



## L&T INFRASTRUCTURE FINANCE COMPANY LIMITED

Our Company was incorporated on April 18, 2006 at Chennai, Tamil Nadu as a public limited company under the Companies Act, 1956, as amended, with registration no. 299025 and was granted a certificate of incorporation by the Registrar of Companies, Tamil Nadu at Chennai. The registered office of our company was shifted from Chennai, Tamil Nadu to Mumbai, Maharashtra with effect from August 10, 2017. Our Company is registered as a systemically important non-deposit taking NBFC - Infrastructure finance company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 bearing registration number N-13.02232. For further details, see "History, Main Objects and Key Agreements" on page 108. The Corporate Identification Number of our Company is U67190MH2006PLC299025.

**Registered Office and Corporate Office:** Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra; **Tel:** +91 22 6212 5000, **Fax:** +91 22 6212 5553  
**Company Secretary and Compliance Officer:** Mr. Ankit Sheth; **Tel:** +91 22 6212 5000; **Fax:** +91 22 6212 5553; **E-mail:** investorgrievances@ltfs.com;

**Website:** www.ltfs.com/companies/lt-infra-finance.html

**PUBLIC ISSUE BY L&T INFRASTRUCTURE FINANCE COMPANY 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 TRANCHE 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 (AS AMENDED) AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED.**

### PROMOTER

Our promoter is L&T Finance Holdings Limited. For further details see "Our Promoter" on page 109.

### 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 18 and "Material Developments" on page 124, 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 read together with Shelf Prospectus and relevant Tranche Prospectus 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 215.

### 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 ₹ 5,000 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 Limited ("CARE") vide their letter dated November 15, 2019 and IND AAA / Stable for an amount of ₹ 5,000 crores, by India Ratings and Research Private Limited ("India Ratings") vide their letter dated November 18, 2019. 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, the Shelf Prospectus along with relevant Tranches are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). Our Company has received an 'in-principle' approval from the NSE vide their letter no. [●] dated [●] and from BSE 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 December 3, 2019 has been filed with NSE and BSE, 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 NSE and BSE. 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



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



**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:** ltifcl.ncd@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



**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 5007  
**Email:** projectshakti@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**  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025,  
Maharashtra, India  
**Tel:** +91 22 6630 3030  
**Fax:** +91 22 6630 3330  
**Email:** LTinfra.bondissue2019@jmfml.com  
**Investor Grievance email:**  
grievance.ibd@jmfml.com  
**Website:** www.jmfml.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, Maharashtra, India  
**Tel:** +91 22 4080 7000  
**Fax:** +91 22 6631 1776/4080 7080  
**Email:** itsl@idbitrustee.com  
**Investor Grievance Email:** response@idbitrustee.com  
**Website:** www.idbitrustee.com  
**Contact Person:** Mr. Dinesh Ladwa  
**SEBI Registration No.:** IND000000460

### REGISTRAR TO THE ISSUE



**LINK INTIME INDIA PRIVATE LIMITED**  
C- 101, 247 Park, LBS Marg, Vikhroli (West)  
Mumbai – 400 083, Maharashtra, India  
**Tel:** +91 22 4918 6200  
**Fax:** +91 22 4918 6195  
**Email:** ncd.ltinfra2019@linkintime.co.in  
**Investor Grievance mail:** ncd.ltinfra2019@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Ms. Shanti Gopalkrishnan  
**Compliance Officer:** Mr. B. N. Ramakrishnan  
**SEBI Registration No.:** INR000004058

### 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 March 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 NSE and BSE, 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 NSE and BSE.

\*\*IDBI Trusteeship Services Limited has by its letter dated November 18, 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, Mumbai, Maharashtra, 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 see "Material Contracts and Documents for Inspection" on page 266.

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## 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 Infrastructure Finance Company Limited” or “LTIFL” are to L&T Infrastructure Finance Company Limited, a non-banking financial company (Infrastructure Finance Company) incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra. 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
Audited Consolidated Ind AS 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 Fiscal 2019 and the summary of significant accounting policies including notes thereto prepared in accordance with Ind AS
Audited Ind AS Financial Statements	Audited Standalone Ind AS Financial Statements and Audited Consolidated Ind AS Financial Statements
Audited Standalone Ind AS 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 Fiscal 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 March 19, 2019 read with resolution dated July 19, 2019
Board/ Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Committee of Directors	The committee constituted by our Board of Directors by a board resolution dated February 17, 2007 as Share Allotment & Share Transfer Committee which was rechristened as Committee of Directors on September 25, 2007 and as reconstituted from time to time
Deferred Expenditure	Unamortised premium on loan/ debentures
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Financial Information	Reformatted Financial Statements and Audited Ind AS Financial Statements
Group Companies/ Group companies of our Company	Larsen & Toubro Limited, L&T Finance Limited, Larsen & Toubro Infotech Limited, L&T Sargent & Lundy Limited, L&T Capital Markets Limited, L&T Housing Finance Limited, L&T Electromech LLC, L&T Investment Management Limited, L&T Infra Debt Fund Limited, L&T Hydrocarbon Engineering Limited, L&T Infrastructure Engineering Limited, L&T Shipbuilding Limited, Nabha Power Limited and L&T Infrastructure Development Projects Limited  <i>*identified on the basis of the related party list, set out in the Annual Report of our Company for past five fiscal years</i>
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

Term	Description
KMP	Key Managerial Personnel, as defined under the Companies Act, 2013, section 2(51), as amended as under: <i>“key managerial personnel”, in relation to a company, means –</i> i. <i>the Chief Executive Officer or the managing director or the manager;</i> ii. <i>the company secretary;</i> iii. <i>the whole-time director;</i> iv. <i>the Chief Financial Officer; and</i> v. <i>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</i> vi. <i>such other officer as may be prescribed;”</i>
Limited Review Financials / Limited Review Financial Results/ Unaudited Standalone Financial Result	The unaudited standalone financial results for the half year ended September 30, 2019 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, 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
Reformatted Consolidated Financial Statements	The reformatted consolidated financial statements 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, M/s B.K. Khare & Co. , Chartered Accountants  Our audited consolidated financial statements as at and for the years ended March 31, 2018 and March 31, 2017 form the basis for such Reformatted Consolidated Financial Statements
Reformatted Financial Statements	Reformatted Consolidated Financial Statements and Reformatted Standalone Financial Statements
Reformatted Standalone Financial Statements	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, M/s B.K. Khare & Co. , 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 Statements
Registered and Corporate Office	Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra
RoC/Registrar of Companies	Registrar of Companies, Mumbai, Maharashtra
Shareholders	The holders of the Equity Shares from time to time
Statutory Auditors/Auditors	B.K. Khare & Co., Chartered Accