delayed period in handing over of possession of his flat. The complaint was disposed of vide order dated June 21, 2019, directing L & T to pay interest to the Complainant for the delayed period in handing over possession. L&T has filed an appeal being No. AT006000000031693 before the Appellate Tribunal challenging the said Order dated June 21, 2019. The next date in the Appeal is December 18, 2019.

12. Mr. Atul Bhatia ("Complainant") has filed a Complaint before MahaRERA bearing complaint No.CC006000000078994. The Complainant had booked flat bearing No. 501 in Tower T08, Emerald Isle. The Complainant had filed complaint No. CC006000000078994 after taking possession of his flat, seeking compensation for delay in handing over of possession of his flat. The Complaint was disposed of vide order dated July 12, 2019 directing L & T to pay interest to the Complainant for the delayed period in handing over possession. L &T has filed an appeal being No. AT006000000031781 of 2019 before the Appellate Tribunal challenging the said Order dated July 12, 2019. The next date in the Appeal is December 2, 2019.

13. Mr. Amit Sharma ("Complainant") has filed a Complaint before MahaRERA bearing complaint No.CC006000000079515. The Complainant had booked flat bearing No. 903 in Tower T08, Emerald Isle. The Complainant had filed the complaint after taking possession of his flat, seeking compensation

for delay in handing over of possession of his flat. The Complaint has been disposed of vide order dated October 10, 2019 directing L&T to pay interest to the Complainant for the delayed period in handing over possession. L&T is in the process of filing an appeal challenging the said Order dated October 10, 2019. L&T is in the process of filing an appeal challenging the said Order dated October 10, 2019.

14. Sukhi Traders Pvt. Ltd. ("Complainant") has filed a Complaint before MahaRERA bearing complaint No.CC006000000089576. The Complainant had booked flat bearing No. 1701 in Tower T08, Emerald Isle. The Complainant had filed the complaint after taking possession of the flat, inter alia seeking compensation for delay in handing over of possession of his flat. The Complaint has been disposed of vide order dated October 10, 2019directing L&T to pay interest to the Complainant for the delayed period in handing over possession. L&T is in the process of filing an appeal challenging the said Order dated October 10, 2019. L&T is in the process of filing an appeal challenging the said Order dated October 10, 2019

15. Mrs. Neera Gupta & 3 Ors. ("Complainants") hav filed a Complaint before MahaRERA bearing complaint No.CC006000000089885. The Complainants have booked flat no. 701 in Tower T07, Emerald Isle. The Complainant have taken possession of the Flat but are inter alia seeking compensation for delayed period in handing over of possession of their flat. The matter is reserved for orders.

16. Mr. Ashish Arora & Anr. ("Complainants") have filed a Complaint before MahaRERA bearing complaint No.CC006000000089947. The Complainants have booked flat no. 502 in Tower T07, Emerald Isle. The Complainant have taken possession of the Flat but are inter alia seeking compensation for delayed period in handing over of possession of their flat. The matter is reserved for orders.

17. Mr. Ashwin Chandwani & 2 Ors. ("Complainants") have filed a Complaint before MahaRERA bearing complaint No.CC006000000090083. The Complainants have booked flat no. 2302 in Tower T07, Emerald Isle. The Complainant have taken possession of the Flat but are inter alia seeking compensation for delayed period in handing over of possession of their flat. The matter is reserved for Orders.

18. Mr. Rameshchandra Mishra & Anr. ("Complainants") have filed a Complaint before MahaRERA bearing complaint No.CC006000000090083. The Complainants had filed a Complaint bearing No. CC006000000055437 against L & T Ltd. before Maharashtra Real Estate Authority in respect of their Flat No. 1204, in Tower T6, Emerald Isle, Powai. The Complainants were disputing the interest for delayed payment and were seeking compensation for delay in handing over possession of flat. The complaint has been disposed of vide order dated December 12, 2018. L&T Ltd. has filed an appeal being No. AT006000000010949 before the Appellate Tribunal challenging the dated December 12, 2018. The Complainant has also filed a miscellaneous application before MahaRERA alleging that the order dated December 12, 2018 is not complied with and that there is no stay from appropriate authority. The said matter is pending.

19. Deepak Pande & Anr. ("Complainants") have filed a Complaint before MahaRERA bearing Complaint No.CC006000000100256. The Complainant has booked Flat No. 2302 in Tower T08, Emerald Isle. The Complainant has taken possession of the said Flat. However, the Complainant is disputing that the carpet area of the Flat is less than what has been committed to him. The Complainant is demanding compensation for the difference in area. The matter is listed on December 11, 2019

20. Mr. Sunil Daga & Anr ("Complainants") have filed a Complaint before MahaRERA bearing Complaint No.CC006000000012373. Mr. Sunil Daga & Anr. have booked Flat No. 201 in Tower T04, Emerald Isle and had filed the said Complaint before MahaRERA after taking possession of their Flat, inter alia seeking compensation for delayed period in handing over of possession of his flat. The complaint was dismissed vide Order dated May 03, 2018. The Complainant preferred an Appeal being No. AT006000000021367 of 2019 before the Maharashtra Real Estate Appellate Tribunal challenging the said order dated May 03, 2018. The Appeal has been disposed of vide order dated September 19, 2019

21. Mr. Gulshan Taneja ("Complainant") has filed a Complaint before MahaRERA bearing Complaint No.CC006000000100393. Mr. Gulshan Taneja has booked Flat No. 201 in Tower T07, Emerald Isle and has filed the said Complaint before MahaRERA after taking possession of his Flat. The matter is listed on December 12, 2019.

22. Mr. Khetan Shivkumar ("Complainant") has filed a Complaint before MahaRERA bearing Complaint

No.CC006000000100430. Mr. Khetan Shivkumar has booked Flat No. 2203 in Tower T07, Emerald Isle and has filed the said Complaint before MahaRERA after taking possession of his Flat. The matter is listed on December 12, 2019.

23. Mr. Sambasivarao Kotha ("Complainant") has filed a Complaint before MahaRERA bearing Complaint No.CC006000000100645. Mr. Sambasivarao Kotha has booked Flat No. 203 in Tower T07, Emerald Isle and has filed the said Complaint before MahaRERA after taking possession of his Flat. The matter is listed on December 12, 2019.

24. Mr. Domnic Thomas ("Complainant") has filed a Complaint before MahaRERA bearing Complaint No.CC006000000100894. Mr. Sambasivarao Kotha has booked Flat No. 1202 in Tower T07, Emerald Isle and has filed the said Complaint before MahaRERA after taking possession of his Flat. The matter is listed on December 12, 2019.

d. Proceedings pertaining to Tax

1. L&T has filed this appeal vide Case No. 7223/M/13 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 80.44 crores.

2. L&T has filed this appeal vide Case No. 9076/M/10 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹51.76 crores.

3. L&T has filed this appeal vide Case No. 8783/M/11 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in - progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 128.62 crores.

4. L&T has filed this appeal vide Case No. 609/Mum-2013 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 213.59 crores.

5. L&T has filed this appeal vide Case No. 856/Mum/2014 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, provision for contractual rectification cost, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 200.02 crores.

6. L&T has filed this appeal vide Case No. 2315/Mum-2015 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, provision for warranty, TP adjustment, etc. The amount involved in this matter is ₹ 230.07 crores.

7. L&T has filed this appeal vide Case No. 1855/Mum- 2016 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, 80-IA deduction- infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, TP adjustment, etc. The amount involved in this matter is ₹313.54 crores.

8. L&T has filed this appeal vide Case No. 2112/M/2017 against the Income Tax Department before the

Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, 80-IA deduction- infrastructure projects, provision for foreseeable losses, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, provision for contractual rectification cost, TP adjustment, etc. The amount involved in this matter is ₹ 180.85 crores.

9. L&T has filed this appeal against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, 80-IA deduction-infrastructure projects, loss arising on valuation of outstanding derivative contracts (MTM) entered into as hedges, TP adjustment, etc. The amount involved in this matter is ₹ 32.73 crores.

10. L&T has filed this appeal vide Case No.297/2014-15 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, taxing notional profit on construction work- in- progress (WIP) valued at cost, ESOP expenses, 80-IA deduction- infrastructure projects, TP adjustment, etc. The amount involved in this matter is ₹ 13.2 crores.

11. L&T has filed a Special Leave Petition bearing numbers SLP-11038 of 2018 and SLP-11039 of 2018 dated April 23, 2018 in the Supreme Court of India against orders given by the Punjab & Haryana High Court for the period 2011-12 and 2012-13 pertaining to, *inter-alia*, disallowance of exemption of interstate sale in transit, levy of tax on high sea sales, exemptions claimed for labour and like charges, input tax credit not allowed in full, consequential interest and penalty levied. The Supreme Court has issued notice to the tax department and the tax department has submitted the counter affidavit. The matter has been adjourned and the next date of hearing is awaited. The amount involved in this matter is ₹ 358.45 crores and ₹ 285.24 crores.

12. L&T has filed an appeal bearing CEXA/91/2016 in the Bombay High Court against an order bearing reference V (84/87)1575/2011/Adj/2012/C/3654 dated August 9, 2012 demanding excise duty on parts of the construction equipment for the period 2007 to 2012. The amount involved in the matter is ₹ 323.22 crores.

13. L&T has filed objections under matter number 150082267484/5757 dated March 28, 2017 against an order of the Special Commissioner, Appeals, Delhi, VAT, for the period 2008-09 disallowing exemption on sub-contractor turnover and on labour & like charges. The matter is pending with the objection hearing authority. The amount involved in the matter is ₹ 152.91 crores.

14. L&T has filed an appeal bearing reference JC/App-5/VAT/831/2015-16 dated January 29, 2016 against VAT assessment order for the period 2009-10 disallowing hire charges of plant & machinery, offshore services rendered to ONGC, tax on material portion on which VAT has been paid, ITC reversal. The appeal is pending for hearing. The amount of matter involved is ₹ 127.64 crores.

15. L&T has filed an appeal bearing number C/852009, 852010, 852011-2014 before the CESTAT, Mumbai against an order passed by the Commissioner of Central Excise, Maharashtra demanding duty on difference between transaction value and duty on MRP (less abatement) on ESP Imported products (CETH 8536). The matter is pending for adjudication. The amount involved is ₹ 112.74 crores.

16. L&T has filed a writ petition bearing reference number WPST/34360/2018 in the Bombay High Court against a demand of pre-deposit for the period 2007-08 by disallowing the sale in the course of imports - ONGC, high sea sales, sale in transit under Section 6(2) disallowed. The matter was heard, and the court has directed not to take any coercive measures till the matter is heard. The next hearing is scheduled on January 24, 2019. The amount involved is ₹ 184.87 crores.

17. L&T has filed an appeal bearing CA-//11-12 with the Joint Commissioner (Appeal-I) for the period 2003-04 against an order disallowing the non-submission of declarations, high sea sales, non- taxable charges, sales occasioning imports, purchases effected under Form H, insurance charges on material component of ONGC, import purchases of other states treated as branch transfers. The matter is at pending for hearing. The amount involved in the matter is ₹ 101.45 crores.

18. L&T has filed ten appeals before the Income Tax Appellate Tribunal ("ITAT") against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding Section 80-IA deduction on infrastructure projects. The deduction claimed by L&T under Section 80-IA of the Income

Tax Act, 1961 has been denied by the tax authorities treating L&T as the works contractor instead of the developer. L&T has contended that the conditions of Section 80-IA (4) have been fulfilled. L&T has submitted that the nature of activity performed by them is a development activity pursuant to an agreement with the central government, state government, local authority, statutory body. The jobs have not been received by L&T as sub-contracts from third parties. L&T itself has made the investment and executed the development work to carry out civil construction work as against just execution of work. L&T has submitted extracts of the development agreements for various projects for which they have claimed deductions under Section 80-IA. The matter will have a tax effect of ₹ 440.91 crores. The matter is currently pending.

19. L&T has filed an appeal before the Commissioner of Income Tax- Appeals (CIT(A)) against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding short-term capital loss on sale of JM Arbitrage Fund units treated as business loss, disallowance of expenses due to failure of parties to provide transaction confirmations, disallowance of R&D expense (not reported by DSIR), imputed charge for use of L&T brand, ESOP expenses, 80-IA deduction- infrastructure projects, provision for foreseeable losses, etc. The amount involved in this matter is ₹ 521 crores.

20. L&T has filed ten appeals before the Income Tax Appellate Tribunal ("ITAT") against the Deputy Commissioner of Income Tax at Mumbai in relation to direct tax matters regarding ESOP Expenses. ESOP discount has been treated as a contingent or notional in nature and therefore disallowed by the income tax authorities. The income tax authorities have regarded ESOP discount as capital in nature while L&T has contended that ESOP discount represents employee remuneration and thus, is a revenue expenditure which is not contingent in nature. The Commissioner of Income Tax (Appeals) has granted L&T relief for the ESOP expenses on the basis of actual exercise of options by employees in Assessment Year 2013-14. The matter will have a tax effect of ₹352.416 crores. The matter is currently pending.

21. L&T has filed ten appeals before the Income Tax Appellate Tribunal ("ITAT") against the Deputy Commissioner of Income Tax at Mumbai, in relation to direct tax matters regarding taxing notional profit on construction work- in- progress valued at cost. In accordance to the accounting standards (AS), L&T does not recognise profit for projects until it reaches 25% completion. However, the income tax authorities have added notional profit in case of contracts below 25% stage of completion. The matter will have a tax effect of ₹ 288.057 crores. The matter is currently pending.

B. Larsen & Toubro Infotech Limited

Larsen & Toubro Infotech Limited ("LTIL") is a related party of our Company with only criminal litigations, as disclosed below. LTIL has no civil litigations against or by it, which crosses the materiality threshold adopted by the board of LTIL.

1. Suhas Ambade filed a FIR on behalf of Maharashtra State Electricity Distribution Company Limited ("MSEDCL") before the Kalyan Police Station against Nitin Patwardhan (the "Accused"), an employee of LTIL in his capacity as a representative of LTIL for illegal use of electricity. In furtherance to this, MSEDCL has filed a complaint bearing no. 722 of 2008 before the Court of Special Judge, Thane under Section 135, Electricity Act, 2003. LTIL then filed an application with MSEDCL dated July 11, 2008 for compounding of the alleged offence. MSEDCL has approved the application and LTIL has paid an amount of ₹ 0.035 crores towards compounding charges. The matter is currently pending.

2. Krishnan Subramanian had filed an FIR before the Powai police station against Munnawar Bux, Ghanshyam Mhatre, Ganesh Apte and V. K. Magapu, and Chris Colaco (the "Petitioners") under, inter-*alia*, Sections 34, 120B, 201 and 406 of the Indian Penal Code 1860 read with Sections 20 and 25 of the Indian Telegraph Act, 1885 and Sections 65, 66 and 85 of Information Technology Act, 2000 alleging illegal transfer of the international calls and related losses to the Government and Tata Teleservices (Maharashtra) Limited amounting to ₹ 0.645 crores. Subsequently, the Petitioners filed discharge applications filed in criminal case no. 3700327/PW/2007, which were rejected by the Magistrate. The Petitioners have filed two criminal writ petitions numbered 1743 of 2006 and 217 of 2007 before the Bombay High Court in relation to criminal proceedings initiated against the Petitioners and seeking quashing of the FIR lodged. Our Company has withdrawn one of the writ petitions bearing no. 1743 of 2006 and the Bombay High Court has disposed the other writ petition filed by our Company bearing no. 217 of 2007 by directing the Magistrate to dispose of the discharge applications filed by the Petitioners. The matter is currently pending.

C. L&T Capital Company Limited

L&T Capital Company Limited ("LTCCL") is a related party of our Company and is involved in the only litigation as disclosed below which would have a material adverse effect, in accordance with its internal policy.

During the course of assessment of LTCCL for Assessment Year 2010-11, the assessing officer disallowed a sum of ₹ 2.39 crores by invoking provisions of Section 14A, Income Tax Act, 1961 read with Rule 8D, Income Tax Rules, 1962. The assessing officer invoked Rule 8D for the purpose of computing disallowance under Section 14A without indicating any cogent reasons in assessment order for dissatisfaction of the correctness of the method followed by LTCCL. The said disallowance was upheld by Commissioner of Income Tax (Appeals). However, Income Tax Appellate Tribunal ("ITAT") has considered the view of the LTCCL and has directed the assessing officer to adjudicate the issue afresh. The matter is currently pending.

D. L&T Infrastructure Finance Company Limited

L&T Infrastructure Finance Company Limited ("LTIFL") is a related party of our Company. There are various litigations instituted by and against LTIFL from time to time, mostly arising in the ordinary course of its business. For the purpose of disclosure of such cases in this Shelf Prospectus, LTIFL has applied the same materiality threshold which has been applied for our Company.

1. LTIFL has filed an original application numbered 122 of 2017 before the Debt Recovery Tribunal, Chennai ("Tribunal") against Surana Power Pvt. Ltd ("Borrower") and its guarantors, G.R. Surana, Vijayraj Surana, Shantilal Surana, Dinesh Chand Surana and Surana Industries Ltd. ("Guarantors"), for a claim of ₹ 104.98 crores, praying for (i) issuance of recovery certificate for the claim amount; (ii) sale of the scheduled properties in case of failure to make payment; (iii) a decree against the personal guarantors; (iv) orders for disclosure of assets of guarantors. The Tribunal *vide* its order dated November 7, 2018 has directed the Guarantors to disclose their assets, allowed an application of LTIFL to permit and continue proceedings as against the Guarantors while the moratorium subsists as against the Borrower under the Bankruptcy Code. The Guarantors have also been directed not to leave the country without getting prior permission of the Tribunal. The matter is currently pending.

2. M/s Gimpex Private Limited has filed a petition (C.P No. 646/(IB)/ CB of 2017) against M/s Surana Power Limited ("Borrower") for initiation of corporate insolvency resolution process. In furtherance of the said petition, LTIFL has filed application under Section 60 (2) and 60 (5) of the Insolvency and Bankruptcy Code, 2016 against its Guarantors for recovery of ₹127.13 crores. The said application has been dismissed.

3. LTIFL has filed an original application before the Debt Recovery Tribunal, New Delhi ("Tribunal") for the adjudication of the debt owed by C&C Western Up Expressway Limited ("Borrower") and its personal guarantors, which is to the tune of ₹ 46.68crores. The matter is at the stage of evidence, wherein LTIFL has completed its evidence and the matter has been posted for January 4, 2019 for directions on the right of the defendants to lead evidence in the application. The defendants were granted last and final opportunity to lead evidence failing which the right was to be closed automatically. Accordingly, the matter was re-notified to March 25, 2019 before the Ld. Presiding Officer for appropriate directions. The matter is currently pending and is listed on December 03, 2019 for the exhibition of documents by the defendants.

4. LTIFL has filed an original application in 2019 no. 39 of 2019 against SVOGL Oil Gas & Energy Limited ("Borrower") before the Debt Recovery Tribunal, Delhi ("Tribunal") for a claim of ₹. 354.95 crores, *inter-alia* praying for issuance of recovery certificate for the claim amount and other reliefs as against the guarantors. Previously, LTIFL had also filed an application for withdrawal of original application filed in 2017 for an amount of. ₹ 267.6748 crores, due to discrepancy of documents annexed to it. The Tribunal had allowed our application for withdrawal of the original application granting liberty to file afresh.

5. A moratorium on Aircel Cellular Limited, the corporate debtor ("Corporate Debtor/ Co Obligor") is going on under the Insolvency and Bankruptcy Code. LTIFL has submitted its Form C with its claim of ₹214.22 crores against the Corporate Debtor/ Co Obligor. An approved resolution plan is pending with the NCLT for its final approval.

6. A moratorium on Aircel Limited, the corporate debtor ("Corporate Debtor/Co Obligor") is going on under the Insolvency and Bankruptcy Code. LTIFL has submitted its Form C with its claim of ₹ 214.22 crores against the Corporate Debtor/ Co Obligor. An approved resolution plan is pending with the NCLT for its final approval.

7. A moratorium on Dishnet Wireless Limited, the corporate debtor ("Corporate Debtor") is going on under the Insolvency and Bankruptcy Code. has submitted Form C with its claim of ₹ 214.22 crores against the Corporate Debtor. An approved resolution plan is pending with the NCLT for its final approval.

8. An application to initiate corporate insolvency resolution process ("CIRP") against Ind-Barath Thermal Power Ltd. ("Corporate Debtor") was filed by an operational creditor, Gandhar Oil Refinery (India) Ltd. Our Company has submitted Form C before NCLT, Hyderabad with its claim of ₹85.89 crores against the Corporate Debtor. The matter has been settled by the Borrower because of which the NCLT's order has been set aside by the NCLAT.

9. LTIFL has filed an original application numbered 776 of 2017 against Emta Coal Limited ("Borrower") and its personal guarantors under Section 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 before the Debt Recovery Tribunal, Kolkata ("Tribunal") for a claim of ₹ 20.56 crores , *inter-alia* praying for issuance of recovery certificate for the claim amount and other reliefs as against the personal guarantors. The Tribunal has admitted the matter and issued summons. The matter is currently pending

10. Our Company has filed an original application numbered 932 of 2015 against Icomm Tele Limited ("Borrower") and Sumanth Paturu, Rama Rao Paturu and Istiva Ventures Pvt. Ltd. ("Guarantors"), before the Debt Recovery Tribunal, Hyderabad ("Tribunal") for a claim of ₹ 29.56 crores, *inter-alia* praying for issuance of recovery certificate for the claim amount and other reliefs as against the Guarantors. The application for interim relief and injunction against the assets of the Borrower was allowed but the injunction was vacated later. Our Company had approached Debt Recovery Appellate Tribunal, Kolkata against the aforesaid order. The matter is currently pending

11. LTIFL filed an application numbered CP(IB)462/7/HDB/2018 ("Application") against Icomm Tele Limited ("Borrower") under Section 7 of the Bankruptcy Code before the National Company Law Tribunal, Hyderabad ("Tribunal") to initiate corporate insolvency resolution process ("CIRP"). The Application was admitted and the CIRP is ongoing with LTIFL claiming an amount of ₹44.54 crores against the Borrower. The resolution plan proposed in the present account has been approved by the COC and later by NCLT.

12. Oriental Bank of Commerce has filed an application numbered 198/SS/2019 under Section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate corporate insolvency resolution process ("CIRP") against IDEB Projects Pvt. Ltd ("Borrower") before National Company Law Tribunal, Bangalore. Pursuant to the admission, our Company had filed our claim amounting to ₹ 97.04 crores with the resolution professional. A resolution plan was proposed by the promoter Mr. Bedi which was rejected by the COC aggrieved by the same the said promoter has filed an application before the NCLT. The matter is currently pending.

13. An application numbered CP (IB)1765/MB/2018 to initiate corporate insolvency resolution process ("CIRP") was filed by Raj Infrastructure Development (India) Private Limited against Lavasa Corporation Limited ("Borrower") before National Company Law Tribunal, Mumbai. The application wad admitted and the CIRP is going on LTIFL has a claim of ₹ 89.39 crores. The Resolution Professional had published the Expression of Interest pursuant to which prospective resolution applicants have submitted their Resolution Plans. The matter is currently pending.

14. An application numbered CP(IB)1765/MB/2018 to initiate corporate insolvency resolution process

("CIRP") was filed by Raj Infrastructure Development (India) Private Limited against Lavasa Corporation Limited ("Corporate Debtor") before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. Our Company has submitted Form C with a claim of ₹ 262.59 crores against the Corporate Debtor in the Corporate Debtor's capacity as a Corporate Guarantor to LTIFL for the financial assistance provided by LTIFL to Warasgaon Assets Maintenance Limited ("Borrower"). The Resolution Professional had published the Expression of Interest pursuant to which prospective resolution applicants have submitted their Resolution Plans. The matter is currently pending.

15. An application numbered CP(IB)1765/MB/2018 to initiate corporate insolvency resolution process ("CIRP") was filed by Raj Infrastructure Development (India) Private Limited against Lavasa Corporation Limited ("Corporate Debtor") before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. Our Company has submitted Form C with a claim of ₹ 304.28 crores against the Corporate Debtor in its capacity as a Corporate Guarantor to LTIFL for the financial assistance provided by it to Warasgaon Power Supply Limited ("Borrower"). The Resolution Applicants have submitted their Resolution Plans and the matter is currently pending.

16. An application numbered CP 1757/I&BP/NCLT/MAH/2018 was filed to initiate corporate insolvency resolution process ("CIRP") against Warasgaon Assets Maintenance Limited ("Borrower") before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. Our Company has filed a claim of ₹ 274.65 crores. The matter is currently pending.

17. LTIFL has filed an original application numbered 341 of 2017 under Section 19 of the Recovery of Debts due to Banks and Financial Instituion Act, 1993, against Gupta Infrastructure Pvt Ltd ("Borrower") and Padmesh Gupta, Piyush Marodia and Anuradha Gupta ("Guarantors") in respect of the financial assistance availed by Gupta Global Resources Pvt. Ltd. ("Borrower") before the Debt Recovery Tribunal, Mumbai for a claim of ₹86.61 crores. The application, *inter-alia*, prays for issuance of recovery certificate for the claim amount and other reliefs as against the Guarantors. The matter is currently pending. In relation to the financial assistance granted to Gupta Global Resources Pvt. Ltd. by our Company, our Company has filed an application (C.P. (IB) No. 593/NCLT(MB)2018) under Section 7 of the Insolvency and Bankruptcy Code, 2016 against corporate guarantor namely, Maharashtra Vidhyut Nigam Private Limited, before NCLT, Mumbai for a claim amount of ₹ 94.96 crores. In the aforesaid CIRP a resolution plan put forth by one Shanti G.S. Ispat & Power Pvt. Ltd. has been approved by all the lenders which shall be further put before the NCLT.

18. In relation to the financial assistance granted to Gupta Global Resources Pvt. Ltd. by LTIF, LTIF has filed its claim amounting to 93.89 crores in the liquidation of one of the Corporate Guarantors namely, Gupta Global Resources Pvt. Ltd. The application to initiate insolvency proceedings was filed by Gupta Global Resources Pvt. Ltd. under Section 10 of Insolvency and Bankruptcy Code, 2016. The Corporate Debtor has been liquidated.

19. In relation to the financial assistance granted to Gupta Global Resources Pvt. Ltd. by LTIF, LTIF has filed its claim amounting to 92.10 crores in the liquidation of one of the Corporate Guarantors namely, Gupta Coal India Private Limited The application to initiate insolvency proceedings was filed by Gupta Coal India Private Limited under Section 10 of Insolvency and Bankruptcy Code, 2016.The Corporate Debtor has been liquidated.

20. In relation to the financial assistance granted to Athena Chhattisgarh Power Limited. ("Borrower"), Abir Infrastructure Private Limited had furnished a sponsor support undertaking in favour of our Company. Upon default of the Borrower, our Company has filed a Company petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 against Abir Infrastructure Private Limited, in NCLT, Delhi for a claim amount of ₹ 462.72 crores on account of financial debt and ₹ 69.30 crores as an equity shareholder.

21. NCLT in C.A No. 26/2018 in CP No. (I.B) 77/ALD/2017 passed an order dated May 16, 2018 in favour of the Resolution Professional of Jaypee Infratech Limited ("Corporate Debtor"). The order (i) declared the mortgages created by the Corporate Debtor in favour of the lenders of Jaiprakash

Associates Limited, including our Company as fraudulent, preferential and undervalued transactions; (ii) directed the security interests created by the Corporate Debtor in favour of the lenders, including our Company be released and discharged; and (iii) declared that the mortgaged properties shall now be deemed to be vested in the Corporate Debtor. L&T Infra filed an appeal bearing Comm App (AT) (INS) 376/2018 before NCLAT challenging the order dated May 16, 2018. LTIFL has also filed its claim of ₹ 189.91 crores with the resolution professional. The matter was decided in favour of our Company and the appeal against the same is currently pending before the Hon'ble Supreme Court.

22. LTIFL filed its claim amount with the resolution professional of Essar Steel India Limited ("Corporate Debtor") in the format provided in Form C on account of the cheques issued by it for the loan granted by our Company to Essar Steel Ltd. However, the resolution professional ("RP") rejected our claim and refused to declare our Company as a financial creditor of the Corporate Debtor. Aggrieved by this, our Company filed a case bearing I.A. in C.P. (IB) 39 and 40 of 2017 before the National Company Law Tribunal, Ahmedabad ("NCLT") challenging the decision of the RP of the Corporate Debtor. The amount involved in this matter is ₹ 33.67 crores. The NCLT vide its order dated March 08, 2019, rejected our Company's contentions and disposed of Application filed by us. Also the resolution professional ("RP") of Essar Steel India Limited ("Corporate Debtor") filed an interlocutory application against our Company bearing I.A. 434 of 2018 in C.P. (IB) 39 and 40 of 2017 before the National Company Law Tribunal, Ahmedabad ("NCLT") praying for an order restraining our Company from (i) encashing cheques of the Corporate Debtor during the continuation of the moratorium period, and (ii) pursuing criminal action under Section 138 of the Negotiable Instruments Act, 1881 against the RP. The RP has prayed for a refund of ₹ 6.17 crores from our Company on the ground that we encashed cheques of the said amount during the moratorium period. The NCLT passed an order directing our Company to refund an amount of ₹ 6.17 crores to the Corporate Debtor. Our Company had preferred an appeal against the said order before the NCLAT, Delhi however the same has been dismissed by the NCLAT holding that our Company cannot be termed as a financial creditor on the basis of the issued cheques. Aggrieved by the order of NCLAT, our Company has now preferred an appeal before the Supreme Court. However, the present proceeding does not have a material adverse effect. The matter is currently pending.

23. LTIFL has filed intervention applications in the National Company Law Appellate Tribunal("NCLAT") under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India ("UOI") pending before the NCLAT, in its capacity as the financial creditor of West Gujarat Expressway Limited ("WGEL") and Moradabad Bareily Expressway Limited ("MBEL"), all being subsidiaries of IL&FS Transportation Networks Limited ("ITNL"), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited ("IL&FS"). The said intervention applications also seek a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of our Company. MBEL and WGEL have now been classified as Green entities and have started servicing their debt obligations as per agreed terms. The matter is currently pending.

LTIFL has also preferred a Civil Appeal before the Hon'ble Supreme Court of India under Section 423 of the Companies Act, 2013, assailing the order dated February 11, 2019, passed by the NCLAT. The said Civil Appeal bearing number 2397-98 of 2019 is pending admission.

24. State Bank of India filed an application for initiation of corporate insolvency resolution process ("CIRP") against Coastal Projects Limited ("Corporate Debtor"). The CIRP process has ended and the Corporate Debtor has headed to liquidation with a liquidation order passed by the National Company Law Tribunal, Calcutta on December 06, 2018. Our Company has filed its claim of ₹176.72 crores on January 02, 2019. The matter is currently pending

A consortium of lenders including our Company, led by the State Bank of India, filed an original application before the Debt Recovery Tribunal, Hyderabad for recovery of debt owed by Coastal Projects Limited ("Corporate Debtor"). The matter is currently pending

25. An application numbered (IB)02(PB)/2018 to initiate corporate insolvency resolution process ("CIRP") was filed by State Bank of India against C&C Constructions Limited ("Borrower") before

National Company Law Tribunal, Delhi. The application was admitted and the CIRP is going on. Our Company has a claim of ₹ 478.27 Crores. The matter is currently pending.

An application numbered (IB)02(PB)/2018 to initiate corporate insolvency resolution process ("CIRP") was filed by State Bank of India against C&C Constructions Limited ("Corporate Debtor") before National Company Law Tribunal, Delhi. The application was admitted and the CIRP is going on. LTIFL has a claim of ₹ 70.53 crores in its capacity as a Corporate Guarantor to LTIFL for the financial assistance provided by it to C&C Western UP Expressway Limited ("Borrower"). The matter is currently pending.

26. An application numbered (IB)731(PB)/2018 to initiate corporate insolvency resolution process ("CIRP") was filed by ICICI Bank against Punj Lloyd Limited ("Corporate Debtor") before National Company Law Tribunal, Delhi. The application was admitted and the CIRP is going on. Our Company has a claim of ₹ 100.45 crores. The matter is currently pending.

27. LTIFL had granted financial assistance to KSK Electricity Financing India Pvt Ltd in which there was Corporate Guarantee executed by the Corporate Debtor in favour of our Company. Thus, our Company has submitted Form C before the Resolution Professional for their exposure in KSK Electricity Financing India Pvt Ltd with its claim of ₹ 252.52 crores on the basis of Corporate Guarantee executed by the Corporate Debtor. The matter is currently pending.

28. A moratorium on KSK Energy Ventures Ltd, the corporate debtor ("Corporate Debtor") is going on under the Insolvency and Bankruptcy Code 2016 at NCLT, Hyderabad. Our Company has submitted Form C before the Resolution Professional with its claim of ₹ 274.09 crores against the Corporate Debtor. The resolution professional team continues to be in discussions with select investors with potential interest in submitting a resolution plan for the Corporate Debtor. The matter is currently pending.

29. A moratorium on KSK Mahanadi Power Company Limited, the corporate debtor ("Corporate Debtor") is going on under the Bankruptcy Code at NCLT, Hyderabad. Our Company has submitted Form C before the Resolution Professional with its claim of ₹ 282.07 crores against the Corporate Debtor. The resolution professional team continues to be in discussions with select investors with potential interest in submitting a resolution plan for the Corporate Debtor. The matter is currently pending.

30. LTIFL had granted financial assistance to KSK Energy Ventures Ltd in which their repayment of debt to from the cash flow of power project of the Corporate Debtor in favour of our Company. Thus, LTIF has submitted Form C before the Resolution Professional for their exposure in KSK Energy Ventures Ltd with its claim of ₹ 278.04 crores on the basis of financing documents.

31. LTIFL had granted financial assistance to KSK Electricity Financing India Pvt Ltd in which there was Corporate Guarantee executed by the Corporate Debtor in favour of our Company. Thus, our Company has submitted Form C before the Resolution Professional for their exposure in KSK Electricity Financing India Pvt Ltd with its claim of ₹ 372.77 crores on the basis of Corporate Guarantee executed by the Corporate Debtor.

32. A moratorium on V S Lignite Power Private Limited, the corporate debtor ("Corporate Debtor") is going on under the Bankruptcy Code at NCLT, Hyderabad. LTIFL has submitted Form C before the Resolution Professional with its claim of ₹ 86.97 crores against the Corporate Debtor. The resolution professional team continues to be in discussions with select investors with potential interest in submitting a resolution plan for the Corporate Debtor. The matter is currently pending.

33. LTIFL had granted financial assistance to Sai Maithili Power Co Pvt Ltd in which the Corporate Debtor had mortgaged project land in favour of LTIFL. Thus, LTIFL has submitted claim amounting to ₹69.81 crores via Form C and submitted before the Resolution Professional for their exposure in Sai Maithili Power Co Pvt Ltd with its claim of ₹ 63.49 crores on the basis of mortgage documents executed by the Corporate Debtor.

34. LTIF had granted financial assistance to Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt Ltd in which Sponsor Undertaking was executed by the Supreme Infrastructure India Ltd

("Corporate Debtor") in favour of our Company. Thus, LTIFL has submitted Form C before the Resolution Professional for their exposure in Supreme Best Value Kolhapur (Shiroli) Sangli Tollways Pvt Ltd with its claim of ₹ 82.4923 crores on the basis of Sponsor Undertaking executed by the Corporate Debtor.

35. LTIFL had granted financial assistance to Supreme Panvel Indapur Tollways Pvt Ltd in which Corporate Guarantee was executed by the Supreme Infrastructure India Ltd ("Corporate Debtor") in favour of our Company. Thus, our Company has submitted Form C before the Resolution Professional for their exposure in Supreme Panvel Indapur Tollways Pvt Ltd with its claim of ₹ 107.28 crores on the basis of Corporate Guarantee executed by the Corporate Debtor.

36. LTIFL has submitted Form-C as financial creditor in corporate insolvency resolution proceeding for Athena Chhattisgarh Power Ltd. ("Corporate Debtor") under the Insolvency and Bankruptcy Code, 2016, initiated by State Bank of India against Athena Chhattisgarh Power Ltd for recovery of dues before the National Company Law Tribunal, Hyderabad. The amount involved in the case is ₹ 462.72 crores. The matter is currently pending.

37. LTIFL has submitted Form-C as financial creditor in corporate insolvency resolution proceeding under the Insolvency and Bankruptcy Code, 2016 for the Corporate Debtor Raheja Developers Limited initiated by Home Buyers against Raheja Developers Ltd for recovery of dues before the National Company Law Tribunal, Delhi. The amount involved in the case is ₹ 187.75 crores. The matter is currently pending.

38. LTIFL had granted financial assistance to Shree Ambika Sugar Ltd in which Corporate Guarantee was executed by Thiru Arooran Sugars Ltd ("Corporate Debtor") in favour of LTIFL. Pursuant to admission of the Corporate Debtor into insolvency under I.B. Code, 2016 LTIFL has submitted its claim Form with the Resolution Professional amounting to ₹58.41 crores on the basis of Corporate Guarantee executed by the Corporate Debtor. On June 7, 2019 admitted petition under Section 7 of Insolvency and Bankruptcy Code, 2016.

39. An application numbered CP (IB) 1140 (ND)/2018 to initiate corporate insolvency resolution process ("CIRP") was filed by ICICI Bank Limited against Gwalior Bypass Projects Limited ("Borrower") before National Company Law Tribunal, Delhi. The application was admitted and the CIRP is going on. LTIFL has a claim of ₹ 90.60 crores. The matter is currently pending.

Cases filed by LTIFL under Section 138 of the Negotiable Instruments Act, 1881

LTIFL has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are approximately 52 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 214.27 crores -crores.

E. L&T Capital Markets Limited

There are no civil or criminal litigation by or against L&T Capital Markets Limited as on the date of the Shelf Prospectus.

F. L&T Housing Finance Limited

L&T Housing Finance Limited ("LTHFL") is a related party of our Company. There are various litigations instituted by and against LTHFL from time to time, mostly arising in the ordinary course of its business. For the purpose of disclosures in this Draft Shelf Prospectus, LTHFL has applied the same materiality threshold which has been applied for our Company.

1. LTHFL had filed an arbitration petition under Section 9 of the Arbitration and Conciliation Act, 1996 against JSM Devcons Pvt. Ltd., ("Borrower") Mr. Ashish Das, Mr. Puspendra Badera, Ashok Hi-Tech Builders Pvt., Vijaynagar Police Station, the Registrar, Indore and District Registration Authority (collectively referred to as the "Respondents") before the Bombay High Court ("Bombay High Court"). The Court passed an order dated July 25, 2018 appointing a court receiver who has

taken physical possession of the phase II property, 3 incomplete buildings and Phase III land which is an open plot of land, by putting appropriate boards. The security guards were also appointed. The court receiver and the surveyor have filed their respective reports in the Court.

In the meantime, LTHFL has also invoked the arbitration clause by issuing appropriate notices to the Respondents, being the borrowers and the guarantors. The amount involved in the said matter is ₹ 37.65 crores plus interest till realisation. There have been notices by LTHFL to the Respondents under Section 13 (2) SARFAESI Act, 2002.

The flat buyers of the Borrower had filed a writ petition bearing W.P No. 15443/2018 in the Madhya Pradesh High Court ("MP High Court") against the Respondents. LTHFL is not a party to the said proceedings. However, the MP High Court in the said writ petition, set up a quasi-judicial body ("SIT") to hear and verify the claims of the multiple flat buyers of the Borrower. The SIT has filed its interim report was before the MP High Court. The period of the SIT has expired. Certain flat buyers of the Borrower have also filed complaints before Real Estate Regulations Authority, Indore, which is currently pending.

LTHFL has further filed three petitions under Section 11 of the Arbitration and Conciliation act, 1996 against the Borrower and the other Respondents. The Bombay High Court passed a detailed order and appointed Smt. R.P. Sondurbaldota, as the Sole Arbitrator to resolve all the disputes existing between the parties. Matter is currently pending for hearing under Section 17 of Debt Recovery Tribunal Act. Statement of claim has been filed for an amount of ₹ 53 crores on July 31, 2019.

2. LTHFL had made a demand for ₹ 17.45 crores on January 18, 2017, under its demand notice dated January 18, 2017. Thereafter, LTHFL filed an arbitration petition under Section 9 of the Arbitration & Conciliation Act, 1996 against Trishul Developers (Borrower) and 29 guarantors ("Guarantors") (collectively referred to as the "Respondents") bearing CARBP No. 136 of 2017 before the Bombay High Court. By an order dated March 27, 2017, the Bombay High Court an arbitrator was appointed, and an ad-interim order was passed against the Borrower to not create third party rights over the mortgaged properties. The arbitrator passed an interim order on December 02, 2018 ("Interim Order") directing the Respondents to, *inter-alia*, deposit an amount of ₹ 15.93 crores within a period of 6 weeks from the date of the order and to declare on oath the movable and immoveable assets held by the Respondents and not to create third party rights on the hypothecated assets. The matter is currently pending. The Borrower failed to comply with the interim order pursuant to which LTFHL has filed a contempt petition against the Borrower in the Hon'ble Bombay High Court Hon'ble court has set aside order of deposit of ₹15 crores by Borrower and remanded back the matter to the Arbitrator for fresh consideration with a direction to decide the same within 6 Week. However, order of Arbitrator for disclosure of additional properties by the Borrower and Interim protection granted in our favour, have been upheld by the court. Borrower has filed SLP against order passed by the high Court. The cross examination of our officer has been started.

In the meantime, LTHFL filed a Section 9 petition under the Arbitration & Conciliation Act, 1996 bearing no. 1113 of 2018 before the Bombay High Court against the Guarantors. The Bombay High Court passed an ad interim order granting a stay against the auction proceedings initiated by Vijayshankar Constructions against the Borrower over one of the Mysore properties being mortgaged to LTHFL. Arbitrator has been appointed Hearing on Section 17 application shall take place on next date. Written Arguments has been filed. Matter is now reserve for orders. Claimant filed SOC. Respondent to filed reply on November 07, 2019. Inspection of documents to be carried out between the parties by November 21, 2019

LTHFL had also issued notices to the Respondents under the SARFAESI Act, 2002 for various properties of the Respondents in Mumbai, Mysore and Bangalore, mortgaged to LTHFL.

With respect to the Mumbai property, the matter is pending under Section 14 of SARFAESI Act, 2002 and has been listed before the CMM Court, Mumbai for further orders. A third party, Mr. Bipin Shah has challenged the above proceedings by filing an application under Section 17 of Debt Recovery Tribunal Act. The matter is currently pending

With respect to the Mysore property, the Debt Recovery Tribunal, Bangalore ("DRT") passed an order allowing LTHFL to take physical possession pertaining to the petition filed under Section 14, SARFAESI, 2002 ("Order"). The Borrower filed an appeal before the DRT against the Order, which stayed the Order. LTHFL has filed an appeal before the Debt Recovery Appellate Tribunal, Chennai ("DRAT"). Appeal has been allowed in favour of LTHFL. Borrower has filed writ petition against said order which was allowed in favour Borrower. LTHF has filed appeal in Supreme Court which is pending.

A criminal complaint was filed before the Mysore police station complaint by LTHFL under Section 200 of the Code of Criminal Procedure, 1973 against the Borrower as the apartments in possession of LTHFL were broken into. The Judicial Magistrate directed the police to investigate the matter under Section 156(3) of Code of Criminal Procedure, 1973. Charge sheet to be filed.

A criminal complaint was also filed by LTHFL with the Mumbai police station on April 8, 2018 against the Guarantors for criminal breach of trust, cheating for wrongful gain, dishonestly and fraudulently preventing debt being available for LTHFL and mischievous conduct towards the creditor under Section 34, 38, 405, 415, 420, 421, 422, 424 and 425 of the Indian Penal Code, 1860. An additional complaint with the updated status of an auction notice was also tendered. A show-cause notice has been issued dated November 12, 2018 by the police station under the complaint for recording the statement and providing the relevant documents. The outstanding amount claimed as on July 31, 2018 is ₹ 20.79 crores. The matter is currently pending.

3. In the case of P.R Ponragu: this civil suit bearing O.S. No 6480 of 2017 has been filed against Mr. Shashikant Bhojwani. (whose position, in the civil suit has been incorrectly noted as the Managing Director of our Company) The complainant had taken a loan from Citi Financial Consumer Finance India Limited (CFCIL) and later L&T Housing Finance acquired the portfolio. He claims that based on the floating rate of interest all his dues were paid up. He alleges that without handing over the documents, L&T Housing Finance officials continued to use the Electronic Clearing System cheques and deducted the EMIs even after the expiry of the loan period. Hence the complainant filed a civil suit bearing no O.S.NO. 6480/2017 before Additional District Court, Chennai. The complainant prays for permanent injunction restraining L&T Housing Finance from encashing cheques, issuance of No objection certificate, handover of original documents, return of excess money and compensation. This matter is posted for arguments.

4. In the case of Ketan Lodhiya vs. L&T Housing Finance Limited this consumer case no 189 of 2019 has been filed against Mr. Dinanath Dubhashi, the Director of our company, Mr. Srikant J R, Mr. Rishi Mandawat, Mr. Pratik Shah. The customer had availed a loan from L&T Housing Finance Limited and alleges that L&T Housing Finance Limited provided the said amount through two different loan amounts. He further alleges that L&T Housing Finance Limited has wrongly charged him processing fees and other related charges. He claims that L&T Housing Finance Limited deducted EMI twice in one month from his account due to which the cheque bounced and that affected his CIBIL score. He also claims that when he tried to avail a loan from another bank, he could not due to low CIBIL score. Hence, he filed this complaint, and is praying for compensation. The matter is posted for appearance.

Cases filed by LTHFL under Section 138 of the Negotiable Instruments Act, 1881

LTHFL has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are approximately977 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 459.67 crores.

G. L&T Investment Management Limited

There are no civil (material) or criminal litigation by or against L&T Investment Management Limited as on the date of the Shelf Prospectus, other than as disclosed below.

1. The Directorate of Enforcement, the adjudicating authority under the Prevention of Money Laundering Act, 2002 ("PMLA") issued a show cause notice and filed a complaint under Section 5(5) of the Prevention of Money Laundering Act, 2002 against individuals and companies and passed provisional attachment orders. Brief background as per the Complaint:

After the exposure of discrepancies regarding the bribery and service of middlemen for procurement of contract of M/s Agusta Westland, SPA Italy, CBI had initiated a preliminary inquiry u/s 150-B r/w 420 of IPC & 7,8,9,12,13(2) r/w 13(1)(d) of Prevention of Corruption Act, 1988. (ii) The Ministry of Defence, India had signed a contract with M/s Agusta Westland for the supply of VVIP & Non-VIP helicopters. Upon investigation, there were certain irregularities regarding the said procurement. (iii) Subsequently, Provisional Attachment Orders were passed against individuals including one Mr. Sanjeev Tyagi and Mr. Sandeep Tyagi and Companies associated with the said individuals. The said individuals were allegedly involved in the corrupt practices to help M/s Agusta Westland procure the tender of VVIP helicopters. (iv) During the investigation it was found that the Tyagi brothers had opened various bank accounts including bank accounts in the name of the Companies associated with them and made investments into Mutual Funds, Shares and Debentures including through some of their companies.

The above-mentioned individuals and the Companies associated with them have invested in various mutual funds including L&T Mutual Fund. L&T Investment Management Limited (LTIM) acts as an investment manager for L&T Mutual Fund has been made a party defendant in addition to the other mutual funds and Banks who have also been made party defendants. On March 25, 2019, LTIM through its authorized representative, filed reply to the show cause notice and complaint by the Enforcement Directorate in the PMLA Court. As per the final order from the Directorate of Enforcement dated June 8, 2019, the Directorate of Enforcement directed to release the investments of the above folios which was approx. ₹ 0.09 crores in the name of Joint Director, Directorate of Enforcement.

Notwithstanding anything contained hereinabove, L&T Investment Management Limited is of the opinion that the notice and complaint are not material for LTIM as there are no specific allegations against LTIM in the sameThe current value of the investment in the above folios are approx. ₹ 0.09 crores. Notwithstanding anything contained hereinabove, L&T Investment Management Limited is of the opinion that the notice and complaint are not material for LTIM as there are no specific allegations against LTIM in the same.

2. In Jaya Gupta vs. Recovery Officer and Others, the Canara Bank initiated recovery proceedings against M/s. Chamundi International Industries Limited through Directors before DRT-II bearing no OA 364/2008. DRT passed an Order and issued Debt Recovery Certificate against the Directors. The recovery officer issued an order for attachment of Investment/Scrips. The said order was also served upon all Companies directing them for attachment of Investment/Scrips and deposit before the DRT. One of the directors of Chamundi Industries had transferred and distributed funds to various people including Jaya Gupta, who invested in special scheme "L&T India Special Situations Fund- Growth" of L&T Investment Management. crores L&T Investment Management redeemed & transferred invested sum of ₹ 0.099 to DRT-II as per the Order of Recovery Officer.

Mrs. Jaya Gupta has filed writ petition before the High Court of Karnataka at Bangalore challenging the order dated September 15/2017 passed in OA 364/2008 against the Recovery Certificate issued by the DRT-II Bangalore. Praying for (i) quashing of Recovery Officer's order and direction for quashing of letters issued by Respondent no.3, 4 & 5 (ii) direction to Respondents 1 to 4 to refund a sum of ₹1.02 crores with interest @ 24% p.a. The captioned matter is currently posted for hearing.

3. In Nelson Nishant Kumar Lyngdoh vs. Fidelity Fund Management Pvt. Ltd., the District Consumer Forum, Kolkata Consumer Execution Petition Filed under Section – 25 and Section – 27 of Consumer Protection Act. E.A 28/2012.Nelson Nishant Kumar Lyngdoh had filed a consumer complaint bearing no CC/09/353 against Fidelity Fund Management Pvt. Ltd in dispute of mutual fund units he owned with the company. Fidelity Fund Management Pvt. Ltd. has been now changed to L&T Investment Management Ltd.

The consumer case was disposed off on December 31,2010 and L&T Investment Management Ltd paid ₹ 0.16 crores to the consumer. The Consumer then filed an execution petition E.A 28 of 2012 alleging that L&T Investment has not complied with the order. The final judgment in EA/12/28 was pronounced on 20.09.2016 wherein the execution case was dismissed on full satisfaction of decretal amount of ₹ 0.16 crores.

The consumer filed appeal A/1024/2016 against is the order passed dated 20/09/2016 disposing the Execution application filed by Mr. Nelson Lyngdoh on grounds of satisfaction of decree, since LTF had complied with the order of the consumer court. The Court ordered the complainant to furnish his bank account statement to corroborate the allegations and remitted the case back to the District forum and quashed the order in CC/09/353. The Court ordered for parties to appear in the District Forum (I.e in EA 28/2012) for fresh adjudication of the matter. In the Execution petition the court had asked the consumer to present his bank passbook, since the consumer did not present the same, court ordered a CID Inquiry on July 25, 2019.

The consumer has filed an appeal against the order dated July 25, 2019 before State Consumer Forum, the matter was heard on September 20, 2019 and affix the date of January 10, 2020 for hearing and decision.

4. In Chetan Bansilal Kankariya vs. L&T Investment Management, Chetan Bansilal had invested in a mutual funds scheme of L&T Investment Management the transaction was processed online. Later, the investor wanted to redeem his funds and requested L&T Investment Management to do the same But the investor was not granted redemption rights because his PAN was of HUF and hence when investor tried redeeming his investments, he was not able to redeem his investments. Company was ready to grant one-time redemption rights to enable investor to redeem investments online. However, we would not be in a position to adhere to request for compensation and processing of redemption request with back dated NAV of January 25, 2018 as the redemption request was not successful online and also the same was not submitted offline for further processing. Aggrieved by this Investor has filed this Consumer Case bearing no. 636 of 2018 before DCDRF Nashik and he is praying for redemption of his investments as per NAV of January 25, 2018 at 18% interest and compensation. The matter is pending for filing reply.

H. L&T Financial Consultants Limited

There are no civil or criminal litigation by or against L&T Financial Consultants Limited above the materiality threshold as on the date of the Draft Shelf Prospectus.

I. L&T Infra Investment Partners Advisory Private Limited

There are no civil or criminal litigation by or against L&T Infra Investment Partners Advisory Private Limited as on the date of the Draft Shelf Prospectus.

J. L&T Infra Debt Fund Limited

L&T Infra Debt Fund Limited ("L&T IDF") is a related party of our Company. For the purpose of disclosure of cases (filed by or against L&T IDF) in this Draft Shelf Prospectus, L&T IDF has applied the same materiality threshold which has been applied for our Company.

L&T IDF has filed intervention applications in the National Company Law Appellate Tribunal("NCLAT") under Rule 31 read with Rule 11 of the NCLAT Rules, 2016 to intervene, seek clarification and make appropriate submissions in Company Appeal (AT) No. 346 of 2018 filed by the Union of India ("UOI") and Company Appeal (AT) No. 347of 2018 filed by Infrastructure Leasing and Financial Services Limited ("IL&FS"), pending before the NCLAT, in its capacity as the financial creditor of West Gujarat Expressway Limited ("WGEL"), Hazaribagh Ranchi Expressway Limited ("HREL"), Jharkhand Road Projects Implementation Company Limited ("JRPICL") and Moradabad Bareily Expressway Limited ("MBEL"), all being subsidiaries of IL&FS Transportation Networks Limited ("ITNL"), which in turn is a subsidiary of Infrastructure Leasing and Financial Services Limited ("IL&FS"). The said intervention applications also seek a declaration from the NCLAT that the Interim Order dated October 15, 2018 does not affect the interests of L&T IDF. MBEL, WGEL and JRPICL

have now been classified as Green entities and have started servicing their debt obligations as per agreed terms. The matter is currently pending.

L&T IDF has also preferred a Civil Appeal before the Hon'ble Supreme Court of India under Section 423 of the Companies Act, 2013, assailing the order dated February 11, 2019, passed by the NCLAT. The said Civil Appeal bearing number 2397-98 of 2019 is pending admission.

K. Metro Tunneling Group

There are no civil or criminal litigation by or against Metro Tunneling Group as on the date of the Draft Shelf Prospectus.

L. Magtorq Private Limited

There are no civil or criminal litigation by or against Magtorq Private Limited as on the date of the Draft Shelf Prospectus.

Details of acts of material frauds committed against our Company from financial year April 01, 2014 till period ended September 30, 2019, if any, and if so, the action taken by our Company in response:

There have been instances of fraud, which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company from financial year from April 01, 2014 till period ended September 30, 2019. The total amount involved in all acts of fraud committed against our Company in the last five F is set forth below

September 30, 2019	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**	**For the year ended March 31, 2015**
112 instances of frauds aggregating to ₹ 0.56 crores were reported	44 instances of frauds aggregating to ₹ 0.64 crores were reported	12 instances of frauds aggregating to ₹ 0.63 crores were reported.	20 instances of frauds aggregating to ₹ 0.59 crores were reported	7 instances of cash misappropriation were reported aggregating to ₹ 0.25 crores were reported	10 instances of misrepresentation by customers were reported whereby loans were obtained on the basis of fictitious documents aggregating ₹ 0.54 crores and 3 instances of loan instalments collected by a third party under false identity of employees of our Company aggregating to ₹ 0.0058 crores.

REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, The Central GST Act, 2017 and applicable local GST statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. For purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.

The following description is a summary of certain sector specific laws and regulations and policies as prescribed by the Government of India and other regulatory bodies, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The major regulations governing our Company are detailed below:

We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI Regulations applicable to non-public deposit accepting NBFCs ("**NBFC-ND**").

As at September 1, 2016, the RBI issued *Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (updated from time to time) which is* applicable to all NBFC-NDSI's.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Reserve Bank Commercial Paper Directions, 2017 ("**Commercial Papers Directions**") and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few

important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and

- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC ("**NBFC-D**") or as a non-deposit accepting NBFC ("**NBFC-ND**"). NBFCs registered with RBI are further classified as:

- Investment and Credit Companies (NBFC-ICC);
- Systemically Important Core Investment Company;
- Infrastructure finance companies.
- Infrastructure debt fund – NBFCs;
- NBFC – micro finance institutions;
- NBFC –Factors;
- Mortgage guarantee companies;
- NBFC- non-operative financial holding company; and
- Non-Banking Financial Company-Peer to Peer Lending Platform.

Our Company has been classified as an NBFC-ND-SI.

Systemically Important NBFC-NDs

As per the NBFC Master Directions, the revised threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹ 5,000 million and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹5,000 million and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs-ND-SI is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 15%.

Rating of NBFCs

Pursuant to the RBI circular DNBS (PD) CC. No.134/03.10.001/2008-2009 dated February 04, 2009, all NBFCs with an asset size of ₹1,000 million are required to, as per RBI instructions, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The RBI Master Circular on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ("**ND-SI-Directions**"), amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The ND-SI-Directions state that the credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Corporate governance norms

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, RBI *vide* notification dated November 10, 2014 has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

Provisioning Requirements

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms Directions.

In the interests of counter cyclicality and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI vide their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 11, 2015 raised the provision for standard assets to 0.40% to be met by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the '*General Provisions on Standard Assets*' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain, with effect from April 1, 2007, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-MFI shall not exceed 100% of the Tier I capital.

Tier-I Capital, has been defined in the ND-SI Directions as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds, has been defined in the ND-SI Directions as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier – II Capital has been defined in the ND-SI Directions, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and I subordinated debt to the extent the aggregate does not exceed Ti–r - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital

to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Master Direction, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings. Further, NBFC ND SI may exceed the concentration of credit/investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

Further, RBI vide circular bearing reference number RBI/2018-19/130 DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019, has harmonised different categories of NBFCs into fewer ones, based on the principle of regulation by activity rather than regulation by entity. Accordingly, RBI has merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Further differential regulations relating to bank's exposure to the three categories of NBFCs viz., AFCs, LCs and ICs were harmonised. Further, a deposit taking NBFC-ICC shall invest in unquoted shares of another company which is not a subsidiary company or a company in the same group of the NBFC, an amount not exceeding twenty per cent of its owned fund.

Asset Classification

The Prudential Norms Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40%.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 20 million. For this purpose, the RBI Act has defined "net owned fund" to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

(i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and

the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above

Further, in accordance with RBI Notification No DNBR.007/CGM (CDS) 2015 dated March 27, 2015 which provides that a non banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than ₹ 20 million may continue to carry on the business of non banking financial institution, if such company achieves net owned fund of:

(i) ₹ 10 million before April 1, 2016; and
(ii) ₹ 20 million before April 1, 2017

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non- Deposit Accepting Companies Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone numbers, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 1,000 million or more or holding public deposits of ₹ 2,000 million or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelin–s - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative

banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-Nd-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹ 1 lac and above, and if the fraud is of ₹ 10 million or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, an additional report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits on a quarterly basis as well as all Special Mention Accounts-2 status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systematically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information Security Framework ("**IT**") business continuity planning, disaster recovery and management. NBFCs must constitute an IT Strategy Committee and IT Steering Committee and formulate an IT Policy and an Information Security Policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks. The Master Direction has to be implemented by applicable NBFCs by June 30, 2018.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("**Risk Management Directions**"). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Financing of NBFCs by bank

The RBI has issued guidelines *vide* a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies//entities; and (v) further lending to individuals for the purpose of subscribing to an initial public offer.

Norms for excessive interest rates

In addition, the RBI has introduced *vide* a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to

be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred above, is unfavourable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs ("**ALM Guidelines**") that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015 and Asset Liability Management (ALM) System for NBFCs – Guidelines dated June 27, 2001. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 10,000 lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 2,000 lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment ("**FDI**") Policy and Foreign Exchange Management Act, 1999 ("**FEMA**"). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion ("**DIPP**") issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict, FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100% FDI/ Non-Resident Indian ("**NRI**") investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debts Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts

due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy framework for the Prevention of Money Laundering Act, 2002 ("**PMLA**") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least five years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least five years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (*"SARFAESI Act")*

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non-Performing Asset ("**NPA**"). Securitisation Companies and Reconstruction Companies ("**SCs/RCs**") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60% of the amount outstanding to a borrower as against 75%. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting *inter alia* any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets *interalia* by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria.

Recently, MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("**FSP Rules**") *interalia* governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. We are required to comply with certain labour laws, which include the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972 and the Payment of Wages Act, 1936, amongst others.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides

for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on March 19, 2019 read along with resolution dated July 19, 2019, the Directors approved the issue of NCDs to the public in one or more tranches, upto an amount not exceeding ₹ 15,000 crores. Further, the present borrowing is within the overall borrowing limits of ₹ 70,000 crores (Indian Rupees Seventy Thousand Crores) under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated August 14, 2019.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Wilful Defaulter

Our Company, our Directors and/or our Promoter have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND JM FINANCIAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND JM FINANCIAL LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•].

DISCLAIMER CLAUSE OF THE BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED [•], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE

TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: [•] DATED [•] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THE DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF THE RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MAY 04, 2017 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 LIABILITY BY THE COMPANY.

DISCLAIMER CLAUSE OF INDIA RATINGS

ALL CREDIT RATINGS ASSIGNED BY INDIA RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: HTTPS://WWW.INDIARATINGS.CO.IN/RATING-DEFINITIONS. IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGE'CY'S PUBLIC WEBSITE WWW.INDIARATINGS.CO.IN. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. INDIA RATINGS' CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTSOF INTEREST,

AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OFCONDUCT SECTION OF THIS SITE.

DISCLAIMER STATEMENT OF CARE

CARE RATINGS ARE OPINIONS ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND ARE NOT RECCOMMENDATIONS TO SANCTION, RENEW, DISBURSE OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL OR HOLD ANY SECURITY. CARE'S RATINGS DO NOT CONVEY SUITABILITY OR PRICE FOR THE INVESTOR. CARE'S RATINGS DO NOT CONSTITUTE AN AUDIT ON THE RATED ENTITY. CARE HAS BASED ITS RATINGS/OUTLOOKS ON INFORMATION OBATINED FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. CARE DOES NOT HOWEVER, GUARANTEE THE ACCURACY, ADEQUACY OR COMPLETENESS OF ANY INFORMATION AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMMISSIONS OR FOR THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION. MOST ENTITIES WHOSE BANK FACILITIES/ INSTRUMENTS ARE RATED BY CARE HAVE PAID A CREDIT RATING FEE, BASED ON THE AMOUNT AND TYPE OF BANK FACILITIES/ INSTRUMENTS. CARE OR IT'S SUBSIDIARIES/ASSOCIATES MAY ALSO HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE ENTITY. IN CASE OF PARTNERSHIP/PROPRIETARY CONCERNS, THE RATING/OUTLOOK ASSIGNED BY CARE IS, INTER-ALIA, BASED ON THE CAPITAL DEPLOYED BY THE PARTNERS/ PROPRIETOR AND THE FINANCIAL STRENGTH OF THE FIRM, AT PRESENT. THE RATING/OUTLOOK MAY UNDERGO CHANGE IN CASE OF WITHDRAWAL OF CAPITAL OR UNSECURED LOANS BROUGHT IN BY THE PARTNERS/ PROPRIETORS IN ADDITION TO THE FINANCIAL PERFORMANCE AND OTHER RELEVANT FACTORS. CARE IS NOT RESPONSIBLE FOR ANY ERRORS AND STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE USERS OF CARE'S RATING.

OUR RATINGS DO NOT FACTOR IN ANY RATING RELATED TRIGGER CLAUSES AS PER THE TERMS OF THE FACILITY/INSTRUMENT, WHICH MAY INVOLVE ACCELERATION OF PAYMENTS IN CASE OF RATING DOWNGRADES. HOWEVER, IF ANY SUCH CLAUSES ARE INTRODUCED AND IF TRIGGERED, THE RATINGS MAY SEE VOLATILITY AND SHARP DOWNGRADES.

DISCLAIMER STATEMENT OF CRISIL

THIS DISCLAIMER FORMS PART OF AND APPLIES TO EACH CREDIT RATING REPORT AND/OR CREDIT RATING RATIONALE THAT WE PROVIDE (EACH A "REPORT"). FOR THE AVOIDANCE OF DOUBT, THE TERM "REPORT" INCLUDES THE INFORMATION, RATINGS AND OTHER CONTENT FORMING PART OF THE REPORT. THE REPORT IS INTENDED FOR THE JURISDICTION OF INDIA ONLY. THIS REPORT DOES NOT CONSTITUTE AN OFFER OF SERVICES. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE REPORT IS TO BE CONSTRUED AS CRISIL PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL DOES NOT HAVE THE NECESSARY LICENSES AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES REFERRED TO ABOVE. ACCESS OR USE OF THIS REPORT DOES NOT CREATE A CLIENT RELATIONSHIP BETWEEN CRISIL AND THE USER.

WE ARE NOT AWARE THAT ANY USER INTENDS TO RELY ON THE REPORT OR OF THE MANNER IN WHICH A USER INTENDS TO USE THE REPORT. IN PREPARING OUR REPORT WE HAVE NOT TAKEN INTO CONSIDERATION THE OBJECTIVES OR PARTICULAR NEEDS OF ANY PARTICULAR USER. IT IS MADE ABUNDANTLY CLEAR THAT THE REPORT IS NOT INTENDED TO AND DOES NOT CONSTITUTE AN INVESTMENT ADVICE. THE REPORT IS NOT AN OFFER TO SELL OR AN OFFER TO PURCHASE OR SUBSCRIBE FOR ANY INVESTMENT IN ANY SECURITIES, INSTRUMENTS, FACILITIES OR SOLICITATION OF ANY KIND OR OTHERWISE ENTER INTO ANY DEAL OR TRANSACTION WITH THE ENTITY TO WHICH THE REPORT PERTAINS. THE REPORT SHOULD NOT BE THE SOLE OR PRIMARY BASIS FOR ANY INVESTMENT DECISION WITHIN THE MEANING OF ANY LAW OR REGULATION (INCLUDING THE LAWS AND REGULATIONS APPLICABLE IN THE US).

RATINGS FROM CRISIL RATING ARE STATEMENTS OF OPINION AS OF THE DATE THEY ARE EXPRESSED AND NOT STATEMENTS OF FACT OR RECOMMENDATIONS TO PURCHASE, HOLD, OR SELL ANY SECURITIES / INSTRUMENTS OR TO MAKE ANY INVESTMENT DECISIONS. ANY OPINIONS EXPRESSED HERE ARE IN GOOD FAITH, ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND ARE ONLY CURRENT AS OF THE STATED DATE OF THEIR ISSUE. CRISIL ASSUMES NO OBLIGATION TO UPDATE ITS OPINIONS FOLLOWING PUBLICATION IN ANY FORM OR FORMAT ALTHOUGH CRISIL MAY DISSEMINATE ITS OPINIONS AND ANALYSIS. CRISIL RATING CONTAINED IN THE REPORT IS NOT A SUBSTITUTE FOR THE SKILL, JUDGMENT AND EXPERIENCE OF THE USER, ITS MANAGEMENT, EMPLOYEES, ADVISORS AND/OR CLIENTS WHEN MAKING INVESTMENT OR OTHER BUSINESS DECISIONS. THE RECIPIENTS OF THE REPORT SHOULD RELY ON THEIR OWN JUDGMENT AND TAKE THEIR OWN PROFESSIONAL ADVICE BEFORE ACTING ON THE REPORT IN ANY WAY.CRISIL OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY.

NEITHER CRISIL NOR ITS AFFILIATES, THIRD PARTY PROVIDERS, AS WELL AS THEIR DIRECTORS, OFFICERS, SHAREHOLDERS, EMPLOYEES OR AGENTS (COLLECTIVELY, "CRISIL PARTIES") GUARANTEE THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE REPORT, AND NO CRISIL PARTY SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN, REGARDLESS OF THE CAUSE, OR FOR THE RESULTS OBTAINED FROM THE USE OF ANY PART OF THE REPORT. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL ANY CRISIL PARTY BE LIABLE TO ANY PARTY FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, OR LOSSES (INCLUDING, WITHOUT LIMITATION, LOST INCOME OR LOST PROFITS AND OPPORTUNITY COSTS) IN CONNECTION WITH ANY USE OF ANY PART OF THE REPORT EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

CRISIL RATINGS MAY RECEIVE COMPENSATION FOR ITS RATINGS AND CERTAIN CREDIT-RELATED ANALYSES, NORMALLY FROM ISSUERS OR UNDERWRITERS OF THE INSTRUMENTS, FACILITIES, SECURITIES OR FROM OBLIGORS. CRISIL'S PUBLIC RATINGS AND ANALYSIS AS ARE REQUIRED TO BE DISCLOSED UNDER THE REGULATIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (AND OTHER APPLICABLE REGULATIONS, IF ANY) ARE MADE AVAILABLE ON ITS WEB SITES, WWW.CRISIL.COM (FREE OF CHARGE). REPORTS WITH MORE DETAIL AND ADDITIONAL INFORMATION MAY BE AVAILABLE FOR SUBSCRIPTION AT A FEE – MORE DETAILS ABOUT CRISIL RATINGS ARE AVAILABLE HERE: WWW.CRISILRATINGS.COM.

CRISIL AND ITS AFFILIATES DO NOT ACT AS A FIDUCIARY. WHILE CRISIL HAS OBTAINED INFORMATION FROM SOURCES IT BELIEVES TO BE RELIABLE, CRISIL DOES NOT PERFORM AN AUDIT AND UNDERTAKES NO DUTY OF DUE DILIGENCE OR INDEPENDENT VERIFICATION OF ANY INFORMATION IT RECEIVES AND / OR RELIES IN ITS REPORTS. CRISIL KEEPS CERTAIN ACTIVITIES OF ITS BUSINESS UNITS SEPARATE FROM EACH OTHER IN ORDER TO PRESERVE THE INDEPENDENCE AND OBJECTIVITY OF THE RESPECTIVE ACTIVITY. AS A RESULT, CERTAIN BUSINESS UNITS OF CRISIL MAY HAVE INFORMATION THAT IS NOT AVAILABLE TO OTHER CRISIL BUSINESS UNITS. CRISIL HAS ESTABLISHED POLICIES AND PROCEDURES TO MAINTAIN THE CONFIDENTIALITY OF CERTAIN NON-PUBLIC INFORMATION RECEIVED IN CONNECTION WITH EACH ANALYTICAL PROCESS. CRISIL HAS IN PLACE A RATINGS CODE OF CONDUCT AND POLICIES FOR ANALYTICAL FIREWALLS AND FOR MANAGING CONFLICT OF INTEREST. FOR DETAILS PLEASE REFER TO: HTTPS://WWW.CRISIL.COM/EN/HOME/OUR-BUSINESSES/RATINGS/REGULATORY-DISCLOSURES/HIGHLIGHTED-POLICIES.HTML
CRISIL'S RATING CRITERIA ARE GENERALLY AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE CRISIL PUBLIC WEB SITE, WWW.CRISIL.COM. FOR LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL YOU MAY CONTACT CRISIL RATING DESK AT CRISILRATINGDESK@CRISIL.COM, OR AT (0091) 1800 267 1301.

THIS REPORT SHOULD NOT BE REPRODUCED OR REDISTRIBUTED TO ANY OTHER PERSON OR IN ANY FORM WITHOUT A PRIOR WRITTEN CONSENT OF CRISIL.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS DRAFT SHELF PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER OWN RISK.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
Edelweiss Financial Services Limited	www.edelweissfin.com
A.K. Capital Services Limited	www.akgroup.co.in
Trust Investment Advisors Private Limited	www.trustgroup.in
JM Financial Limited	www.jmfl.com

Listing

An application has been made to the BSE and NSE for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchange mentioned above, are taken within 6 (six) Working Days from the date of closure of the relevant Issue.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the series, such NCDs with series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer to the Issue (c) Bankers to our Company (d) Lead Manager (e) the Registrar to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee (i) Chief Financial Officer, (j) CRISIL for the Industry Report[s] to act in their respective capacities, have been obtained and the same will be filed along with a copy of this Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus with the ROC as required under Section 26 and Section 31 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Draft Prospectus with the Stock Exchange.

The consent of the Statutory Auditors of our Company, namely Deloitte Haskins & Sells LLP, Chartered Accountants for inclusion of their name as the Statutory Auditors and to include their (i) examination reports, each dated November 25, 2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Review Report dated October 18, 2019 on Unaudited Ind AS Interim Financial Information (iii) their report dated November 25, 2019 on the statement of tax benefits and (iv) Audited Ind AS Standalone Financial Statements and Audited Ind AS Consolidated Financial Statements each dated April 28, 2019, in this Draft Shelf Prospectus (have been obtained and has not withdrawn such consent and the same will be filed with the BSE, NSE and the RoC, along with a copy of the Shelf Prospectus and respective Tranche Prospectus(es).

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Draft Shelf

Prospectus, it has obtained the following:

- Vide Consent Letter dated November 26, 2019, the Statutory Auditors of our Company, have given their consent to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Draft Shelf Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a current statutory auditor and to include their (i) examination reports, each dated November 25, 2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Review Report dated October 18, 2019 on Unaudited Ind AS Interim Financial Information (iii) their report dated November 25, 2019 on the statement of tax benefits and (iv) Audited Ind AS Standalone Financial Statements and Audited Ind AS Consolidated Financial Statements each dated April 28, 2019, in this Draft Shelf Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 (six) working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) working days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, if the stated minimum subscription amount is not received within the specified period, the Application Amount received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar to the Issue, refunds will be made to the account prescribed. However, where our Company and/or Registrar to the Issue do not have the necessary information for making such refunds, our Company and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including in the Debt Application Circular and circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018

Filing of this Draft Shelf Prospectus

A copy of this Draft Self Prospectus will be filed with the BSE and NSE in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their websites.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

A. in deposits with any scheduled bank, free from any charge or lien
B. in unencumbered securities of the Central Government or any State Government;
C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Issue Related Expenses

The expenses of this Issue include, *inter alia*, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses shall be as specified in the relevant Tranche Prospectus.

Reservation

No portion of this Issue has been reserved

Underwriting

As specified under the relevant Tranche Prospectus(es)

Public / Rights Issues

Public / Rights Issues by our Company as on this Draft Shelf Prospectus*:*

Our Company has undertaken the following public issue prior to the date of this Draft Shelf Prospectus:

Particulars	Public Issue – 2009*	Public Issue – 2010*	Public Issue-2019 (Tranche I)	Public Issue-2019 (Tranche II)
Date of Opening	August 18, 2009	February 09, 2010	March 6, 2019	April 8, 2019
Date of Closing	September 04, 2009	February 22, 2010	March 7, 2019	April 9, 2019
Total Issue Size	₹ 1,000 crores	₹ 500 crores	₹ 1,500 crore	₹ 1,000 crore
Date of Allotment	September 17, 2009	March 10, 2010	March 13, 2019	April 15, 2019

Date of Refunds/ Unblocking of funds	September 17, 2009	March 11, 2010	March 14, 2019	April 15, 2019
Date of Listing	September 24, 2009	March 12, 2010	March 15, 2019	April 18, 2019
Utilisation of Proceeds	The funds raised through the above issues have been utilized for our Company's financing activities, repayment of existing loans and for its business operations including capital expenditure and working capital requirements.	The funds raised through the above issues have been utilized for our Company's financing activities, repayment of existing loans and for its business operations including capital expenditure and working capital requirements.	The funds raised through the above issues have been utilized as per the objects mentioned in the Tranche I Prospectus .	The funds raised through the above issues have been utilized as per the objects mentioned in the Tranche II Prospectus .

**Note: The aforesaid two public issues were issued by L&T Finance Limited prior to its amalgamation with Family Credit Limited (now L&T Finance Limited) pursuant to the Scheme of Amalgamation.*

Public / Rights Issues (to the public) by our Group Companies in the last 5 (five) years from this Draft Shelf Prospectus*:*

Our Group Companies have undertaken the following public issues in the last 5 (five) years from the date of this Draft Shelf Prospectus:

Name of Company	Larsen & Toubro Infotech Limited	L&T Finance Holdings Limited
Date of Opening	July 11, 2016	March 8, 2018
Date of Closing	July 13, 2016	March 13, 2018
Total Issue Size	IPO through an offer for sale by L&T comprising of 17,500,000 equity shares of face value of Re. 1 each for cash at a price of ₹ 710 per equity share (for Investors other than retail) and ₹ 700 per equity share (for retail) aggregating to ₹ 1,23,637.50 lakh	Qualified Institutions Placement of 63,051,702 equity shares of face value of ₹10 each for cash at a price of ₹158.60 per equity share aggregating to ₹ 999,99. 99 lakh
Date of Allotment	July 19, 2016	March 15, 2018
Date of Refunds	July 19, 2016	Not applicable
Date of Listing	July 21, 2016	March 16, 2018
Utilisation of Proceeds	The IPO being OFS by L&T, the issue proceeds was received by L&T and not by Larsen & Toubro Infotech Limited	The funds raised through the above issue has been used for repayment of loans of L&T Finance Holdings Limited and to invest in its subsidiaries for various purposes, including but not limited to fund their business growth, capital adequacy, business purposes and for general corporate purposes.

Rights Issue:

Our Company has undertaken the following rights issue of equity shares of face value of ₹10 each in the last 5 (five) years.

Date of allotment	No. of Equity Shares	Issue price (₹)	Consideration in cash/ Other than cash	Cumulative			Details of Utilisation
				No. of Equity Shares	Equity Share capital (₹)	Share premium account (₹)	
January 30, 2018	4,54,54,545	88	399,99,99,960	14,85,501,839*	14,85,50,18,390	8,12,88,02,890	Augmentation of the share capital of our Company followed by the utilization of the proceeds for its business purposes by our Company
March 27, 2018	11,36,36,360	88	9,99,99,99,680	1,59,9138,199	15,99,13,81,990	16,99,24,38,970	

**Pursuant to the merger of L&T Finance Limited and L&T FinCorp Limited with Family Credit Limited (now L&T Finance Limited), there was an allotment of 1,235,737,684 equity shares of Rs 10 each on February 13, 2017.*

Other than as disclosed above, there are no other public / rights issues (to the public) by our Group Companies during the last 5 (five) years from the date of this Draft Shelf Prospectus.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on September 30, 2019, our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details see chapter titled "***Financial Indebtedness***" on page 164 of this Draft Shelf Prospectus. Our Company has not issued any preference shares as on September 30, 2019.

Dividend

Our Company has no stated dividend policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition.

The following table details the dividend declared by our Company on the equity shares for the year ended March 31, 2019 , March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015.

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Equity Share Capital (₹ in Cr)		1,599.14	1,599.14	1,440.05	204.31	204.31
Face Value Per Equity Share (₹)	(a)	10	10.00	10.00	10.00	10.00
Dividend on Equity Shares (₹ per equity share)	(b)	1.20	-	-	-	-
Total dividend on equity shares (₹ in Cr)		191.90	-	-*	-	-

Dividend Declared Rate (In %)	(c=b/a)	12.00%	0.00%	0.00%	0.00%	0.00%
Dividend tax (gross) on dividend (₹ in Cr)		39.44	-	-	-	-

**L&T Fincorp Limited, one of the amalgamating companies in the Scheme of Amalgamation had declared and paid an interim dividend of ₹ 140.03 crores prior to the effective date of amalgamation and our Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2017 respectively.*

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated November 22, 2019 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Link Intime India Private Limited
C 101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India
Tel: +91 (22) 4918 6200
Fax: +91 (22) 4918 6195
Email: ncd3.ltfin2019@linkintime.co.in
Investor Grievance Email: ncd3.ltfin2019@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
Compliance Officer: Mr. B. N. Ramakrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a quarterly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of this Issue are set out below:

Mr. Gufran Ahmed Siddiqui
Company Secretary and Compliance Officer
Brindavan Building, Plot No 177,
Vidyanagari Marg, CST Road, Kalina,
Santacruz, Mumbai – 400 098
Tel: +91 022 6212 5000
Fax: +91 022 6212 5553
Email: investorgrievances@ltfs.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, transfers, etc.

Change in Auditors of our Company during the last three years

Details of change(s) in the Statutory Auditors of our Company in the last 3 (three) financial years preceding the date of this Draft Shelf Prospectus as follows:

Name	Address	Date of appointment	Date of resignation
Deloitte Haskins & Sells LLP, (Firm Registration No. 117366W/W-100018)	Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Babasaheb Ambedkar Nagar, Lower Parel, Mumbai - 400013	June 15, 2016	-
S. R. Batliboi & Co. LLP, Chartered Accounts (Firm Registration No. 301003E)	12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar West, Mumbai-400028	September 15, 2015	December 9, 2015
M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No.109982W)	Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400020. Tel no: (22) 22047722, 22047723, 22869900	December 28, 2015	June 15, 2016

Details of overall lending by our Company as of March 31, 2019

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01,2016 as amended (the "RBI Master Directions").

The disclosures as required by the RBI Master Directions has been prepared after giving effect of below mentioned adjustments to the amounts reported in the financial statements:

i. The amount of allowances for expected credit losses on loan assets was added to the loan asset balances and the amount of provisions on standard, non-performing and stressed loan assets was recomputed based on the Company's provisioning policy as approved by the Board of Directors read together with the RBI Master Directions;
ii. The interest income recognised on Stage 3 loan assets which met the definition of "non-performing asset" was reversed and the recognition was restricted to cash collection;
iii. The fair valuation gains recognised on long term debt instruments measured at "Fair Value Through Profit or Loss" were reversed; and
iv. The deferred tax relating to the adjustments listed in items (i) to (iii) above was also adjusted.

A. Type of loans:

The detailed break-up of the type of loans and advances including bills receivables given by our Company as on March 31, 2019 is as follows:

(₹ in crores)

S. No.	Type of Loans	Amount
1.	Secured (net of provision)	33,772.69
2.	Unsecured (net of provision)	14,144.56
Total		47,917.25

B. Sectoral Exposure as on March 31, 2019

S. No	Segment-wise break-up of AUM	Percentage of AUM (%)
1	**Retail**	
a	Mortgages (home loans and loans against property)	0.71%
b	Gold loans	0.00%
c	Vehicle finance	27.20%
d	Micro Loans	0.00%
e	M&SME	0.33%
f	Capital market funding (loans against shares, margin funding)	0.00%
g	Others	25.54%
2	**Infrastructure**	
a	Infrastructure	12.21%
b	Real estate (including builder loans)	21.70%
c	Promoter funding	0.00%
d	Structured Finance Group	11.56%
e	Supply Chain finance	0.15%
f	Others	0.60%
Total		**100%**

C. Denomination of the loans outstanding by ticket size as on March 31, 2019:

Sl. No.	Ticket size** (in ₹)	Percentage of AUM
1.	Upto 2 Lakhs	37.31%
2.	2 to 5 Lakhs	9.50%
3.	5 to 10 Lakhs	4.60%
4.	10 to 25 Lakhs	0.34%
5.	25 to 50 Lakhs	0.31%
6.	50 lakh-1 Crores	0.42%
7.	1 - 5 Crores	1.26%
8.	5 - 25 Crores	1.80%
9.	25 - 100 Crores	8.91%
10.	Above 100 Crores	35.55%
Total		**100%**

D. Denomination of loans outstanding by LTV as on March 31, 2019

Sl. No.	LTV	Percentage of AUM
1.	Upto 40%	0.95%
2.	40%-50%	2.33%
3.	50%-60%	6.39%
4.	60%-70%	17.38%
5.	70%-80%	41.30%
6.	80%-90%	29.46%
7.	Above 90%	2.19%
	Total	**100%**

**LTV at the time of origination*

***LTV is provided only for Retail products: Two Wheeler and, Farm Equipments*

E. Geographical classification of our borrowers as on March 31, 2019

Sl. No.	Top 5 States	Percentage of AUM
1.	Maharashtra	42.15%
2.	Tamil Nadu	9.77%
3.	Telangana	7.42%
4.	Delhi	5.44%
5.	West Bengal	5.11%
	Total	**69.89%**

F. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2019

(₹ in crores)

Particulars	Amount
Total advances to twenty largest borrowers	8,758.37
Percentage of advances to twenty largest borrowers to total advances to our Company	18.31%

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2019:

(₹ in crores)

Particulars	Amount
Total exposure to twenty largest borrowers	10,393.78
Percentage of exposure to twenty largest borrowers to total exposure to our Company	19.54%

G. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2019:

1. Movement of Gross NPAs

Sl. No.	Particulars	Amount (₹ in crores)
1.	Opening balance	2,376.64
2.	Additions during the year	1,345.81
3.	Reductions during the year	2,023.18
4.	Closing balance	**1,699.27**

2. Movement of provisions for NPAs (excluding provisions on standard assets)

Sl. No.	Particulars	Amount (₹ in crores)
1.	Opening balance	1,311.88
2.	Provisions made during the year	470.36
3.	Write-off / write-back of excess provisions	1,085.20
4.	Closing balance	697.04

3. Segment-wise gross NPA as on March 31, 2019

S. No	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	
A	Mortgages (home loans and loans against property)	0.19%
B	Gold loans	0.00%

S. No	Segment-wise gross NPA	Gross NPA (%)
C	Vehicle finance	35.65%
D	Micro Loans	0.00%
E	M&SME	5.57%
F	Capital market funding (loans against shares, margin funding)	0.00%
G	Others	20.99%
2	**Infrastructure**	
A	Infrastructure	8.85%
B	Real estate (including builder loans)	0.00%
C	Promoter funding	0.00%
D	Structured Finance Group	21.97%
E	Supply Chain finance	4.19%
F	Others	2.59%
Total		**100%**

**Gross NPA means percentage of NPAs to total advances in that sector.*

4. Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter expect as provided for in the chapter titled "Related Party Transaction" on page 157 of this Draft Shelf Prospectus.

Onward lending to borrowers forming part of the "Group" as defined by RBI:

Name of the Borrower (A)	Amount of advances / exposures to such Borrower (Group) (₹ in crores)	Percentage of exposure (C) = B/Total AUM
Nil	Nil	Nil

5. Residual/ Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of March 31, 2019

(₹ in crores)

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year months up to 3 years	Over 3 year months up to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	**-**
Advances (Net)	1,214.16	1,480.62	1,641.32	4,780.44	9,614.80	15,589.71	5,819.59	6,992.12	**47,132.76**
Investments (Net)	1,990.10	-	40.00	-	1,851.40		-	684.45	**4,565.95**
Borrowings*	3,958.39	2,835.50	2,009.20	2,798.13	3,821.82	21,853.78	7,812.80	711.37	**45,800.99**
Foreign Currency Assets	-	-	-	-	-	-	-	-	**-**
Foreign Currency liabilities*	-	-	-	107.23	-	-	-	-	**107.23**

*Including FCNR loan

Note: The above bucketing has been arrived at based on the extant regulatory guidelines and the policy approved by the Board of Directors at its meeting held on October 24, 2018

6. Concentration of Exposure and NPA as of March 31, 2019

(₹ in crores)

Particulars	Amount
Concentration of NPAs	
Total Exposure to top four NPA accounts	311.99

(a) Lending policy: For details on lending policy please see the chapter titled "***Our Business***" on page 102 of this Draft Shelf Prospectus.

(b) Classification of loans/advances given to associates, entities/person relating to the board, senior management, Promoter: As disclosed in the chapter titled "***Financial Information****"* on page 158 of this Draft Shelf Prospectus.

Pre-Issue Advertisement:

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under SEBI Debt Regulations. Material updates, if any, between the date of filing of this Draft Shelf Prospectus and the date of release of the statutory advertisement will be included in the statutory advertisement.

Auditor's Remarks

There are no reservations or qualifications or adverse remarks in the financial statements of our Company in the last five financial years immediately preceding this Draft Shelf Prospectus.

Trading

Debt securities issued by our Company, which are listed on BSE and NSE's wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:
"Any person who:
(a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447."

SECTION VII- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in the chapter titled "***Terms of the Issue***" on page 271 of this Draft Shelf Prospectus.

The key common terms and conditions of the NCDs are as follows:

Issuer	L&T Finance Limited
Type of instrument/ Name of the security	Secured Redeemable, Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures.
Nature of Indebtedness and Ranking / Seniority	Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures. The Unsecured Subordinated Redeemable NCD shall be eligible for Tier II Capital, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions.
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, Trust Investment Advisors Private Limited and JM Financial Limited.
Debenture Trustee	IDBI Trusteeship Services Limited
Depositories	NSDL and CDSL
Registrar	Link Intime India Pvt. Ltd.
Issue	As specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Total Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible investors	See "***Issue Procedure – Who are eligible to apply for NCDs?***" on page 285 of this Draft Shelf Prospectus
Objects of the Issue	See the chapter titled "***Objects of the Issue***" on page 63 of this Draft Shelf Prospectus
Details of utilization of the proceeds	See the chapter titled "***Objects of the Issue***" on page 63 of this Draft Shelf Prospectus.
Interest rate	As specified in the relevant Tranche Prospectus for each Tranche Issue
Security	The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company and/or *pari passu* charge on our Company's right, title and interest in relation to an identified immovable property, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs (along with the interest due thereon). For further details see "***Terms of the Issue – Security***" on page no. 271 of this Draft Shelf Prospectus. No security will be created for the Unsecured NCDs to be issued in terms of this Issue.
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issuance mode of the instrument	Demat
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue

Day count basis	Actual/ Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue Price (in ₹)	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face value	₹ 1,000/- per NCD
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The NCDs proposed to be issued under this Issue have been rated [CRISIL] AAA with Stable Outlook, [CARE]AAA with Stable Outlook and [IND] AAA with Stable Outlook for an amount of ₹ 5,000 crores each, by CRISIL, CARE and India Ratings respectively vide their letters dated November 14, 2019, November 15, 2019 and November 18, 2019 respectively , these respectively indicate that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rationale for these ratings, see Annexures A, B and C of this Draft Shelf Prospectus.
Listing	The NCDs are proposed to be listed on BSE & NSE. NSE shall be the Designated Stock Exchange for the Issue. The NCDs shall be listed within 6 (six) Working Days from the date of Issue Closing Date.
Issue size	As specified in the respective Tranche Prospectuses
Modes of payment	See ***Issue Procedure – Terms of Payment***" on page 279 of this Draft Shelf Prospectus.
Issuance mode of the Instrument	In dematerialised form only
Trading mode of the instrument	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus for each Tranche Issue **The Issue shall remain open for subscription on Working Days from 10 am to 5 pm during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Authorised Personnel thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date Application Forms will be accepted only between 10.00 am and 3.00 pm

	(Indian Standard Time) and uploaded until 5.00 pm or such extended time as may be permitted by BSE and NSE.
Settlement mode of instrument	In dematerialised form only
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or a non Working Day, the succeeding Working Day or a date notified by our Company to the stock exchanges shall be considered as Record Date
Issue documents	This Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Registrar Agreement, the Agreement with the Lead Managers. For further details see the chapter titled "***Material Contracts and Documents for Inspection***" on page 333 of this Draft Shelf Prospectus.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	See "***Terms of the Issue – Events of Default***" on page 273 of this Draft Shelf Prospectus
Deemed date of Allotment	The date on which the Authorised Personnel approve the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Authorised Personnel to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	See "***Terms of the Issue – Trustees for the NCD holders***" on page 273 of this Draft Shelf Prospectus.
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
Working Day convention	If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it failing on a non-Working Day. If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest /redemption payments shall be made only on the days when the money market is functioning in Mumbai.

In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.

*** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Authorised Personnel duly appointed by resolution of the Board dated July 19, 2019. In the event of such early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue*

will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE or NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE and NSE.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

As specified in the relevant Tranche Prospectus.

Terms of payment

The entire face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser amount of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA account, in accordance with the terms of this Draft Shelf Prospectus.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory **permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

For further details, see the chapter titled "***Issue Procedure***" on page 284 of this Draft Shelf Prospectus.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on March 19, 2019 read along with resolution dated July 19, 2019, the Directors approved the issue of NCDs to the public in one or more tranches, upto an amount not exceeding 15,000 crores. Further, the present borrowing is within the overall borrowing limits of ₹ 70,000 crores (Indian Rupees Seventy Thousand Crores) under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated August 14, 2019.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of Secured NCDs

The Secured NCDs would constitute secured obligations of our Company and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company and/or *pari passu* charge on our Company's right, title and interest in relation to an identified immovable property, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Ranking of Unsecured NCDs

The Unsecured NCDs would constitute unsecured and subordinated obligations of our Company and shall rank pari passu inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The Unsecured NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the Unsecured NCD holders shall be subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the Unsecured NCDs as Tier II Capital.

Security

The principal amount of the Secured NCDs to be issued in terms of this Draft Shelf Prospectus and Shelf Prospectus together with all interest due on the Secured NCDs in respect thereof shall be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets and/or pari passu charge on our Company's right, title and interest in relation to an identified immovable property, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs (along with the interest due thereon). The Issuer undertakes that the necessary documents for the creation of the security, including the Debenture Trust Deed would be executed within the time frame prescribed as per applicable law and the same would be uploaded on the website of the Designated Stock exchange, within five working days of execution of the same.

Debenture Trust Deed (s)

Our Company intends to enter into Debenture Trust Deeds with the Debenture Trustee for the benefit of the NCD Holders, the terms of which will *inter alia* govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deeds before the Allotment of NCDs.

Under the terms of the Debenture Trust Deeds, our Company will covenant with Debenture Trustee that it will pay the NCDs Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rates specified in the Prospectus and Debenture Trust Deeds. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the Security or replace with another assets of the same or higher value. However, in case of Debenture Trust Deed, our Company reserves the right to create pari passu charge on the said immovable property without seeking NOC from each Secured NCDs Holders and the Debenture Trustee is empowered to issue NOC to create pari passu charge on the said immovable property for future issuances.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any non-banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 3lst day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

A. in deposits with any scheduled bank, free from any charge or lien
B. in unencumbered securities of the Central Government or any State Government;
C. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
D. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹ 1,000

Trustees for the Secured NCD Holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the Secured NCD Holders. We and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and our Company. The Secured NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Secured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Secured NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s)

shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the Secured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Trustees for the Unsecured NCD Holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the Unsecured NCD Holders. The Debenture Trustee and us will execute the Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us. The Unsecured NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Unsecured NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Unsecured NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the Unsecured NCD Holders shall discharge us pro tanto to the Unsecured NCD Holders. The Debenture Trustee will protect the interest of the Unsecured NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Trustees for the NCD Holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.
Default is committed in payment of the principal amount of the NCDs on the due date(s); and Default is committed in payment of any interest on the NCDs on the due date(s).

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of Secured NCD Holders

Some of the significant rights available to the Secured NCD Holders are as follows:

1. The Secured NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any

resolution affecting the rights attached to the Secured NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered Secured NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of Secured NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the Secured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Secured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Secured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Secured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Secured NCD Holders or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned Secured NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Secured NCD Holders shall be in proportion to the outstanding nominal value of Secured NCDs held by him/her.

4. The Secured NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Prospectus, the Application Forms, the Abridged Prospectus, Corrigendum if any, addendum if any, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Secured NCDs.

5. For the Secured NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the Secured NCDs in dematerialized Form. For Secured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Secured NCDs maintained by a Depository for any Secured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Secured NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the Unsecured NCD holders.

6 Subject to compliance with applicable statutory requirements, the Secured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Secured NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Secured NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the Secured NCD Holders are merely indicative. The final rights of the Secured NCD Holders will be as per the terms of the Offer Document and the Debenture Trust Deed.

Rights of Unsecured NCD Holders

Some of the significant rights available to the Unsecured NCD Holders are as follows:

1. The Unsecured NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the Unsecured NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered Unsecured NCD Holders for their consideration. In terms of Section 136(1) of the Companies

Act, 2013, holders of Unsecured NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.

2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the Unsecured NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Unsecured NCDs or with the sanction of a special resolution passed at a meeting of the concerned Unsecured NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Unsecured NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered Unsecured NCD Holders or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such Unsecured NCDs, either in person or by proxy, at any meeting of the concerned Unsecured NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the Unsecured NCD Holders shall be in proportion to the outstanding nominal value of Unsecured NCDs held by him/her.

4. The Unsecured NCDs are subject to the provisions of the SEBI Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Prospectus, the Application Forms, the Abridged Prospectus, Corrigendum if any, addendum if any, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Unsecured NCDs.

5. For the Unsecured NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the Unsecured NCDs in dematerialized Form. For Unsecured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Unsecured NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Unsecured NCDs maintained by a Depository for any Unsecured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Unsecured NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the Unsecured NCD holders.

6. Subject to compliance with applicable statutory requirements, the Unsecured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Unsecured NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Unsecured NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the Unsecured NCD Holders are merely indicative. The final rights of the Unsecured NCD Holders will be as per the terms of the Offer Document and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate

Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Draft Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled "***Issue Procedure***" beginning on page no. 284 of this Draft Shelf Prospectus.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "***Issue Structure – Interest***" on page 267 of this Draft Shelf Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above,

cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue except as may be required under RBI requirements and as provided in our Articles of Association. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018.

Title

The NCD Holder(s) for the time being appearing in the record of beneficial owners maintained by the Depository shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes.

Register of NCD Holders

No transfer of title of any NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Period of Subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	**As specified in the relevant Tranche Prospectus**

ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Consortium or the Trading Members of the Stock Exchange, as the case maybe, only at the Selected Cities. On the Issue Closing Date Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Consortium or Trading Members of the Stock Exchange are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest

As specified in the relevant Tranche Prospectus.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day, in accordance with the Working Day Convention. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated on page 267 *of this Draft Shelf Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.*

Day Count Convention:

Interest shall be computed on an actual / actual basis on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments:

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per

original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Illustration for guidance in respect of the day count convention and effect of holidays on payments:

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be disclosed in the relevant Tranche Prospectus.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Put / Call Option

As specified in the relevant Tranche Prospectus.

Application Size

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) as specified in the relevant Tranche Prospectus.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Draft Shelf Prospectus.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption amount as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Printing of Bank Particulars on Interest/Redemption Warrants

As a matter of precaution against possible fraudulent encashment of interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the warrants. In relation to NCDs held in dematerialized form, these particulars would be taken directly from the depositories. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to the RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company. Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD Holders

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of this Draft Shelf Prospectus and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013"
The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the relevant Tranche Prospectus. Our Company shall allot NCDs with respect to the Applications received untill the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Tranche Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the SEBI Debt Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and

Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circulars (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

(a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) We shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security and confirmation of the same in terms of Secured NCDs and (iv) receipt of listing and trading approval from BSE.

(e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

(f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Authorised Personnel shall monitor the utilization of the proceeds of the Issue. For the relevant financial years commencing from the Financial Year 2019-20, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the respective Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
(ii) default is committed in payment of any interest on the NCDs on the due date(s)

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Listing

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on the BSE and the NSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated [•] and from the NSE *vide* their letter dated [•]. For the purposes of the Issue, NSE shall be the Designated Stock Exchange. Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the circular (CIR/DDHS/P/121/2018) dated August 16, 2018 issued by SEBI, all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.

*Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("**Debt Application Circular**") as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI ("**ASBA Circular**").*

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility as provided for in the Debt Application Circular have been sought from the Stock Exchange.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Issue, the term "Working Day" shall mean all days excluding Saturdays, Sundays or a holiday of commercial banks in Mumabi, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue period, i.e. period beginning from Issue Closure to listing of the securities on the Stock Exchange, Working Days shall mean all trading days of the Stock Exchange, excluding Sundays and Bank holidays as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018.

The information below is given for the benefit of the investors. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

PROCEDURE FOR APPLICATION

Availability of this Draft Shelf Prospectus, the Shelf Prospectus, Tranche Prospectus, Abridged Prospectus, and Application Form

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Physical copies of the abridged Shelf Prospectus containing the salient features of the Shelf Prospectus, the respective Tranche Prospectus together with Application Forms may be obtained from:

(a) Our Company's Registered Office and Corporate Office;
(b) Offices of the Lead Managers;
(c) Trading Members; and
(d) Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, the respective Tranche Prospectus and Application Form can be obtained from our Company's Registered and Corporate Office, as well as offices of the Lead Managers. Electronic copies of this Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

Who are eligible to apply for NCDs?

The following categories of persons are eligible to apply in the Issue:

Category I	**Category II**	**Category III**	**Category IV**
Institutional Investors	**Non Institutional Investors**	**High Net-worth Individuals ("HNIs")**	**Retail Individual Investors**
• Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Mutual Funds registered with SEBI; • Resident Venture Capital Funds/ Alternative Investment Fund registered with SEBI subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment	• Companies within the meaning of section 2(20) of the Companies Act, 2013; • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakhs across all series of NCDs in Issue	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakhs across all series of NCDs in Issue

Category I	Category II	Category III	Category IV
Institutional Investors	**Non Institutional Investors**	**High Net-worth Individuals ("HNIs")**	**Retail Individual Investors**
Funds) Regulations, 2012; • Insurance Companies registered with IRDA; • State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net worth of more than ₹50,000 lakh as per the last audited financial statements; and • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.	partnerships formed and registered under the provisions of the • Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons.		

Note: All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as "**Individuals**".

All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as "Non Individuals".

Please note that it is clarified that Persons Resident Outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

(a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
(b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
(c) Persons resident outside India and other foreign entities;
(d) Foreign Institutional Investors;
(e) Foreign Portfolio Investors;
(f) Qualified Foreign Investors;
(g) Overseas Corporate Bodies; and
(h) Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments and implementing measures thereto, the "**Prospectus Directive**") has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a "**Relevant Member State**") except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs.

Please see "***Rejection of Applications***" on page 300 of this Draft Shelf Prospectus for information on rejection of Applications.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 dated February 22, 2017 ("SEBI Circular 2019"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are

authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

Applicants can apply for NCDs only using the ASBA facility pursuant to ASBA Circular. ASBA Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.

(b) Physically through the Consortium, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

Upon receipt of the Application Form by the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

(a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Tranche Prospectus is made available on their websites.

(b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to the section titled "***Issue Related Information***" on page 267 of this Draft Shelf Prospectus.

(c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant "know your customer" details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant's bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus, the abridged Tranche Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in the Tranche

Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.

- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the ASBA Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Managers, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series of NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("**MICR**") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants,

direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

D. Joint Applications

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size and multiples as determined in the Tranche Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deem such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be.
7. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
8. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
9. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
10. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
11. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the

Application Form and not that of the Karta;

12. Ensure that the Applications are submitted to the Lead Managers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "***Issue Related Information***" on page 267 of this Draft Shelf Prospectus.
13. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
14. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
15. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
16. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
17. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
18. Tick the series of NCDs in the Application Form that you wish to apply for.
19. Check if you are eligible to Apply under ASBA;
20. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;
21. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Public Issue Account Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
22. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);
23. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.
24. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
25. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
26. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
27. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Dont's:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;
3. Do not send Application Forms by post; instead submit the same to the Consortium, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without the full Application Amount;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
13. Do not make an application of the NCD on multiple copies taken of a single form.
14. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
15. Do not submit the Application Form to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
16. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
17. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Please see "*Rejection of Applications*" on page 300 of this Draft Shelf Prospectus for information on rejection of Applications.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount or the excess amount shall be unblocked in the ASBA Account.

Payment mechanism for ASBA Applicants

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful ASBA Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 (five) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Applications	(i) If using physical Application Form, (a) to the Lead Managers or Trading Members of the Stock Exchange only at the Specified Cities ("**Syndicate ASBA**"), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Consortium / Trading Members of Stock Exchange will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Consortium or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi,

Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on the Issue programme and timings for submission of Application Forms, please refer to section titled "***Issue Related Information***" on page 267 of this Draft Shelf Prospectus.

Electronic Registration of Applications

(a) The Consortium, Trading Members of the Stock Exchange and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.

In case of apparent data entry error by the Consortium, Trading Members of the Stock Exchange, Public Issue Account Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Consortium, Trading Members of the Stock Exchange and the SCSBs during the Issue Period. The Lead Managers and Trading Members of the Stock Exchange can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see section titled "***Issue Related Information***" on page 267 of this Draft Shelf Prospectus.

(c) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number

- Application amount

(d) With respect to ASBA Applications submitted to the Consortium, or Trading Members of the Stock Exchange only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Specified City
- Application amount

(e) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

(f) Applications can be rejected on the technical grounds listed on page 300 of this Draft Shelf Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.

(g) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment. The Consortium, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Consortium, Trading Members of the Stock Exchange, the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed hereinbelow or if all required information is not provided or the Application Form is incomplete in any respect. The Authorised Personnel reserves their full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(i) Applications submitted without payment of the entire Application Amount. However, our Company may

allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;

(ii) Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;

(iii) Applications where a registered address in India is not provided for the Applicant;

(iv) In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However, a Limited Liability Partnership firm can apply in its own name;

(v) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants;

(vi) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

(vii) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

(viii) DP ID and Client ID not mentioned in the Application Form;

(ix) GIR number furnished instead of PAN;

(x) Applications by OCBs;

(xi) Applications for an amount below the minimum application size;

(xii) Submission of more than five ASBA Forms per ASBA Account;

(xiii) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;

(xiv) In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

(xv) Applications accompanied by Stockinvest/ money order/ postal order/ cash;

(xvi) Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);

(xvii) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.

(xviii) Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.

(xix) ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;

(xx) Application Forms submitted to the Lead Managers, or Trading Members of the Stock Exchange does not bear the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Lead Managers, or Trading Members of the Stock Exchange, as the case may be;

(xxi) ASBA Applications not having details of the ASBA Account to be blocked;

(xxii) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;

(xxiii) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(xxiv) SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(xxv) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(xxvi) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

(xxvii) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

(xxviii) Applications by any person outside India;

(xxix) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;

(xxx) Applications not uploaded on the online platform of the Stock Exchange;
(xxxi) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
(xxxii) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Shelf Prospectus and as per the instructions in the Application Form, this Draft Shelf Prospectus and the relevant Tranche Prospectus;
(xxxiii) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
(xxxiv) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
(xxxv) ASBA Applications submitted to the Consortium, or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
(xxxvi) Applications tendered to the Trading Members of the Stock Exchange at centers other than the centers mentioned in the Application Form;
(xxxvii) Investor Category not ticked; and/or
(xxxviii) Application Form accompanied with cheque.
(xxxix) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
(xl) Forms not uploaded on the electronic software of the Stock Exchange.
(xli) Applications for the allotment of NCDs in dematerialized form providing an inoperative demat account number.

Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see "***Information for Applicants***" on page 302 of this Draft Shelf Prospectus.

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Lead Managers, and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

As specified in the relevant Tranche Prospectus.

Allocation Ratio

Reservations shall be made for each of the Portions as specified relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus

PAYMENT OF REFUNDS

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 5 Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 (five) Working Days of the Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

OTHER INFORMATION

Withdrawal of Applications

ASBA Applicants can withdraw their ASBA Applications till the issue closure date by submitting a request for the same to the Consortium, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Early Closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from

the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Lead Managers/ Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Lead Managers, Trading Members of the Stock Exchange, the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. The Stock Exchange shall validate the bid details with DP records by the end of each bidding day. The Registrar shall every day provide the bid file received from the Stock Exchange to all SCSBs for validation/reconciliation at their end.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

(i) Agreement dated December May 31, 2012 between us, the Registrar to the Issue and NSDL, and dated June 23, 2016, between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the investors.
(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
(v) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.
(vii) Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
(viii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form only.

Please see "***Instructions for filling up the Application Form - Applicant's Beneficiary Account and Bank***

Account Details" on page 293 of this Draft Shelf Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchange or Designated Branch, as the case may be, where the Application was submitted, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

(a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilized.

(c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;

(e) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Shelf Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

(g) Undertaking by our Company for execution of Debenture Trust Deed.

Other Undertakings by our Company

Our Company undertakes that:

(a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;

(b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;

(c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;

(d) Funds required for refund or unblocking of application monies/Allotment Advice will be made available by our Company to the Registrar to the Issue;

(e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;

(f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Draft Shelf Prospectus;

(g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The main provisions of the AOA relating to the issue and allotment of debentures and matters incidental thereto have been set out below. Please note that each provision herein below is numbered as per the corresponding article number in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term "Article" hereunder means the corresponding article contained in the AOA.

The following regulations comprised in these Articles of Association were adopted pursuant to special resolution passed by Members on April 7, 2016 in substitution for, and to the entire exclusion of, the earlier Articles comprised in the extant Articles of Association of the Company.

1	To the extent of specific provisions contained in these Articles, the regulations contained in Table F of Schedule I to the Companies Act, 2013, shall not apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations by resolution, as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. To the extent of any specific provisions not contained in these Articles but contained in Table F of Schedule I to the Companies Act, 2013, such regulations contained in Table F in the Schedule I to the Companies Act, 2013, in so far as they are applicable to a Public Company shall apply to this Company as if such regulations are contained in these Articles.	Table F not to apply but Company to be governed by these Articles

	INTERPREPATION	
2	In the interpretation of these Articles, unless repugnant to the subject or context :-	Interpretation Clause
	"The Company" or "This Company" means L&T Finance Limited.**	"The Company" or "this Company"
	"The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.	"The Act"
	"The Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	"The Rules"
	"The Articles" means these Articles of Association of the Company or as altered from time to time.	"The Articles"
	"Alter" or "Alteration" includes the making of additions, omissions and substitutions.	"Alter" or "Alteration"
	"Authorized Capital" or "Nominal Capital" means such capital as is authorized by the Memorandum of the Company to be the maximum amount of share capital of the Company.	"Authorized Capital" or "Nominal Capital"
	"Beneficial Owner" means beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.	"Beneficial Owner"
	"Board of directors" or "Board" means the collective body of the directors of the Company.	"The Board of Directors" or "The Board"

**The Company has amended Articles of Association vide special resolution passed by the Shareholders at the EGM held on January 24th 2017.*

	"Charge" means an interest or lien created on the property or assets of the Company or any of its undertakings or both as security and includes a mortgage.	"Charge"
	"Chief Executive Officer" means an officer of the Company, who has been designated as such by the Company.	"Chief Executive Officer"
	"Chief Financial Officer" means a person appointed as the Chief Financial Officer of the Company.	"Chief Financial Officer"
	"Company Secretary" or "Secretary" means a Company Secretary as defined in clause (*c*) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980	"Company Secretary" or "Secretary"

	(56 of 1980) who is appointed by the Company to perform the functions of a Company Secretary under this Act.	
	"Debenture" means debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.	“Debenture”
	"Depository" means a depository as defined in Clause (*e*) of Sub-section (1) of Section 2 of the Depositories Act, 1996 (22 of 1996).	“Depository”
	“Dividend” includes any interim dividend.	“Dividend”
	“Directors” mean directors appointed to the Board of the Company.	“Directors”
	"Employees' Stock Option" means the option given to the directors, officers or employees of the Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.	"Employees' Stock Option"
	"Global Depository Receipt" means any instrument in the form of a depository receipt, by whatever name called, created by a foreign depository outside India and authorized by the Company making an issue of such depository receipts.	"Global Depository Receipt"
	"Independent Director" means an Independent Director referred to in sub-section (5) of Section 149.	"Independent Director"
	Investors means BC Investments VI Limited and BC Asia Growth Investments Limited who has invested in L&T Finance Holdings Limited, parent company.	Investors
	“Investors’ Director” means one non retiring non-executive director jointly nominated by the Investors for appointment as a director on the Board.	Investor Director
	"Issued Capital" means such capital as the Company issues from time to time for subscription.	"Issued Capital"
	"Key Managerial Personnel", in relation to the Company, means:- (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Rules.	"Key Managerial Personnel"
	“Listing Agreement” means an agreement entered with the stock exchanges where the Company is listed.	“Listing Agreement”
	"Managing Director" means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in its General Meeting, or by its Board of directors, is entrusted with substantial powers of management of the affairs of the Company and includes a director occupying the position of managing director, by whatever name called.	"Managing Director"
	"Memorandum" means the Memorandum of Association of the Company as originally framed or as altered from time to time in pursuance of any previous Company law or of this Act.	"Memorandum"
	"Officer" includes any director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board or any one or more of the directors is or are accustomed to act.	“Officer"
	"Paid-up share capital" or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called.	“Paid-up share Capital” or “share capital paid-up”
	“Postal Ballot" means voting by post or through any electronic mode.	“Postal Ballot"
	"Promoter" means a person who has been named as such in a prospectus or is identified by the Company in the annual return or who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise or in accordance with whose advice, directions or instructions the Board of directors of the Company is accustomed to act expect a person who is acting merely in a professional capacity.	"Promoter"

	"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 (43 of 1961) or any modification or re-enactment thereof.	"Remuneration"
	"The Seal" means the common seal of the Company.	"The Seal"
	"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).	"SEBI"
	"Securities" means the securities as defined in clause (*h*) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).	"Securities"
	"Share" means a share in the share capital of the Company and includes stock.	"Share"
	"Subscribed capital" means such part of the capital which is for the time being subscribed by the Members of the Company	"Subscribed capital"
	"Whole-time director" includes a director in the whole-time employment of the Company.	"Whole-time director
	"Gender" – Words importing the masculine gender also include the feminine gender.	"Gender"
	The "marginal notes" and "catch lines" hereto shall not affect the construction hereof.	"Marginal Notes" and "Catch Lines"
	"In writing" and "written"-include printing, lithography and other modes of representing or reproducing words in visible form.	"In writing" and "Written"
	Words importing the singular number include where the context admits or requires, the plural number and vice versa.	"Singular Number"
	Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company. In case any word is not defined in the Act but defined in the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Securities and Exchange Board of India Act, 1992 (15 of 1992) or the Depositories Act, 1996 (22 of 1996) shall have the meanings respectively assigned to them in those Acts.	"Meaning of words not defined in the Articles"
*	"Investment Agreement" means the investment agreement executed on September 21, 2015 by and amongst the L&T Finance Holding Limited (Holding Company), Investor 1 and Investor 2.	Investment Agreement

**The Company has amended Articles of Association vide special resolution passed by the Shareholders at the EGM held on January 24, 2017.*

*	Investor 1" means BC Investments VI Limited, a company incorporated under the laws of Mauritius and having its registered office at Suite 110, 10th Floor, Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius.	"Investor 1"
*	"Investor 2" means BC Asia Growth Investments Limited, a company incorporated under the laws of Mauritius and having its registered office at Suite 110, 10th Floor, Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius	"Investor 2"
*	"Investors" means Investor 1 and Investor 2 collectively.	"Investors"
*	"Investors' Director" means one non retiring non-executive director jointly nominated by the Investors for appointment as a director on the Board.	"Investors' Director"

SHARE CAPITAL AND VARIATION OF RIGHTS

3	The Authorized Capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of the Company, for the time being or as may be varied, from time to time, under the provisions of the Act, and divided into such numbers, classes and descriptions of shares and into such denominations as stated therein. The paid-up share capital of the Company shall be, at any point of time, minimum of Rs. 5,00,000/- (Rupees Five Lacs Only) or such other higher amount, as may be prescribed under the Act as applicable to a public company.	Share Capital
4	Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Board shall not issue any shares at discount except issue of such class of shares as may be permitted by the Act.	Shares under Control of Board
5	The Company may issue equity shares with voting right and/or with differential voting rights as to dividend, voting or otherwise and preference shares in accordance with these Articles, the Act, the Rules and other applicable laws.	Kinds of Share Capital
6	1) The Board or the Company as the case may be, may, in accordance with the Act and the Rules, issue further shares to: (a) Persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) Employees under any scheme of Employees' Stock Option; or (c) any persons, whether or not those person include the persons referred to in clause (a) or (b) above. 2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of right issue, bonus issue, preferential offer, private placement and any other issue in accordance with the provisions of the Act.	Further issue of share Mode of further issue of shares

**The Company has amended Articles of Association vide special resolution passed by the Shareholders at the EGM held on January 24, 2017.*

7	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted into equity shares, on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act and the Rules. Such preference shares shall be redeemable in accordance with the Act and the Rules made there under.	Power to issue redeemable preference shares
8	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the Capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up shares, as the case may be.	Allotment of shares by directors for consideration other than cash
9	Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the register of members shall, for the purposes of these Articles, be a Member.	Acceptance of shares

10	The money which the Board of directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.	Deposit and calls etc. to be a debt payable immediately
11	Every Member, or his heirs, executors or administrators, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Board of directors shall, from time to time, in accordance with these Articles, the Act, the Rules and other applicable laws require or fix for the payment thereof.	Liability of Members
12	1) Every person whose name is entered as a Member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt of application for the registration of transfer or transmission or within such other period as may be prescribed by SEBI from time to time or by the conditions of issue: *(a)* one certificate for all his shares without payment of any charges; or *(b)* several certificates, each for one or more of his shares, without payment of any fees for each certificate after the first unless otherwise decided by the Board. 2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. 3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for such shares to one of several joint holders shall be sufficient delivery to all such holders. 4) Certificate shall be issued in the form and manner prescribed in the Act, the Rules and other applicable laws.	Issue of certificate Seal on certificate(s) certificate for shares held by joint holders Form and manner of issue of Certificate
13	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities, rematerialize its existing shares, debenture and other securities held in a depository and/or offer further shares, debentures and other securities in dematerialized form pursuant to Depositories Act, 1996 and rules framed there under.	Company entitled to Dematerialize its Securities
14	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in dematerialized form with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share(s) to enable the depository to enter in its records the name of such person as the beneficial owner.	Option to Investor to hold/receive shares in dematerialized form
15	Every share in the Company shall be distinguished by its distinctive number provided that nothing shall apply to a share held by a person whose name is entered as holder of beneficial interest in such share in the records of a depository.	Numbering of Shares
16	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then, upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of any fees unless otherwise decided by the Board.	Issue of new share certificate in place of defaced, lost or destroyed certificate
17	Except as required by law, no person shall be recognized by the Company as	Company not bound to

	holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder(except only as by these regulations or by law otherwise provided).	recognise any interest in share other than that of Registered holder.
18	Except so far as otherwise provided by the conditions of issue by these presents, any Capital raised by the creation of new class of shares, shall be considered as part of the existing Capital, and shall rank *pari-passu* in all respects with the existing shares of the Company and shall be entitled to dividend and corporate benefits, if any, declared by the Company after the allotment. However, the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari-passu* therewith.	New Capital same as existing capital
19	1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class or in such other manner as may be prescribed by the Act and the Rules. 2) To every such separate meeting, the provisions of these regulations relating to General Meetings shall *mutatis mutandis* apply.	Variation of Members' rights Provisions as to General Meetings to apply mutatis mutandis to each meeting of the holder of the shares
20	The provisions of Articles shall *mutatis mutandis* apply to issue and allotment of any other securities including debentures (except where the Act otherwise requires).	Provisions of shares to apply mutatis mutandis to any other securities and debentures.
21	1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be in accordance with the provisions of the Act and the Rules and shall be disclosed in the manner required therein. 2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules and/or the Act, as the case may be. 3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. 4) The Company may pay brokerage to the extent and in the manner prescribed under the Act in connection with subscription to its securities.	Power to pay commission in connection with securities issued. Rate of Commission in accordance with the Rules Mode of payment of commission Power to pay Brokerage

LIEN

22	1) The Company shall have a first and paramount lien :- *(a)* on every share (not being a fully paid share), for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and *(b)* on all shares (not being fully paid shares) standing registered in the name of a Member, for all moneys presently payable by him or his estate to the Company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. 2) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. 3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.	Company's lien on shares Lien to extend to dividends, bonus etc. Waiver of lien
23	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made:- (*a*) unless a sum in respect of which the lien exists is presently payable; or (*b*) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.	As to enforcing lien by sale
24	1) To give effect to any such sale, the Board may authorize one of their Members or any other Officer of the Company to transfer the shares sold to the purchaser thereof. 2) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall(subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share comprised in any such transfer. 3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	Validity of sale Purchaser to be registered holder Purchaser not affected
25	1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. 2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares, at the date of the sale.	Application of proceeds of sale Payment of residual money
26	In exercising the lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not(except as ordered by any statute) be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.	Outsider's lien not to affect Company's lien

27	The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures issued by the Company from time to time.	Provisions as to lien to apply mutatis mutandis to debentures, etc.

CALLS ON SHARES

28	1) The Board may, from time to time, make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times 2) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. 3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstance. 4) A call may be revoked or postponed at the discretion of the Board.	Board may make calls Notice of Call Board may extend time for payment of any call Revocation or postponement of call
29	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.	Call to take effect from date of resolution
30	All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	Call on shares of same class to be on uniform basis.
31	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person, who for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	Installment on shares to be duly paid
32	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liabilities of joint holders of shares
33	1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. 2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Sums deemed to be calls Effect of non-payment of sums
34	1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate as stipulated under the provisions of the Act or Rules thereof or at such lower rate as may be fixed by the Board. 2) The Board shall be at liberty to waive payment of any such interest wholly or in part.	Call to carry interest Board may waive interest
35	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time	Partial payment not to preclude forfeiture

	to time be due from any Member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.	
36	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to calls to apply mutatis mutandis to debentures, etc.
37	The Board:- 1) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and 2) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.	Payment in anticipation of calls may carry interest

FORFEITURE OF SHARES

38	If any Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all the expenses that may have been incurred by the Company by reason of non-payment.	If money payable on share not paid, notice to be given to Member
39	The notice aforesaid shall:- 1) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and 2) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	Term of Notice
40	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment, shares to be forfeited
41	Neither the receipt by the Company for a portion of any money which may from time to time be due from any Member in respect of his shares, nor any indulgence that may be granted by the Company, in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	Receipt of part amount or grant of indulgence not to affect forfeiture
42	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and on entry of the forfeiture with the date thereof, shall forthwith be made in the register of member but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of member
43	1) A duly verified declaration in writing that the declarant is a director, the manager or secretary of the Company, and that share(s) in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share(s). 2) The Company may receive the consideration, if any, given for the share(s) on any sale, re-allotment or disposal thereof and may execute a transfer of share in	Certificate of forfeiture Consideration for forfeiture and transfer

	favour of the person to whom the share is/are sold or disposed of. 3) The transferee shall thereupon be registered as the holder of the share; and 4) The transferee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share(s) be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of share(s).	of forfeited share Transferee to be registered as holder Transferee not affected
44	1) A forfeiture of share shall be deemed to be the property of the Company and may be sold or re-alloted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. 2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Forfeited shares to be property of the Company and may be sold etc. Cancel of Forfeiture
45	1) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay and shall pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. 2) All such moneys payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the moneys due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. 3) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.	Member still liable to pay money owing at the time of forfeiture and interest Cessation of liability
46	The forfeiture of share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
47	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered the register of members in respect of such shares, the validity of the sale shall not be impeached by any person.	Validity of sale
48	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the respective shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	Cancellation of share certificates in respect of forfeited shares
49	The Board, may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering the same on such terms as it may think fit.	Surrender of share
50	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
51	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Provisions as to forfeiture of shares to apply mutatis mutandis to debentures etc.

TRANSFER OF SHARES

52	1) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. 2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	Instrument of transfer to be executed by transferor and transferee
53	The Board may, subject to the right of appeal conferred by the Act and subject to the provisions of the Act, the Rules, Listing Agreement and any other applicable law decline to register:- 1) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; 2) any transfer of shares on which the Company has a lien; 3) any transfer of shares where any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the shares out of the name of the transferor; or 4) any transfer of shares where the transferor objects to the transfer provided he serves on the Company within a reasonable time a prohibitory order of a court of competent jurisdiction.	Board may refuse to register transfer
54	1) The Board may decline to recognize any instrument of transfer unless:- (*a*) the instrument of transfer is in the form as prescribed in rules made under the Act; (*b*) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (*c*) the instrument of transfer is in respect of only one class of shares. 2) The Company shall send notice containing the reasons thereof within the time stipulated under the Act.	Board may decline to recognize instrument of transfer
55	On giving not less than seven days' previous notice in accordance with the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.	Transfer of shares when suspended
56	The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.	Provisions as to transfer of shares to apply mutatis mutandis to debentures etc.

TRANSMISSION OF SHARES

57	1) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees and in absence of nominees the legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. 2) Nothing in clause (*1*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Title of shares of deceased Member
58	1) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:-	Registration of person entitled to shares or otherwise than by transfer

	(a)to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent Member could have made. 2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency. 3) The Company shall be fully indemnified by such person from all liability, if any, by action taken by the Board to give effect to such registration or transfer.	
59	1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. 2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. 3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.	Right to election of holder Manner of testifying election Limitations applicable to notice
60	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by Membership in relation to meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.	Claimant to be entitled to same advantage
61	The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company	Provisions as to transmission to apply mutatis mutandis to debentures etc.

ALTERATION OF CAPITAL

62	Subject to the provisions of the Act, the Company may, by resolution prescribed under the Act, increase its share capital by such sum, to be divided into shares of such amount or such class, as may be specified in the resolution.	Increase in the share capital
63	Subject to the provisions of the Act, the Company may, by resolution prescribed under the Act :- 1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; 2) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination; 3) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; 4) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	Alteration of share capital

64	Where shares are converted into stock :- 1) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. 2) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. 3) such of these Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively unless the context otherwise requires.	Shares may be converted into stock Right of stockholders
65	The Company may, by resolution prescribed under the Act reduce in any manner and with, and subject to, any incident authorized and such consent as may be required by law :- 1) its share capital; 2) any capital redemption reserve account; 3) any share premium account; or 4) any other reserve in the nature of capital.	Reduction of Capital

JOINT HOLDERS

66	Where two or more persons are registered as joint holders(not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles :- 1) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share. 2) On the death of any one or more of such joint holders, the survivor(s) shall be the person(s) recognized by the Company as having any title to the shares but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. 3) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. 4) Only the person whose name stands first in the register of members as one of the joint holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint holders.	Joint holders Liability of joint holders Death of one or more joint holders Receipt of one sufficient Delivery of certificate and giving of notice to first named holder

	5) (a) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then the one of such persons so present whose name stands first or higher(as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by attorney or proxy stands first or higher(as the case may be) in the register in respect of such shares. (b) Several executors or administrators of a deceased Member in whose (deceased Member) sole name any share stands, shall for the purpose of this clause be deemed joint holders.	Vote of joint holders Executors or administrators as joint holders
67	The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.	Provisions as to joint holders as to shares to apply mutatis mutandis to debentures
68	In respect of shares or other securities held in dematerialized form, the provisions relating to joint holders contained in these Articles shall apply mutatis mutandis to the joint beneficial owner.	Provisions relating to joint holder shall apply mutatis mutandis to the joint beneficial owner

CAPITALIZATION OF PROFITS

69	1) The Company in general meeting may, upon recommendation of the Board, resolve :- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (*2*) amongst the Members who would have been entitled thereto, if distributed by way of dividend. 2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*3*), either in or towards :- (a) paying up any amounts for the time being unpaid on any shares held by such Members respectively; (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid; (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b); (d)a securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of these Articles, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares; and (f) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	Capitalization Sum how applied
70	1) Whenever such a resolution as aforesaid shall have been passed, the Board shall :- (a)make all appropriations and applications of the undivided profits resolved to	Power of the Board for capitalization

	be capitalized thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto. 2) The Board shall have power :- (a)to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b)to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares. 3) Any agreement made under such authority shall be effective and binding on such Members.	Board's power to issue fractional certificate/coupon etc. Agreement binding on Members

***BUY-BACK OF SHARES, SECURITIES AND COMMERCIAL PAPER**

71	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other Securities or commercial paper.	Buy-Back of shares, Securities and Commercial Paper

GENERAL MEETINGS

72	Subject to the provisions of the Act, an Annual General Meeting of the Members of the Company shall be held every year within six months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours, that is, between such time as prescribed in the Act, on any day that is not a National Holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate.	Annual General Meeting
73	All General Meetings other than Annual General Meeting shall be called Extra-ordinary General Meeting.	Extra-ordinary General Meeting
74	The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting.	Power of Board to call Extra-ordinary General Meeting

PROCEEDINGS AT GENERAL MEETINGS

75	1) No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. 2) No business shall be discussed or transacted at any General Meeting except election of Chairperson whilst the chair is vacant. 3) Save as otherwise provided herein, the quorum for the General Meetings shall be as prescribed in the Act.	Presence of quorum Business confined to election of Chairperson whilst chair vacant Quorum of General Meeting
76	The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.	Chairperson of the meetings
77	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the directors present shall elect one of their Members to be Chairperson of the meeting.	Directors to elect a Chairperson

**The Company has amended Articles of Association vide special resolution passed by the Shareholders at the EGM held on November 4, 2019.*

78	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairperson of the meeting.	Members to elect a Chairperson
79	On any business at any General Meeting, in case of equality of votes, whether on show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson
80	The Company shall cause minutes of the proceedings of every General Meeting or any class of Members or creditors and every resolution passed by a postal ballot to be prepared and signed in such manner as may be prescribed by the Act and the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting :- (a) is, or could reasonable by regarded as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes of proceedings of meetings and resolutions passed by postal ballot Certain matters not to be included in minutes Discretion of Chairperson in relation to minutes Minutes to be evidence
81	1) The books containing the minutes of the proceedings of any General Meeting of the Company or a resolution passed by postal ballot shall:- (a) be kept at the registered office of the Company or such other place as may be permitted by the Act or Rules thereof ; (b) be open to inspection of any Member without any charge on all working days except Saturdays during such time as may be fixed by the Board.	Inspection of minutes book of General Meeting

	2) Any Member shall be entitled to be furnished, within time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of the minutes referred to in clause(1) above. Provided that a Member who has made request for provision of soft copy of the minutes of any previous General Meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.	Members may obtain copy of minutes
82	The Board, and also any person(s) authorized by it, may take any action before the commencement of any General Meeting or any meeting of a class of Members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final and right to attend and participate in the meeting shall be subject to such decision.	Powers to arrange security at meeting

ADJOURNMENT OF MEETING

83	1) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place	Chairperson may adjourn the meeting
	2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Business at adjourned meeting
	3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.	Notice of adjourned meeting
	4) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Notice of adjourned meeting not required
	5) In case quorum is not present the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.	Adjournment of meeting when quorum not present

VOTING RIGHTS

84	Subject to any rights or restrictions for the time being attached to any class or classes of shares :- 1) on a show of hands, every Member present in person shall have one vote; and 2) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.	Entitlement to vote on show of hands and on poll
85	A Member may exercise his vote at a meeting by electronic means in accordance with the provisions of the Act and the Rules and shall vote only once.	Voting through electronic means
86	1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	Vote of joint holders
	2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Seniority of names
87	A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy.	How Members non *compos mentis* and minor may vote

88	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission clause to any share may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such share unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent Members
89	Any business other than that upon which a poll has been demanded may be proceeded with, pending taking of the poll.	Business pending taking of poll
90	No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	Restriction on voting rights
91	A Member shall not be prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set forth in the preceding Article.	Restriction on voting right in other cases to be void
92	Any Member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.	Equal rights of Members

PROXY

93	1) Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf for that meeting. 2)The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Members may vote in person or otherwise Proxy when to be deposited
94	An instrument appointing a proxy shall be in the form as prescribed in the Act and the Rules.	Form of Proxy
95	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	Proxy to be valid notwithstanding death of the principal

BOARD OF DIRECTORS

96	Unless otherwise determined by the Company in General Meeting, the number of directors shall not be less than 3(Three) and shall not be more 15 (Fifteen).	Number of Directors
97	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	Same individual may be appointed as Chairperson and Managing Director /Chief Executive Officer
*98	All the Directors (Other than Independent Directors and the Investor Director) including the Managing Director(s) and Whole Time Director(s) shall be liable to retire by rotation. However, such retirement shall not be deemed as break in service, if such Managing Director(s) or Whole Time Director(s) are re-appointed immediately. The Board shall have the power to determine the directors whose period of office is or is not liable to retire by rotation subject to the provisions of the Act.	Directors liable to retire by rotation

99	The Board shall consist of at least such number of Independent Directors as are statutorily required and such directors shall possess such qualification as may be prescribed under Act and shall be appointed for such tenure as prescribed by the Act and the Rules and they shall not be liable to retire by rotation and shall be paid, apart from sitting fees as referred in this Article such remuneration as may be decided by Board of directors in accordance with the approval granted by the Members in General Meeting, if required.	Independent Directors
100	1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. 2) The remuneration payable to the directors, including any managing or whole time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act or Rules thereof. 3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid sitting fees as may be decided by the Board of directors within the limit prescribed under the Act and all travelling, hotel and other expenses properly incurred by them:- (a) in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company; (b) in connection with the business of the Company.	Remuneration of directors Sitting Fees, Travelling and other expenses
101	All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	Execution of negotiable instruments
102	1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as additional director, provided that the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. 2) Such person shall hold office only up to the date of the next annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	Appointment of Additional Director Duration of office of additional director

**The Company has amended Articles of Association vide special resolution passed by the Shareholders at the EGM held on January 24, 2017.*

103	1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. 2) An alternate director shall not hold office for a period longer than the permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Appointment of alternate director Duration of office of alternate director
104	Subject to the provisions of the Act, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement.	Appointment of Nominee director
105	1) If the office of the director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. 2) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.	Appointment of director to fill casual vacancy. Duration of office of director appointed to fill casual vacancy

106	Subject to and in accordance with the provisions of the Act and the Rules, directors and their related parties as defined under the Act and the Rules may enter into any contract permissible under the Act.	Director may contract with Company
107	No director shall be eligible for appointment as director of the Company, if he possesses any of the disqualifications stipulated under the Act or is disqualified to be appointed, pursuant to any order/notice issued by any Regulatory Authority(ies).	Disqualifications for appointment of director
108	A director shall not be required to acquire qualification Shares.	Qualification Shares

BORROWING POWERS

109	Subject to the provisions of the Act and the Rules, the Board of directors may, from time to time at its discretion by a resolution passed at a Meeting of the Board, accept deposits from Members, either in advance orcalls or otherwise, and generally raise or borrow or secure the payment of any sum or sum of moneys for the purpose of the Company not exceeding the aggregate of the Paid-up capital of the Company and its reserves. Provided, however, where the moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of paid-up capital and free reserves as defined under the Act, the Directors shall not borrow such monies without the consent of the Company in general meeting by way of resolution prescribed under the Act.	Power of the Board to borrow
110	The payment or re-payment of moneys borrowed aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of directors may think fit, and in particular by a resolution passed at a meeting of the Board(and not by circular resolution).	Security for the Money borrowed
111	The Board may, subject to and in accordance with the provisions of the Act and the Rules, issue debentures or debenture stocks or any other securities for borrowing moneys by the Company (secured or unsecured) and such debentures, debenture stocks and securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.	Issue of debentures, debenture stock etc.
112	Subject to the provisions of the Act, any debenture, debenture stock or other securities (excluding shares) may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as the Board may think fit. However, debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting or through Postal Ballot.	Terms of issue of debentures, debentures stock etc.

GENERAL POWERS OF BOARD

113	Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or Rules or statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting.	General Powers of the Company vested in Board.

PROCEEDINGS OF THE BOARD

114	1) Subject to the provisions of the Act, the Board of directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. 2) The Chairperson or any other director with the previous consent of the Board may, and the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. 3) The quorum for a Board Meeting shall be as provided in the Act. 4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Law.	When meeting to be convened Who may summon Board meeting Quorum for Board meeting Participation at Board meeting
115	1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. 2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Questions at Board meeting how decided Casting vote of Chairperson at Board Meeting
116	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.	Directors not act when number falls below minimum
117	1) The Chairperson of the Company shall be the Chairperson at the meetings of the Board. In his absence, the Board may elect a Chairperson of its meeting and determine the period for which he holds the office. 2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their Member to be Chairperson of the meeting.	Who to preside at meetings of the Board Directors to elect a Chairperson
118	1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such Member or Members of its body as it thinks fit. 2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. 3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing as may be prescribed by the Rules or permitted under law.	Delegation of powers Committee to conform to Board's regulations Participation at Committee meetings
119	1) A Committee may elect a Chairperson of its meetings. 2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.	Chairperson of the Committee Members of Committee to appoint Chairperson
120	1) Subject to the provisions of the Act and directions of the Board of directors, a Committee may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. 2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Committee Meeting Questions at Committee meeting how decided

121	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	Acts of Board or Committee valid notwithstanding defect of appointment
122	Save as otherwise expressly provided in the Act, a resolution in writing, signed whether manually or by secure electronic mode, by a majority of the Members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	Passing of resolution by circulation
123	The minutes of the meeting of the Board and the Committees thereof shall be prepared and kept in accordance with the provisions of the Act and the Rules.	Minutes of Board and Committee Meeting

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

124	In accordance with the provisions of the Act and the Rules, the Company shall have Key Managerial Personnel as mentioned in the Act. The appointment of Key Managerial Personnel shall be in accordance with the provisions of the Act and Rules, if any.	Key Managerial Personnel
125	Subject to the provisions of the Act :- 1) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; 2) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. 3) A Key Managerial Personnel can be appointed as a director of any company, subject to compliance with the provisions of the Act.	Chief Executive Officer etc.
126	A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.	Signing by Director and Chief Executive Officer etc.

REGISTERS

127	The Company shall keep and maintain at its registered office all Statutory Registers (in physically or electronic mode) including Register of Charges, if applicable for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The Register of member, Index of Members and copies of Annual Returns with annexures thereto may be kept at such other place as may be approved by the Members by special resolution subject to the provisions of the Act and Rules. The Registers including Register of Charges, if need and copies of Annual Returns shall be available for inspection during working hours on all working days except Saturdays during such time as may be fixed by the Board, at the place where such Registers are kept and maintained, by the persons entitled thereto on payment, where required, without any fees in absence of any fees fixed by the Board in this behalf not exceeding the limits prescribed by the Rules.	Statutory Registers

128	1) The Company may exercise the powers conferred on it by the Act with regard to keeping of a Foreign Register and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of such Registers. 2) The Foreign Register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the Register of member.	Foreign Register

THE SEAL

129	1) The Board shall provide for the safe custody of the seal. 2) The Seal shall be under the safe custody of Company Secretary or such other officer(s) as may be authorised by the Board.	The Seal, its custody and use
130	The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or chief executive or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or chief executive or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	Affixation of seal

DIVIDEND AND RESERVES

131	The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in General Meeting may declare a lesser dividend.	Company in General Meeting may declare dividend
132	Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.	Interim dividend
133	1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. 2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Dividend only to be paid out of profits Carry forward of profits
134	1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. 2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. 3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	Division of profits Capital paid-up in advance at interest not to earn dividend Dividends proportion to amount paid-up

135	The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	Company's right to re-imbursement there from
136	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained entitled to become a Member, until such person shall become a Member in respect of such shares.	Retention of dividends
137	1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. 2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Dividend how remitted Instrument of payment
138	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other moneys payable in respect of such share.	Receipt of one holder sufficient
139	No dividend shall bear interest against the Company.	No interest on dividends
140	The waiver in whole or in part of any dividend on any share by any document(whether or not under seal) shall be effective only if such document is signed by the Member(or the person entitled the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividends
141	Unclaimed dividend shall be dealt in the manner as prescribed under the provisions of the Act and the Rules and other applicable laws.	Unclaimed dividend

ACCOUNTS AND AUDIT

142	The Company shall maintain such book of accounts and book and papers (in physically or electronic mode) as prescribed under the provisions of the Act and the Rules. Such book of account and book and paper shall be kept at such place as prescribed under the Act or as the Board of directors think fit subject to compliance with the applicable provisions of the Act.	Maintenance of book of account
143	1) The books of accounts and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. 2) No Member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board.	Inspection by Directors Restriction on inspection by Members
144	1) The financial statements, book of accounts and other relevant books and papers of the Company shall be examined and audited in accordance with the provisions of the Act and the Rules. 2) Appointment, re-appointment, rotation, removal, resignation, eligibility, qualification, disqualification, remuneration, powers and duties etc. of the Statutory Auditors shall be in accordance with the provisions of the Act and the Rules.	Accounts to be Audited Provisions relating to Statutory Auditors
145	1) In case the Company is required to maintain cost records and/or to get the same audited, the same shall be maintained and got audited, in the manner prescribed under the provisions of the Act and the Rules. 2) Appointment, re-appointment, rotation, removal, resignation, eligibility, qualification, disqualification, remuneration, powers and duties etc. of the Cost Auditors shall be in accordance with the provisions of the Act and the Rules.	Cost records and Audit Provisions relating to Cost Auditors

146	1) In case the Company is required to get its secretarial records audited by a Secretarial Auditor, the same shall be got audited, in the manner prescribed under the provisions of the Act and the Rules. 2) Appointment, re-appointment, rotation, removal, resignation, eligibility, qualification, disqualification, remuneration, powers and duties etc. of the Secretarial Auditors shall be in accordance with the provisions of the Act and the Rules.	Secretarial Audit Secretarial Auditors

WINDING UP

147	Subject to the provisions of the Act and the Rules:- 1) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. 2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. 3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.	Winding up of Company

INDEMNITY AND INSURANCE

148	1) Subject to the provisions of the Act, every director, managing director, whole time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses(including travelling expenses) which such director, manager, Company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. 2) Subject as aforesaid, every director, managing director, whole time director, manager, company secretary and other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal. 3) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	Directors and officers right to indemnity Insurance

GENERAL

149	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges	General Powers

	or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. Further, where the Act or Rules empowers the Board to exercise any powers for and on behalf of the Company, the Board shall be entitled to exercise the same, irrespective of whether the same is contained in this Articles or not.	
150	Any provisions contained in these Articles shall, to extent to which it is repugnant to the provisions of the Act or the Rules, become or be void, as the case may be without affecting other regulations contained in these Articles.	Act to over-ride Articles in certain cases

SECRECY CLAUSE

151	Every Director, Manager, Auditor, Member of a Committee, officer, servant, agent, accountant, consultant or other person employed or engaged in the business of the Company, shall observe strict secrecy respecting all transactions and affairs of the Company and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board of directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy
152	No Members shall be entitled to visit or inspect the Company's Works without the permission of the Board of directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Board of director, it will be inexpedient in the interest of the Members of the Company to communicate to the public.	Restriction on visiting or inspecting the Company's work by the Members
153	Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, deeds, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board of directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.	Directors/officer not responsible for acts of others

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated November 25, 2019 executed between our Company and the Lead Managers.
2. Registrar Agreement dated November 22, 2019 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated November 22, 2019 executed between our Company and the Debenture Trustee.
4. Tripartite agreement dated June 24, 2016 among our Company, the Registrar and CDSL.
5. Tripartite agreement dated May 31, 2012 among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated November 24, 1993, February 14, 1994, July 12, 2007 and March 17, 2017, issued by Registrar of Companies, Kolkata (previously Registrar of Companies, West Bengal).
3. Certificate of Registration as an NBFC dated September 03, 2007 and May 04, 2017 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934.
4. Copy of shareholders resolution dated August 14, 2019 under section 180 (1) (c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated July 19, 2019, read together with resolution by the Board of Directors dated March 19, 2019 approving the issue of NCDs.
6. Copy of the resolution dated November 26, 2019 passed by circulation by the Committee of Directors approving this Draft Shelf Prospectus.
7. Credit rating Letter dated November 14, 2019, credit rating rationale dated November 14, 2019, by CRISIL Limited assigning a rating of CRISIL AAA/Stable '(pronounced as CRISIL triple A with Stable outlook) to the long term borrowing programme of our Company.
8. Credit rating Letter dated November 15, 2019, credit rating rationale dated November 19, 2019 by CARE Ratings assigning a rating of CARE AAA / Stable (pronounced as CARE triple A with Stable Outlook) to the long term borrowing programme of our Company.
9. Credit rating Letter dated November 18, 2019, credit rating rationale dated November 15, 2019 by India Ratings assigning a rating of IND AAA / Stable (pronounced as IND triple A with Stable outlook)) to the long term borrowing programme of our Company.
10. Consents of the Directors, our Company Secretary and Compliance Officer to the Issue, Chief Financial Officer, Lead Managers, Legal Advisor to the Issue, Registrar to the Issue, the Debenture Trustee for the Issue, Banker to the Company, CRISIL for the Industry Report[s] and Credit Rating Agencies to include their names in this Draft Shelf Prospectus, in their respective capacities.
11. Consent Letter dated November 26, 2019, the Statutory Auditors of our Company, have given their consent to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Draft Shelf Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as a current statutory auditor and to include their (i) examination reports, each dated November 25, 2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Review Report dated October 18, 2019 on Unaudited Ind AS Interim Financial Information (iii) their report dated November 25, 2019 on the statement of tax benefits and (iv) Audited Ind AS Standalone Financial Statements and Audited Ind AS Consolidated Financial Statements each dated April 28, 2019, in this Draft Shelf Prospectus and Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.
12. Annual Report of our Company for the last five Fiscals.

13. In-principle listing approval from BSE by its letter no. [•] dated [•].
14. In-principle listing approval from NSE by its letter no. [•] dated [•].
15. Due Diligence Certificate dated [•], 2019 filed by the Lead Managers with SEBI.
16. Examination Report dated November 25, 2019 issued by Deloitte Haskins & Sells LLP, Chartered Accountants along with the Reformatted Financial Information dated November 25, 2019.
17. Unaudited Ind AS Interim Financial Information of our Company for the year ended September 30, 2019.
18. Industry reports titled 'CRISIL Research – "NBFC Report 2019", "EcoView 2019" and 'Two Wheeler Report 2019" issued by CRISIL.
19. Shareholders Agreement dated June 5, 2015 executed amongst our Company, Grameen Foundation Asia, Mr. Amit Patni, Mr. Arihant Patni, Citicorp Finance (India) Limited and Grameen Capital India Private Limited.
20. Securities Subscription Agreement dated June 5, 2015 between our Company and Grameen Capital India Private Limited.
21. Group Function Outsourcing Agreement dated October 5, 2018 between L&T Finance Holdings Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited, L&T Housing Finance Limited and L&T Finance Limited made effective from April 1, 2018 read with Amendment Agreement dated June 10, 2019 made effective from May 08, 2019.
22. Business Transfer Agreement dated September 4, 2018 executed between our Company and Centrum Financial Services Limited pertaining, made effective vide Deed of Assignment dated December 31, 2018
23. Shareholders' Agreement dated April 25, 2019 ("Shareholders' Agreement") executed among our Company, L&T Infra Debt Fund Limited, APIS Growth II (Lavender) Limited, L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited
24. Share Subscription and Share Purchase Agreement dated April 25, 2019 ("Subscription Agreement") executed among our Company, L&T Infra Debt Fund Limited, APIS Growth II (Lavender) Limited, L&T Finance Holdings Limited and L&T Infrastructure Finance Company Limited

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, in connection with the Issue have been complied with and no statement made in Draft Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Dinanath Mohandas Dubhashi
Non-Executive Director & Chairperson
DIN: 03545900

Pradeep Vasudeo Bhide
Independent Director
DIN: 03304262

Rajani Rajiv Gupte
Independent Director
DIN: 03172965

Rishi Mandawat
Non-Executive Director
DIN: 07639602

Date: November 26, 2019

Place: Mumbai

ANNEXURE A

CREDIT RATING LETTER AND RATING RATIONALE FROM CRISIL LIMITED

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CONFIDENTIAL

APEFING/235113/RB/14112019
November 14, 2019

Mr. Sachinn Joshi
Chief Financial Officer
L&T Finance Limited
2nd Floor, Brindawan,
Plot -177, CST Road,
Kalina, Santacruz (E),
Mumbai - 400098

Dear Mr. Sachinn Joshi,

Re: CRISIL Rating on the Rs 5000 Crore Retail Bonds* of L&T Finance Limited

We refer to your request for a rating for the captioned debt instrument.

CRISIL has, after due consideration, assigned its "**CRISIL AAA/Stable**" (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subha Sri Narayanan
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Details of the Rs 5000 Crore Retail Bonds of
L&T Finance Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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CRISIL Limited
Corporate Identity Number: L67120MH1987PLC042363

Ratings

CRISIL
An S&P Global Company

Rating Rationale

November 14, 2019 | Mumbai

L&T Finance Limited

'CRISIL AAA/Stable' assigned to Retail Bond

Rating Action

Total Bank Loan Facilities Rated	**Rs.4500 Crore**
Long Term Rating	**CRISIL AAA/Stable (Reaffirmed)**

Rs.5000 Crore Retail Bond*	**CRISIL AAA/Stable (Assigned)**
Rs.14000 Crore Non Convertible Debentures	**CRISIL AAA/Stable (Reaffirmed)**
Rs.13500 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities
**Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures*

Detailed Rationale

CRISIL has assigned its '**CRISIL AAA/Stable**' rating to the Rs 5000 crore retail bond issue of L&T Finance Limited (L&T Finance; part of the L&T Financial Services [LTFS] group). The LTFS group includes L&T Finance Holdings Ltd (LTFH; rated 'CRISIL AAA/Stable/CRISIL A1+) and its subsidiaries and associates. ratings on existing debt instruments have been reaffirmed at 'CRISIL AAA/Stable/CRISIL A1+'.

The rating reflects the LTFS group's strong and diversified presence across the financial services space and a well-diversified resource profile. It also centrally factors in expectation of strong support from the parent, Larsen and Toubro Ltd (L&T; rated 'CRISIL AAA/FAAA/Stable/CRISIL A1+'). These strengths are partially offset by moderate, albeit improving, asset quality.

Analytical Approach

For arriving at the rating, CRISIL has combined the business and financial risk profiles of LTFH (the holding company of the LTFS group) and its subsidiaries and associates. This is because all these entities have significant operational and management linkages and operate under a common brand. CRISIL has also factored in the strong support from the parent, L&T, given the strategic importance of the group to the parent along with the shared brand name. L&T is the majority shareholder of LTFH, with a shareholding of 63.86% as on September 30, 2019.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

*** Strategic importance to, and expectation of strong support from, L&T**

The LTFS group has demonstrated healthy growth and improved its return on equity (ROE) over the last few years. Due to L&T's focus on building a strong services portfolio including IT, technology and financial services, the LTFS group has been identified as a key focus area for the parent. As a result, L&T provides strategic oversight to the group and has personnel from its senior management, including the chief financial officer, on LTFH's board. L&T also has representation in some of the LTFS group's key committees, such as asset-liability, risk management and credit committees. The group also benefits from the synergies and expertise of L&T, especially in infrastructure and real estate lending. The shared name also supports the liabilities of the LTFS group.

Furthermore, the parent provides capital support to the LTFS group and has infused around Rs 3,779 crore to date (including Rs 2,000 crore in fiscal 2018). It has also provided an ongoing line of credit of Rs 2,000 crore to the LTFS group, which could be used in times of contingency. Capital support from the parent, along with internal cash accrual, is expected to keep capitalisation of the LTFS group adequate, with gearing (debt/networth) expected at around 7.0 times - not exceeding 7.5 times - on a steady-state basis.

The rating also factors in the strong support from the parent L&T, demonstrated by the articulation of its intention to (i) maintain strategic linkages and management oversight so that, among others, LTFS group conducts its business in a manner such that it honours its stakeholder obligations in a timely manner (ii) maintain majority shareholding in LTFH, and (iii) provide growth and risk capital, if and when required.

Financial services is expected to remain one of the key focus areas for L&T, which should continue to support the LTFS group.

*** Strong and diversified presence across the financial services space**

LTFH is the holding company for the financial services business of L&T and holds a majority stake in various subsidiaries that operate in the wholesale lending (consisting of infrastructure finance, structured finance group, debt capital markets [DCM] and real estate finance), mortgage finance (home loans and loans against property [LAP]), rural lending (farm equipment, two-wheelers, and micro loans), asset management, and wealth management businesses. In the wholesale lending segment, structured finance loans and DCM have been classified as defocused by LTFS starting from the quarter

ended June 30, 2019. In the lending space, the LTFS group has built a strong market position, with assets under management (AUM) of Rs 1,00,257 crore as on September 30, 2019. The portfolio has had a compound annual growth rate of 20% over the five fiscals through March 31, 2019. However, the growth has slowed down to 10% year-on-year as on September 30, 2019 and is expected to remain moderate in the near term.

Furthermore, the portfolio is diversified, with presence across various asset classes, such as infrastructure finance (31% of AUM as on September 30, 2019), Infra Debt Fund (IDF, 8%), real estate finance (16%), home loans (7%), LAP (4%), micro loans (13%), two-wheeler financing (6%), and farm equipment financing (8%). The group is also planning to foray into personal loans and SME business loans and has been running pilots. The remaining 7% is the defocused portfolio (consisting of products where the book is being run down), comprising the small retail portfolio (identified earlier), structured finance group, and DCM portfolio (classified since June 30, 2019).

Under the non-lending businesses, the LTFS group had sizeable average (quarterly) AUM of Rs 69,213 crore in the asset management business and closing assets under service of Rs 26,309 crore in the wealth management businesses as on September 30, 2019. In August 2019, LTFH entered into an agreement to sell its entire stake in L&T Capital Markets Ltd (LTCM; carrying out the wealth management business of the group) to IIFL Wealth Finance Ltd (rated 'CRISIL A1+') for a consideration amount of Rs 230 crore, plus the cash and cash equivalents balance of LTCM. The transaction is subject to regulatory approvals.

Going forward, the LTFS group intends to focus on growing its retail business and concentrate to grow its fee-based income to supplement the net interest margins (NIMs). Consequently, it expects higher growth in the rural and home loan portfolios. The share of the wholesale portfolio (excluding the IDF loan portfolio) has been declining steadily, from 62% as on March 31, 2016, to 54% as on September 30, 2019; the management intends to reduce the share further in the coming quarters. This shift in proportion is supported by a higher sell-down strategy in the infrastructure financing book (which also supports higher fee income) as well as through growth in the retail and housing finance portfolios. While the group continues to use its (and L&T's) expertise in the infrastructure finance segment to underwrite loans, a majority of the disbursements are now sold down. Moreover, the focus will continue to be on operational infrastructure projects in L&T Infra Debt Fund Ltd, the share of which has increased from 4% to 8% over the three fiscals through March 31, 2019. The IDF portfolio comprises projects with an average of five years of satisfactory operations and around 70% of the portfolio is either backed by a tripartite agreement or guaranteed/ supported by a government/ state authority. Furthermore, with the classification of structured finance group and the DCM book as defocused products, no additional disbursements are being done in these portfolios, and hence, their rundown should also support an increase in the share of the retail book.

*** Well- diversified resource profile**
The resource profile is diversified across capital markets and bank funding. The group is a large and frequent issuer in capital markets and has strong banking relationships. Of the total borrowing of Rs 90,050 crore as on September 30, 2019, non-convertible debentures (NCDs; including retail), commercial paper, external commercial borrowings (ECB) and bank borrowings formed 42%, 10%, 3%, and 42%, respectively. The group has raised retail NCDs of Rs 2,500 crore and ECB of around Rs 2588 crore recently.

The diversified resource profile is also reflected in the competitive average borrowing cost of 8.45% in fiscal 2019 (8.57% annualised for the first half of fiscal 2020), which is lower than most peers. L&T's parentage also supports the resource profile.

Weakness:
*** Moderate, albeit improving, asset quality**
The asset quality of the lending portfolio remains moderate. On a consolidated basis, gross stage 3 and net stage 3 assets stood at 5.98% and 2.83%, respectively, as on September 30, 2019. This is primarily contributed by higher gross stage 3 assets in the infrastructure portfolio due to legacy delinquent accounts.

In the wholesale portfolio, the ticket size remains chunky given the nature of these asset segments. Also, most of the segments in the retail portfolio have witnessed high growth in the last three years. However, with the management bringing in change in its strategy in terms of focusing on renewables and roads (for infrastructure finance), higher focus on retail loans, stronger underwriting and collection practices, better early warning systems, and focus on digitisation, the asset quality has improved over the past few quarters. The group has formed a specialised team to oversee recovery from stressed assets.

The management's ability to keep the portfolio quality in check while scaling it up will remain a monitorable. Moreover, performance of the wholesale lending portfolios will be closely monitored given the chunkiness in ticket size and sensitivity of borrowers in these segments to an environment of prolonged stretch in liquidity. Also, any deterioration in the asset quality leading to a significant decline in profitability from current levels, will be closely monitored.

Liquidity Superior
The consolidated asset-liability maturity (ALM) profile as on September 30, 2019 reflects cumulative positive liquidity gaps in all buckets up to one year, after factoring in unutilised bank lines and a committed long-term line from the parent, L&T. The group generally maintains liquidity for a minimum period of the next 30 days of upcoming repayments, under a business-as-usual as well as stress scenario. As on September 30, 2019, total debt repayment was around Rs 10,175 crore for the next three months (until December 31, 2019). Against this, liquidity included cash and liquid investments (Rs 3,381 crore), unutilised bank lines (Rs 6,227 crore), and a committed line from L&T (Rs 2,000 crore). Furthermore, collections from advances expected during these three months were about Rs 7,214 crore, further supporting liquidity.

Outlook: Stable
CRISIL believes LTFS will remain highly strategically important to L&T and continue to benefit from the strong support from the parent over the medium term. Furthermore, it is expected to maintain its strong and diversified presence across the

financial services space and a well-diversified resource profile.

Rating sensitivity factors

Downward factors

* Decline in L&T's credit risk profile by one notch could lead to a similar rating change for LTFH and its subsidiaries
* Any material change in the shareholding or support philosophy of L&T for the LTFS group
* Weakening in the capital structure of the LTFS group, with gearing exceeding 7.5 times on a steady-state basis, and/or deterioration in asset quality leading to a substantial decline in profitability

About the LTFS group

The group has a diversified product portfolio, with presence in wholesale as well as retail finance segments. Over the past couple of years, the management has exited some lending asset classes and currently caters to limited segments, such as farm equipment finance, two-wheeler finance, micro loans, housing and real estate finance and infrastructure finance. As part of this strategy, the supply chain financing portfolio was sold to Centrum Financial Services Ltd in fiscal 2019. Furthermore, structured finance group and DCM were identified and classified as part of the defocused book during the quarter ended June 30, 2019. The group also has presence in wealth and asset management businesses. As on September 30, 2019, LTFH's consolidated networth was Rs 13,981 crore.

In fiscal 2019, on a consolidated basis, profit after tax (PAT) was Rs 2,232 crore on total income of Rs 13,302 crore against Rs 1,278 crore and Rs 10,266 crore, respectively, for the previous fiscal. For the half year ended September 30, 2019, PAT was Rs 724 crore (PAT of Rs 1197 crore before the one-time impact of DTA) on total income of Rs 7,401 crore (against Rs 1,099 crore and Rs 6,473 crore, respectively, for the corresponding period of the previous fiscal).

About the company

L&T Finance Ltd is a non-banking finance company (NBFC) incorporated in 1993 and wholly held by LTFH. It had AUM of Rs 50,127 crore as on September 30, 2019, comprising micro loans (26% of total AUM), farm equipment loans (16%), two-wheeler loans (12%), LAP (0.6%), real estate financing (22%), infrastructure loans (14%) and balance in defocused. The gross and net stage 3 assets were 4.76% and 2.44% respectively as on September 30, 2019 (3.59% and 1.24%, respectively, as on March 31, 2019). Networth and gearing were Rs 8994 crore and 5.02 times, respectively, as on September 30, 2019. In fiscal 2019, the company reported a PAT of Rs 846 crore on total income of Rs 7,383 crore against Rs 117 crore and Rs 5,071 crore, respectively, for the previous fiscal. For the half year ended September 30, 2019, PAT and total income were Rs 141 crore and Rs 4453 crore, respectively (Rs 448 crore and Rs 3372 crore, respectively, for the corresponding period of the previous fiscal). PAT before the one time impact of DTA was at Rs 345 crore for the half year ended September 30, 2019.

Key Financial Indicators - L&T Finance Holdings Ltd (consolidated; as per Indian Accounting Standard)

As on/For the quarter ended	Unit	September 30, 2019	September 30, 2018
Total Assets	**Rs crore**	**1,05,006**	**1,00,065**
Total income	**Rs crore**	**7,401**	**6,473**
PAT	**Rs crore**	**724**	**1099**
Gross stage 3	**%**	**6.0**	**7.1**
Return on assets	**%**	**1.4**	**2.3**
Gearing	**Times**	**6.4**	**7.0**

Any other information: Not applicable

Note on complexity levels of the rated instrument:

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Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Size of the issue (in Crore)	Rating assigned along with Outlook
NA	Non-Convertible Debentures^	NA	NA	NA	14,000	CRISIL AAA/Stable
NA	Proposed Long Term Bank Loan Facility**	NA	NA	NA	4,500	CRISIL AAA/Stable
NA	Commercial paper Programme	NA	NA	7-365 days	13,500	CRISIL A1+
NA	Retail Bonds^**	NA	NA	NA	5,000	CRISIL AAA/Stable

^Not yet issued
***Interchangeable with short term bank facility*
***Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible*

Annexure - List of entities consolidated

Entity consolidated	Extent of consolidation	Rationale for consolidation
L&T Finance Holdings Ltd	Full	Holding Company
L&T Infrastructure Finance Company Ltd	Full	Subsidiary
L&T Investment Management Ltd	Full	Subsidiary
L&T Mutual Fund Trustee Ltd	Full	Subsidiary
L&T Financial Consultants Ltd	Full	Subsidiary
L&T Housing Finance Ltd	Full	Subsidiary
L&T Finance Ltd	Full	Subsidiary
L&T Capital Markets Ltd	Full	Subsidiary

L&T Infra Investment Partners Advisory Pvt Ltd	Full	Subsidiary
L&T Infra Investment Partners Trustee Pvt Ltd	Full	Subsidiary
L&T Infra Debt Fund Ltd	Full	Subsidiary
Mudit Cement Pvt Ltd	Full	Subsidiary
L&T Capital Markets (Middle East) Limited	Full	Subsidiary
L&T Infra Investment Partners	Proportionate	Subsidiary

Annexure - Rating History for last 3 Years

	Current			2019 (History)		2018		2017		2016		Start of 2016
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Commercial Paper	ST	13500.00	CRISIL A1+	04-10-19	CRISIL A1+		--		--		--	--
Non Convertible Debentures	LT	0.00 14-11-19	CRISIL AAA/Stable	04-10-19	CRISIL AAA/Stable		--		--		--	--
Retail Bond	LT	0.00 14-11-19	CRISIL AAA/Stable		--		--		--		--	--
Fund-based Bank Facilities	LT/ST	4500.00	CRISIL AAA/Stable	04-10-19	CRISIL AAA/Stable		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs.Crore)**	**Rating**	**Facility**	**Amount (Rs.Crore)**	**Rating**
Proposed Long Term Bank Loan Facility**	**4500**	**CRISIL AAA/Stable**	**Proposed Long Term Bank Loan Facility****	**4500**	**CRISIL AAA/Stable**
Total	**4500**	**--**	**Total**	**4500**	**--**

***Interchangeable with short term bank facility*

Links to related criteria
Rating Criteria for Finance Companies
CRISILs Criteria for Consolidation
CRISILs Criteria for rating short term debt
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support

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ANNEXURE B

CREDIT RATING LETTER AND RATING RATIONALE FROM CARE

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CARE Ratings
Professional Risk Opinion

No. CARE/HO/RL/2019-20/3356

Mr. Sachinn Joshi
Group CFO
L&T Finance Ltd. (erstwhile Family Credit Ltd),
L&T Financial Services Group,
2nd Floor, Brindavan Bldg, Plot no.177,
Kalina, Santacruz (East).
Mumbai - 400098

November 15, 2019

Confidential

Dear Sir,

Credit rating for Public issue of Long-term debt programme

(Secured Redeemable Non- Convertible Debentures/ Unsecured Subordinated Redeemable Non-convertible Debenture)

Please refer to your request for rating of proposed long-term non-convertible debenture/Sub debt (NCD) Public issue aggregating to Rs. 5000 crore of your company.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures	5000.00	**CARE AAA; Stable (Triple A; Outlook: Stable)**	**Assigned**
Total	**5000.00 (Rs. Five Thousand crore only)**		

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is November 15,2019)

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)
4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22- 6754 3456 • Fax: +91-22- 6754 3457 • www.careratings.com • CIN-L67190MH1993PLC071691

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

7. The rationale for the rating will be communicated to you separately.

8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
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12. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

Akansha Jain
Rating Analyst
akansha.jain@careratings.com

Aditya Acharekar
Associate Director
aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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L&T Finance Ltd.

(Erstwhile Family Credit Ltd.)

November 19, 2019

Ratings

Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures	**5000**	**CARE AAA; Stable [Triple A; Outlook: Stable]**	**Assigned**
Total	**5000 (Rupees Five thousand crore only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings continue to factor in the strategic importance of L&T Finance Holdings Limited (LTFHL) to the L&T group as the flagship holding company of the group's financial services business. The same is reflected through maintaining of ownership, sharing of the L&T brand name along with continued financial and management support.

Further, the ratings continue to draw comfort from experienced management and LTFHL's strong resource raising ability coupled with comfortable liquidity position. CARE has also taken into account the diversified revenue streams through various subsidiaries in the wholesale and retail lending segment, with increasing proportion of retail portfolio, though at present the wholesale portfolio constitutes a larger share.

The ratings also take into account moderate but improving asset quality and strong growth with improving profitability. On a consolidated basis, the high concentration in the wholesale portfolio along with the high growth in the relatively riskier asset classes including micro loans, two wheeler and real estate and will remain as key rating monitorable. The ratings also take into account relatively high gearing levels on a consolidated basis. LTFH management expects gearing levels to not significantly increase from the existing levels, considering healthy internal accruals and relatively lower growth in the loan portfolio.

Continued support from L&T, maintaining profitability and asset quality considering the change in the product-mix are the key rating sensitivities.

Rating sensitivities

Negative Factors

- Weakening of parent's credit profile
- Material deterioration in asset quality for LTFHL group.
- Increase in gearing (Debt/Net-worth) beyond 9x levels at LTFHL group level.

Detailed description of the key rating drivers

Key Rating Strengths

Strong parentage and strategic importance for the parent company/group

L&T is a major technology, engineering, construction, manufacturing and financial services conglomerate, with global operations. L&T operates in sectors like hydrocarbon, infrastructure, power, process industries and defence for customers in over 30 Countries around the World. L&T's total consolidated debt stands at Rs.1256 billion as on March 31, 2019 with a market capitalization of approx. Rs.1953 billion. LTFHL is in the financial service space and group's flagship holding co. L&T group considers LTFHL group strategically important, which is reflected through brand linkages and financial and managerial support. Besides LTFHL also benefits from the expertise of L&T Limited in infrastructure segment, however LTFHL does not lend against any infrastructure projects of L&T. In terms of representation from L&T, Mr.R. Shankar Raman (currently serving a whole-time director and CFO at L&T Limited) is on L&TFH board as a non-executive director and he is also a member of CSR Committee and Risk Management Committee. Also, Mr. Thomas Mathew (who is an independent director at L&T Ltd) is an independent director at LTFHL and also a chairperson in Nomination and Remuneration Committee and Audit Committee. Further there has been instances of equity infusion in the past & extension of credit line of Rs.2000 crore which indicate continuous support from the parent. L&T Ltd had recently infused equity capital of Rs.2000 crore in FY18.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

Strong growth in portfolio along with improving profitability

During FY19, the LTFHL consolidated PAT stood at Rs.2232 crore as against Rs.1278 crore (reinstated) as compared to FY18 showing a y-o-y growth of 74%. There has been also a strong growth in the loan portfolio which stood at Rs.91,325 crore as on March 31, 2019 as against Rs.77,088 crore as on March 31, 2018 showing a y-o-y rise of 18%. The fee income has increased because of increased contribution from retail businesses. The fee income is well diversified with major contributions from sell-down, cross sell, advisory fee & fee income from mutual fund business. During FY19, LTFHL has done incremental provisions and macro-prudential provisions to take care of any additional volatility in asset performance going forward. During FY19, NIM stood at 5.67% as against 4.76% in FY18. This is primarily because of the increase in proportion of portfolio fetching higher yields. Operating expenses as a % of total assets has increased from 1.67% (reinstated) in FY18 to 1.93% in FY19. This is primarily on account of rise in the retail book which has increased the employee as well as other operational costs. For FY19, ROTA and RONW stood at 2.29% and 21.01% respectively, as against 1.60% and 12.12% in FY18.

On a standalone basis, during FY19, total income of LTFL increased substantially by 46% to Rs.7383 crore from Rs.5071 crore in FY18 due to the growth in the rural book which comprises of high yielding assets. The net interest income rose from Rs. 2463 crore in FY18 to Rs.3684 crore in FY19. On account of which the Net interest Margin improved to 7.4% in FY19 from 6.1% in FY18. The operating expense to average assets remained stable at 2.60% in FY19 (FY18: 2.4%). The provision to average assets also declined from 1.96% in FY18 to 1.34% in FY19 due to improvement in the asset quality. The profit of the company rose from Rs. 117 crore in FY18 to Rs.846 crore in FY19. Consequently, the ROTA improved from 0.3% in FY18 to 1.7% in FY19.

Strong Resource Raising Ability and Capital Position

The consolidated capital adequacy ratio stands at 17.85% as on March 31, 2019 (Tier I Ratio stands at 14.56%). Thus, there is sufficient headroom to raise Tier II capital. As on March 31, 2019, Tangible networth stood at Rs. 11632 crore. In terms of resource mobilization, company has been able to raise Rs.2500 crore through retail NCD's in two tranches i.e. in Mar 19 & April 19 respectively. It has also raised Rs.1152 crore from IFC. It has plans to further diversify its borrowings through ECB's, USD Bonds and Masala bonds. The Company also has through its subsidiaries entered into a definitive agreement with Apis Growth Fund-II for a minority stake sale of upto 25.1% in L&T Infra Debt Fund Ltd; of this equity infusion around 70% will be towards primary capital infusion.

The capital adequacy ratio of LTFL stands at 16.98% (above the regulatory requirement of 15%) and Tier I capital ratio stands at 15.22% as on March 31, 2019. The tangible net worth of the company was Rs.6807 crore as on March 31, 2019 as against the tangible net worth of Rs. 5608 crore as on March 31, 2018. The tangible net worth stood at Rs. 7310 crore as on September 30, 2019.

Comfortable liquidity profile

The consolidated ALM profile as on September 30, 2019 had cumulative positive mismatches upto 1year bucket. As on 30th September,2019, Rs. 11,607 Cr of liquidity is maintained in the form of cash, FD and other liquid assets aggregating to Rs.3380 crore, undrawn bank lines of Rs.6227 crore alongwith back up line from L&T of Rs.2000 crore.

Diversified revenue streams through direct and indirect subsidiaries that have moderate track record albeit growth coming from the high yielding segments and relatively riskier asset class

LTFHL has presence across various financial services like corporate and retail finance and infrastructure through its subsidiaries and investment management services through step-down subsidiaries. In retail finance, company primarily deals in two wheeler, micro loans, farm equipment and housing loans, whereas in wholesale, it primarily does infrastructure finance and real estate finance. The remaining wholesale book has been classified as defocused book ie DCM and Structured Finance book which stands at Rs.7203 crore as on September 30, 2019.

The growth in FY19 has come from retail segment with two wheeler and micro loans showing higher growth and from real estate in the wholesale segment. In the micro loans, the customer profile is from lower socio economic background; hence this segment is prone to event risks such as political, socio-economic and natural calamities. The asset quality is highly volatile during occurrence of such event risks. In the farm equipment financing, cashflows are subjected to volatilities in the rainfall conditions in any geographies. The real estate sector is witnessing slowdown and experiencing heightened refinancing risk, and therefore the asset quality in this segment is a key monitorable. To mitigate, the risks in the real estate book, exposure are taken on the basis of evaluation of the project, developer, location and stage of construction, sales velocity etc. Further it has control over cashflows through creation of escrow accounts, control over vendor payment and focussed &continuous monitoring of the project.

Key Rating Weakness

Moderate Asset Quality

From FY19 onwards, company adopted ECL model for classification of advances in Stage I, Stage II and Stage III and consequent provisioning on the same. The company has post adoption of ECL model, done incremental provisioning of

around Rs.1800 crore through reserves as on April 01, 2017. The GNPA and NNPA of FY18 pre-adoption of Ind AS stood at 4.80% and 2.34%. Post adoption of Ind AS, Gross stage 3 and Net Stage 3stands at 8.71% and 3.34% as on March 31, 2018. Gross stage 3 and Net Stage 3 reduced to 5.90% and 2.4% respectively as on March 31, 2019.
Even the provision coverage ratio has increased from 55.5% as on March 31, 2018 to 61% as on March 31, 2019. During FY19, company has made net incremental provisions of Rs.700.88 crore. As on September 30, 2019, Gross Stage 3 and Net Stage 3 stood at 5.98% and 2.83% respectively.
At a standalone level, the Gross Stage 3 and Net Stage 3 ratio was 3.6% (Mar-18- GNPA 6.07%) and 1.2% (Mar-18- NNPA 2.81%) respectively as on March 31, 2019. Net NPA to net worth ratio was 8.5%. The Gross Stage 3 and Net Stage 3 ratio was 4.76% and 2.44% respectively as on September 30, 2019.

Relatively high gearing but capitalization is supported by timely equity infusion from parent
As on March 31, 2019, gearing (debt to tangible networth) at consolidated levels stood at 7.87x. Furthermore, the gearing had reduced to 7.57 times as on September 30, 2019. As per the LTFH management, the gearing levels are not expected to significantly increase from the existing levels also on account of healthy internal accruals and relatively lower growth in the loan portfolio. The Interest coverage has shown an increase from 1.27x times as on March 31, 2018 to 1.44x as on March 31, 2019.
The gearing of LTFL stood at 6.74 times as on March 31, 2019 as compared to 6.32 times as on March 31, 2018. The gearing decreased to 6.08 times as on September 31, 2019. The interest coverage has improved form 1.06 times in FY18 to 1.39 times in FY19.

Concentration in wholesale book
The lending activity of L&T Group can be divided primarily into 2 broad classes. Rural finance which comprises of farm equipment, housing loans, two wheeler and micro loans. Wholesale book comprises of Real Estate and Infrastructure Finance. Company has classified DCM and Structured Finance Corp as a defocused book, which constitute 7% of the outstanding book as on September 30, 2019. Wholesale book occupies 55% of the outstanding book as on September 30, 2019. Though the company has plans to increase its retail book going forward, but currently wholesale book continues to remain a larger part of the outstanding portfolio.

Liquidity Profile- Strong: The consolidated ALM profile as on September 30, 2019 had cumulative positive mismatches upto 1year bucket. As on 30th September, 2019, Rs. 11,607 Cr of liquidity is maintained in the form of cash, FD and other liquid assets aggregating to Rs.3380 crore, undrawn bank lines of Rs.6227 crore along-with back up line from L&T of Rs.2000 crore. The liquidity is maintained over and above the expected collections of Rs. 29,946 crore, against the repayment of Rs.24,386 crore in the next one year. The group's resource raising capability through integrated treasury also provides comfort.

Analytical approach:
L&T Finance Holdings Ltd the flagship company of the L&T group, owns 100% in most of its subsidiaries and the management/line functions for these businesses is common with significant operational and financial integration among them. Accordingly, CARE has considered a consolidated view for arriving at the rating.The list of the subsidiaries considered for consolidation are as per Annexure 3.

Applicable Criteria
Criteria on assigning Outlook and Credit Watch to Credit Ratings
CARE Policy on Default Recognition
Financial ratios - Financial Sector
Consolidation and Factor Linkages in Ratings
Rating Methodology- Non Banking Finance Companies
Criteria for Market Linked Notes/Debentures

About the Company
LTFHL is RBI registered Non-Banking Finance Company - Core Investment Company (NBFC – CIC) and holding company for the financial services entities of the L&T group. As on March 31, 2019, L&T held 64.01% equity stake in LTFHL. The group has three key business segments, namely rural finance (comprising farm equipment, two wheeler and micro loans), housing finance (comprising home loans, LAP and real estate finance) and wholesale lending (comprising infra finance and structured corporate loans).

Brief Financials (Rs. crore)	FY18(A)*	FY19(A)*
Total income	10.266	13.302
PAT	1.277	2.232
Interest coverage (times)	1.27	1.44
Total Assets	87,776	1,06,055
Net Stage 3 (%)	3.3	2.4
ROTA (%)	1.6	2.29

A: Audited **Financials as per Ind-AS*

About LTF

LTF was originally incorporated as Apeejay Finance Group Ltd. in 1993. In September, 2006, Societe Generale Consumer Finance (SGCF), a division of Societe Generale Group, France, acquired 45% stake in the company and gradually increased its stake to 100% by October 2007. Subsequently, the company's name was changed to Family Credit Limited (FCL). In December 2012, LTFHL (rated CARE AAA; Stable); the flagship holding company for the financial services of the L&T Group acquired 100% shareholding in FCL. During March'17, L&T Finance Limited (pre-merger) and L&T FinCorp Limited amalgamated with Family Credit Limited. The amalgamated entity was renamed as L&T Finance Limited. As on March 31, 2019, LTF had loan portfolio of Rs. 48947 crore.

L&T Finance Ltd (erstwhile Family Credit Ltd)

Brief Financials* (Rs. crore)	FY18 (A)	FY19(A)
Total income	5071	7,383
PAT	117	846
Overall Gearing (times)	6.32	6.74
Total Assets (adjusted for Intangible assets and Deferred Tax assets)	41,496	53,754
Gross Stage 3 (%)	6.1	3.6
ROTA (%) (PAT/Average Total Assets)	0.3	1.7

A: Audited *Financials as per IND AS

Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Applicable
Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures (Proposed)	-	-	-	500.0	CARE AAA; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Debentures-Non Convertible	LT	300.00	CARE AAA; Stable	1) CARE AAA; Stable	1)CARE AAA; Stable	1)CARE AAA; Stable	1)CARE AA+; Stable

	Debentures				(21-Aug-19)	(08-Oct-18)	(16-Mar-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	(30-Dec-16) 2)CARE AA+ (04-Nov-16)
2.	Commercial Paper	ST	18500.00	CARE A1+	1)CARE A1+ (21-Aug-19)	1)CARE A1+ (08-Oct-18)	1)CARE A1+ (26-Feb-18) 2)CARE A1+ (09-Oct-17) 3)CARE A1+ (07-Jul-17) 4)CARE A1+ (17-Apr-17)	1)CARE A1+ (21-Mar-17) 2)CARE A1+ (30-Dec-16) 3)CARE A1+ (04-Nov-16) 4)CARE A1+ (30-Jun-16)
3.	Borrowings-Secured Long Term Borrowings	LT	2300.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18) 2)CARE AAA; Stable (08-Mar-19)	1)CARE AAA; Stable (30-Mar-18) 2)CARE AAA; Stable (26-Feb-18) 3)CARE AA+; Positive (09-Oct-17) 4)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
4.	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
5.	Debentures-Non Convertible Debentures	LT	300.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)

6.	Debt-Subordinate Debt	LT	50.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
7.	Debentures-Non Convertible Debentures	LT	400.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
8.	Debentures-Non Convertible Debentures	LT	350.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
9.	Debentures-Non Convertible Debentures	LT	750.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
10.	Debt-Subordinate Debt	LT	75.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
11.	Debt-Subordinate Debt	LT	100.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+;	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16) 3)CARE AA+ (06-Apr-16)

							Stable (17-Apr-17)	
12.	Debt-Perpetual Debt	LT	100.00	CARE AA+; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AA+; Stable (08-Oct-18)	1)CARE AA+; Stable (26-Feb-18) 2)CARE AA; Positive (09-Oct-17) 3)CARE AA; Stable (17-Apr-17)	1)CARE AA; Stable (30-Dec-16) 2)CARE AA (04-Nov-16) 3)CARE AA (06-Apr-16)
13.	Debentures-Non Convertible Debentures	LT	4400.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (08-Mar-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (21-Mar-17)
14.	Debt-Subordinate Debt	LT	350.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (21-Mar-17)
15.	Debentures-Non Convertible Debentures	LT	600.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	1)CARE AA+; Stable (21-Mar-17)
16.	Debt-Perpetual Debt	LT	250.00	CARE AA+; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AA+; Stable (26-Feb-18) 2)CARE AA; Positive (09-Oct-17) 3)CARE AA; Stable (17-Apr-17)	1)CARE AA; Stable (21-Mar-17)
17.	Fund-based - LT-Term Loan	LT	18450.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18) 2)CARE AAA; Stable	1)CARE AAA; Stable (30-Mar-18) 2)CARE AAA; Stable	-

						(08-Mar-19)	(26-Feb-18) 3)CARE AA+; Positive (09-Oct-17) 4)CARE AA+; Stable (17-Apr-17)	
18.	Debt-Perpetual Debt	LT	150.00	CARE AA+; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AA+; Stable (26-Feb-18) 2)CARE AA; Positive (09-Oct-17) 3)CARE AA; Stable (17-Apr-17)	-
19.	Fund-based - LT-Term Loan	LT	5250.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18) 2) CARE AAA; Stable (08-Mar-19)	1)CARE AAA; Stable (30-Mar-18) 2)CARE AAA; Stable (26-Feb-18) 3)CARE AA+; Positive (09-Oct-17) 4)CARE AA+; Stable (17-Apr-17)	-
20.	Debt-Subordinate Debt	LT	625.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	-
21.	Debentures-Non Convertible Debentures	LT	3625.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Apr-17)	-
22.	Commercial Paper-Commercial Paper (IPO Financing)	ST	0.00	Withdrawn	-	1)CARE A1+ (25-Jul-18) 2)Withdrawn (23-Jul-18) 3)Withdrawn (21-Jun-18) 4)CARE A1+	1)CARE A1+ (30-Mar-18) 2)Withdrawn (08-Mar-18) 3)CARE A1+ (16-Jan-18) 4) Withdrawn	-

						(21-Jun-18)	(07-Dec-17) 5)CARE A1+ (09-Oct-17)	
23.	Debentures-Market Linked Debentures	LT	500.00	CARE PP-MLD AAA; Stable	1) CARE PP-MLD AAA;; Stable (21-Aug-19)	1)CARE PP-MLD AAA; Stable (08-Oct-18)	1)CARE PP-MLD AAA; Stable (26-Feb-18) 2)CARE PP-MLD AA+; Positive (05-Dec-17)	-
24	Debenture-Non-Convertible Debentures	LT	1000.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (05-Sept-18)	-	-
25	Debenture- Non-Convertible Debentures/ Subordinate Debt	LT	5000.00	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1)CARE AAA; Stable (31-Dec-18) 2)CARE AAA; Stable (25-Dec-18)	-	-
26	Debenture-Non-Convertible Debentures	LT	4375	CARE AAA; Stable	1) CARE AAA; Stable (21-Aug-19)	1) CARE AAA; Stable (08-Mar-19)	-	-
27	Debentures-Market Linked Debentures	LT	1000	CARE PP-MLD AAA; Stable	1) CARE PP-MLD AAA; Stable (21-Aug-19) 2)CARE PP-MLD AAA; Stable (23-May-19)	-	-	-
28	Debenture- Non-Convertible Debentures/ Subordinate Debt	LT	5000	CARE AAA; Stable	-	-	-	-

Annexure-3: List of subsidiaries/associates considered for consolidation

Sr. No	Name of Company
1	L&T Infrastructure Finance Company Limited
2	L&T Investment Management Limited
3	L&T Mutual Fund Trustee Limited
4	L&T Financial Consultants Limited (erstwhile known as L&T Vrindavan Properties Limited)
5	L&T Infra Investment Partners Advisory Private Limited
6	L&T Infra Investment Partners Trustee Private Limited
7	L&T Finance Limited (erstwhile known as Family Credit Limited)
8	L&T Housing Finance Limited
9	L&T Capital Markets Limited
10	L&T Infra Debt Fund Limited
11	Mudit Cements Private Limited
12	L&T Infra Investment Private Limited

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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Email: ankur.sachdeva@careratings.com

About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

***For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

ANNEXURE C

CREDIT RATING LETTER AND RATING RATIONALE FROM INDIA RATINGS

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India Ratings & Research

Fitch Group

Mr. Sachinn Joshi
Group Chief Financial Officer,
L&T Finance Limited,
5th Floor, City-2, Kalina,
Santacruz (East),
Mumbai – 400098

November 18, 2019

Dear Mr. Sachinn Joshi,

Re: Rating of L&T Finance Limited's (LTFL)

India Ratings (see definition below) assigns the following ratings for LTFL:-

INR 50bn secured redeemable non-convertible debentures [public issue]: 'IND AAA' with Stable Outlook (the rated limit is interchangeable with unsecured subordinated redeemable non-convertible debentures [public issue])
- The NCDs are yet to be issued.

India Ratings (see definition below) communicates the following ratings for LTFL:-

INR 58bn (Reduced from INR 78bn) non-convertible debentures: 'IND AAA' with Stable Outlook.
-Of the above LTFL has issued INR 54.10bn (outstanding as of end-September'19: INR 44.10bn).

INR 50bn secured redeemable non-convertible debentures [public issue]: 'IND AAA' with Stable Outlook (the rated limit is interchangeable with unsecured subordinated redeemable non-convertible debentures [public issue/private issue])

- Of the above LTFL has issued INR 25bn.

INR 2bn unsecured subordinated redeemable non-convertible debentures: 'IND AAA' with Stable Outlook.
- Of the above LTFL has issued INR 0.26bn

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings & Research

Fitch Group

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch at any time due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

Sincerely,

India Ratings

Rakesh Valecha
Senior Director

Prakash Agarwal
Director

India Ratings & Research
A Fitch Group Company

India Ratings Assigns L&T Finance's Additional NCDs 'IND AAA'/Stable

15
NOV 2019

By Apurva Naik

India Ratings and Research (Ind-Ra) has taken the following actions on L&T Finance Limited's (LTFL) debt instruments:

Instrument Type	Date of issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Non-convertible debentures (NCDs)/bank borrowings/subordinated debt^	-	-	-	INR90	WD	Withdrawn
NCDs (public issue/private issue)/bank borrowings/subordinated debt	-	-	-	INR110	IND AAA/Stable	Affirmed
NCDs (public issue)#	-	-	-	INR50	IND AAA/Stable	Assigned

^ The company did not proceed with the instrument as envisaged. Out of INR90 billion limits shared by LTFL, L&T Infrastructure Finance Company (LTIF; 'IND AAA'/Stable) and L&T Housing Finance Limited (LTHF; 'IND AAA'/Stable), NCDs worth INR40 billion have been allocated to LTIF and the remaining INR50 billion have been allocated to LTFL.
* Details in Annexure
# Yet to be issued

Analytical Approach: Ind-Ra continues to take consolidated view of the parent L&T Finance Holdings Limited (LTFHL; 'IND AAA'/Stable) and its 100% (direct and indirect) operating subsidiaries LTIF, LTHF and LTFL (together referred to as financial services) for the ratings. This is because of the financial and operational flexibilities that the consolidated finance platform offers to itself as well as to the borrowers.

KEY RATING DRIVERS

L&T Group's High Propensity and Ability to Support: Financial services is among the high growth and profitability businesses in the L&T group and has received regular capital infusions (about INR38 billion) from the group since inception. The L&T group has a strong operating profile with adequate resources in terms of on-book liquidity, ability to raise funds from banks as well as capital markets and assets/investments that can be monetised to support financial services' growth and liquidity requirements.

The L&T group has articulated that financial services is a core and integral part of its strategy and is likely to be one of the key value drivers for the group. The group maintains strategic linkages, management oversight and control, majority shareholding and provide support lines (INR20 billion) towards financial services on an ongoing basis. The management also indicated fungibility with financial services in terms of capital and liquidity over the long term. Ind-Ra expects financial services to contribute about 20% to the group's profits in the medium term.

Diversified Business Segments: LTFL is the largest subsidiary of LTFHL by loan book size (2QFY20: 49% of the total loans). It houses high-growth rural business segments such as micro loans, tractor and two-wheeler financing of the entire LTFHL platform. It also has real estate developer loans (2QFY20: which forms 22% of LTFL's book and 69% of developer loans across the LTFHL platform) and wholesale finance including infrastructure and structured corporate finance (24% of LTFL's book) on its books. LTFL's exposure to wholesale clients declined during FY19 as the other businesses ramped up aggressively and the allocated growth capital and liquidity for this segment is lower than that for rural and housing segments. The assets in infrastructure, corporate finance and real estate financing are booked in LTFL and other operating entities, based on the available liquidity and tenors, capital availability and regulations.

Moderate Standalone Asset Quality: Overall, LTFL's gross stage 3 assets were about 4.76% of the total assets under management in 2QFY20. The rural business has lower gross stage 3 assets at 3.6% post write-off and recoveries on the demonetisation impacted portfolio, than other businesses. Ind-Ra expects the microfinance business to witness additional pressure on account of the early delinquencies witnessed especially in Odisha; the macro-prudent provisions of INR1.8 billion could help mitigate the credit cost expectations in the rural business. The company's infrastructure lending vertical (that houses large legacy originations too) has the highest stage 3 assets (2QFY20: 4.1%). The provision coverage towards stage 3 stood at 50% at 2QFY20.

Ind-Ra expects the asset quality to remain steady, given that the resolution process for some of the stressed assets in wholesale book may be completed over the next one year while fresh slippages could be from the rural and real estate segments. The real estate lending model incorporates longer tenor loans, market intelligence operations, technical evaluations and early warning based internal reporting across the loan tenure. This implies that potential stresses in the real estate book, in the agency's opinion, could show up later than for other lenders while providing LTFHL more time to resolve project-level issues.

Liquidity Indicator - Adequate: The treasury operations and management are well integrated for LTFHL and its operating subsidiaries. In terms of asset liability management (ALM), at 2QFY20, the cumulative short-term positive mismatch (inflows exceed outflows) in the short-term maturity buckets was 17.91% of the total assets, including prepayments budgeted based on past behaviour and excluding committed lines from banks and the L&T group. Excluding prepayments, the mismatch decreased to 13.29% (INR95.91 billion) of the total assets at end-September 2019 with no cumulative gaps in any bucket up to one year. LTFL also had unavailed bank lines of INR20.25 billion as at 2QFY20. Moreover, the company raised INR10 billion of NCDs through public issuances in 1QFY20 (INR15 billion in 4QFY19) and around INR25 billion through the external commercial borrowing route in H1FY20. LTFL, in addition to its own fund mobilising ability, has access to L&T group's liquidity. In terms of consolidated structural ALM (excluding funding lines from banks and support lines from L&T), there is a positive cumulative mismatch in the all the maturity buckets up to one year.

Nevertheless, given that there is stress in the industry for segments in which LTFL and consolidated LTFHL operate, Ind-Ra expects the standalone balance sheet liquidity as well as the overall ALM position to improve on an on-going basis. This will remain a key monitorable.

Leverage remains Key Monitorable: LTFL had leverage of 5.2x at FYE19 and 5.0x at 2QFY20. The consolidated leverage of LTFHL reduced to 6.44x in 2QFY20 from 7.05x in 2QFY19. Ind-Ra expects the consolidated leverage of LTFHL to continue its pace of decline, especially given that a substantial portion of the portfolio is non-retail.

RATING SENSITIVITIES

Negative: Dilution of support expectations in Ind-Ra's opinion, either on account of LTFL's inability to manage asset quality (especially in view of the high loan growth strategy), resulting in higher-than-expected losses or diminished business prospects, materially weakened financial parameters, lack of improvement in standalone as well as overall liquidity position, inadequate improvement in leverage in the opinion of the agency or decreased importance of LTFL or financial services to the L&T group, or otherwise could lead to a rating downgrade. The lack of timely support in terms of equity capital for growth or a liquidity event would also lead to a negative rating action. Also, any material deterioration in the credit profile of the L&T group or a change of ownership outside of the group could also lead to a negative rating action.

COMPANY PROFILE

LTFL is a wholly owned subsidiary of LTFHL. It houses the rural business of LTFHL. It also has on-book real estate developer loans and wholesale finance. LTFL was earlier known as Family Credit Limited, LTFL was formed in FY17 after the merger of the erstwhile L&T Finance Ltd with Family Credit.

FINANCIAL SUMMARY

Particulars (Standalone)*	**FY19**	**FY18**
Total assets (INR billion)	558.4	441.7
Total equity (INR billion)	89.0	82.9
Net profit (INR billion)	8.5	1.2
Return on average assets (%)	1.7	0.3
Equity/assets (%)	15.9	18.8
Source: LTFL * Calculated as per IND-AS		

RATING HISTORY

Instrument Type	**Current Rating/Outlook**			**Historical Rating/Outlook**		
	Rating Type	**Rated Limits (billion)**	**Rating**	**10 September 2019**	**24 December 2018**	**24 January 2018**
NCDs (public issue/private issue)/bank borrowings/subordinated debt	Long-term	INR110	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
NCDs (public issue)	Long-term	INR50	IND AAA/Stable			

ANNEXURE

Issue Type	**ISIN**	**Date of Issuance**	**Coupon rate (%)**	**Maturity Date**	**Size of Issue (billion)**	**Rating/Outlook**
NCD	INE027E07634	27 March 2018	8.25	8 April 2021	INR0.825	IND AAA/Stable

NCD	INE027E07642	28 March 2018	8.25	21 June 2021	INR0.95	IND AAA/Stable
NCD	INE027E07659	6 June 2018	8.65	28 April 2022	INR0.55	IND AAA/Stable
NCD	INE027E07675	6 July 2018	8.95	10 June 2022	INR0.35	IND AAA/Stable
NCD	INE027E07683	6 July 2018	8.92	6 October 2021	INR1.27	IND AAA/Stable
NCD	INE027E07691	20 July 2018	8.92	30 July 2021	INR0.25	IND AAA/Stable
NCD	INE027E07709	20 July 2018	8.95	16 August 2021	INR3.6	IND AAA/Stable
NCD	INE027E07642	27 July 2018	8.25	21 June 2021	INR0.8025	IND AAA/Stable
NCD	INE027E07717	2 August 2018	8.86	2 August 2023	INR0.35	IND AAA/Stable
NCD	INE027E07642	09 August 2018	8.25	21 June 2021	INR0.55	IND AAA/Stable
NCD	INE027E07691	20 August 2018	8.92	30 July 2021	INR0.108	IND AAA/Stable
NCD	INE027E07709	20 August 2018	8.95	16 August 2021	INR0.51	IND AAA/Stable
NCD	INE027E07725	20 August 2018	8.60	19 December 2019	INR0.25	IND AAA/Stable
NCD	INE027E07733	20 August 2018	8.75	19 August 2020	INR0.8	IND AAA/Stable
NCD	INE027E07733	27 August 2018	8.75	19 August 2020	INR3.4	IND AAA/Stable
NCD	INE027E07725	31 August 2018	8.60	19 December 2019	INR0.5	IND AAA/Stable
NCD	INE027E07741	31 August 2018	8.62	30 January 2020	INR0.25	IND AAA/Stable
NCD	INE027E07683	31 August 2018	8.92	6 October 2021	INR0.5	IND AAA/Stable
NCD	INE027E07758	12 September 2018	8.82	3 September 2021	INR0.59	IND AAA/Stable
NCD	INE027E07758	31 October 2018	8.82	3 September 2021	INR0.05	IND AAA/Stable
NCD	INE759E07897	31 October 2018	9.48	14 March 2022	INR0.758	IND AAA/Stable
NCD	INE027E07618	31 October 2018	7.95	12 December 2022	INR0.165	IND AAA/Stable
NCD	INE027E07659	14 November 2018	8.65	28 April 2022	INR0.3	IND AAA/Stable
NCD	INE027E07741	20 November 2018	8.62	30 January 2020	INR0.519	IND AAA/Stable
NCD	INE027E07550	20 November 2018	7.70	6 October 2022	INR0.65	IND AAA/Stable
NCD	INE027E07774	4 January 2019	9.00%	4 January 2024	INR8	IND AAA/Stable
NCD	INE027E07782	11 January 2019	8.81	11 March 2020	INR3	IND AAA/Stable
NCD	INE027E07790	11 January 2019	9.00	9 February 2024	INR0.25	IND AAA/Stable
NCD	INE027E07840	24 January 2019	8.81	13 March 2020	INR2	IND AAA/Stable
NCD	INE027E07857	24 January 2019	8.93	8 August 2022	INR0.5	IND AAA/Stable
NCD	INE027E07865	1 February 2019	9.02	11 March 2024	INR0.25	IND AAA/Stable
NCD	INE027E07873	1-Mar-2019	8.75	22-May-2020	INR2.75	IND AAA/Stable
NCD	INE027E07AP2	28-May-2019	8.8	28-May-2026	INR8.5	IND AAA/Stable
Utilised					INR44.09	
Unutilised					INR13.91	
NCD (Public Issue)	INE027E07915	13 March 2019	9.10	13 April 2022	INR0.80	IND AAA/Stable
NCD (Public Issue)	INE027E07923	13 March 2019	9.10	13 March 2024	INR0.30	IND AAA/Stable
NCD (Public Issue)	INE027E07980	13 March 2019	8.84	13 March 2029	INR0.01	IND AAA/Stable
NCD (Public Issue)	INE027E07931	13 March 2019	9.25	13 March 2024	INR2.36	IND AAA/Stable
NCD (Public Issue)	INE027E07972	13 March 2019	9.35	13 March 2029	INR1.11	IND AAA/Stable
NCD (Public Issue)	INE027E07881	13 March 2019	9.00	13 April 2022	INR1.77	IND AAA/Stable
NCD (Public Issue)	INE027E07949	13 March 2019	8.75	13 March 2024	INR0.02	IND AAA/Stable
NCD (Public Issue)	INE027E07964	13 March 2019	9.20	13 March 2029	INR0.08	IND AAA/Stable
NCD (Public Issue)	INE027E07998	13 March 2019	8.98	13 March 2029	INR1.02	IND AAA/Stable
NCD (Public Issue)	INE027E07899	13 March 2019	9.10	13 April 2022	INR6.88	IND AAA/Stable
NCD (Public Issue)	INE027E07907	13 March 2019	9.00	13 April 2022	INR0.05	IND AAA/Stable
NCD (Public Issue)	INE027E07956	13 March 2019	8.89	13 March 2024	INR0.60	IND AAA/Stable
NCD (Public Issue)	INE027E07AA4	15-Apr-19	8.7	15-Apr-22	INR1.11	IND AAA/Stable
NCD (Public Issue)	INE027E07AB2	15-Apr-19	8.9	15-Apr-22	INR1.89	IND AAA/Stable
NCD (Public Issue)	INE027E07AC0	15-Apr-19	8.71	15-Apr-22	INR0.04	IND AAA/Stable
NCD (Public Issue)	INE027E07AD8	15-Apr-19	8.91	15-Apr-22	INR0.17	IND AAA/Stable
NCD (Public Issue)	INE027E07AE6	15-Apr-19	8.8	15-Apr-24	INR0.73	IND AAA/Stable
NCD (Public Issue)	INE027E07AF3	15-Apr-19	9	15-Apr-24	INR1.86	IND AAA/Stable
NCD (Public Issue)	INE027E07AG1	15-Apr-19	8.48	15-Apr-24	INR0.02	IND AAA/Stable
NCD (Public Issue)	INE027E07AH9	15-Apr-19	8.66	15-Apr-24	INR0.22	IND AAA/Stable
NCD (Public Issue)	INE027E07AI7	15-Apr-19	8.81	15-Apr-24	INR0.01	IND AAA/Stable
NCD (Public Issue)	INE027E07AJ5	15-Apr-19	9.01	15-Apr-24	INR0.19	IND AAA/Stable
NCD (Public Issue)	INE027E07AK3	15-Apr-19	8.85	15-Apr-27	INR0.11	IND AAA/Stable

NCD (Public Issue)	INE027E07AL1	15-Apr-19	9.05	15-Apr-27	INR3.52	IND AAA/Stable
NCD (Public Issue)	INE027E07AM9	15-Apr-19	8.52	15-Apr-27	INR0.01	IND AAA/Stable
NCD (Public Issue)	INE027E07AN7	15-Apr-19	8.7	15-Apr-27	INR0.18	IND AAA/Stable
Utilised					INR25.00	
Unutilised*					INR75.00	
Subordinated Debt	INE027E08087	13 September 2019	8.90	13 September 2029	INR0.26	IND AAA/Stable
Utilised					INR0.26	
Unutilised					INR1.74	
Total Utilised					INR69.35	
Total Unutilised					INR90.65	
Total					INR160.00	

*the rated limit is for secured redeemable NCDs and interchangeable with unsecured subordinated redeemable NCDs

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity levels of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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ABOUT INDIA RATINGS AND RESEARCH

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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For more information, visit www.indiaratings.co.in.

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Applicable Criteria

Financial Institutions Rating Criteria
Non-Bank Finance Companies Criteria
Rating FI Subsidiaries and Holding Companies

Analyst Names

Primary Analyst

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ANNEXURE D

CONSENT LETTER FROM DEBENTURE TRUSTEE

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IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154

November 21, 2019
Ref.No. CL/19-20/DEB/962

To,
The Company Secretary
L&T Finance Limited
Technopolis, 7th Floor, A- Wing, Plot No. - 4,
Block - BP, Sector -V, Salt Lake
Kolkata - 700091

Dear Sir/Madam,

Sub: Proposed public issue of secured redeemable non-convertible debenture and / or unsecured subordinated redeemable non-convertible debenture eligible for TIER II Capital ("NCDs") aggregating up to ₹ 5,000 crores ("Issue") of L&T Finance Limited ("Company")

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus / respective Tranche Prospectus(es) to be filed with the Registrar of Companies, Kolkata ("**RoC**"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and in all the subsequent periodical communications to be sent to the holders of NCDs issued pursuant to the Issue. The following details with respect to us may be disclosed:

Name:	IDBI Trusteeship Services Limited
Address:	IDBI Trusteeship Services Limited, Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001
Tel:	(91) (22) 40807000
Fax:	66311776/40807080
Email:	itsl@idbitrustee.com
Website:	www.idbitrustee.com
Contact Person:	Mr. Dinesh Ladwa
Investor Grievance e-mail:	response@idbitrustee.com
SEBI Registration No:	IND000000460

We confirm that we are registered with SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company, (i) the nature and scope of this transaction; (ii) our knowledge of the proposed transaction of the Company; and (iii) any other information in connection thereto.

We confirm that we will without unreasonable delay inform you and the Lead Managers of any change to the above information until the date when the NCDs are listed on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs are listed on the Stock Exchanges.

This letter may be relied upon by the Company, the Lead Managers and the legal advisors to the Issue in respect of the Issue.

Yours faithfully,

For IDBI Trusteeship Services Limited

Authorised Signatory
Name: Yasmin Sayyed
Designation: Senior Manager

CC:

EDELWEISS FINANCIAL SERVICES LIMITED
Edelweiss House
Off CST Road, Kalina, Mumbai 400 098
Maharashtra, India
SEBI Registration No: INM0000010650

A. K. CAPITAL SERVICES LIMITED
30-39 Free Press House, 3rd Floor,
Free Press Journal Marg, 215, Nariman Point, Mumbai 400021
SEBI Registration No: INM000010411

TRUST INVESTMENT ADVISORS PRIVATE LIMITED
109/110, Balarama, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
SEBI Registration No: INM000011120

And

JM FINANCIAL LIMITED
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India.
SEBI Registration No: INM000010361

Khaitan & Co
One Indiabulls Centre
13th Floor, Tower 1,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

डिबेंचर न्यासी

प्रारूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000263

(विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित इस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

IDBI TRUSTEESHIP SERVICES LIMITED
ASIAN BUILDING, GROUND FLOOR
17, R. KAMANI MARG
BALLARD ESTATE
MUMBAI-400 001

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000460**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from **This certificate of registration shall be valid unless it is suspended or cancelled by the board**

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**

तारीख Date : **FEBRUARY14, 2017**

M J Semparote
MEDHASONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee are true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000460
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	February 14, 2017
3.	Date of expiry of registration	The Certificate of registration shall be valid unless it is suspended or cancelled by the Board
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NIL
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NIL
6.	Details of any penalty imposed by SEBI	NIL

Yours faithfully,
For IDBI Trusteeship Services Limited

Authorised Signatory
Name: Yasmin Sayyed
Designation: Senior Manager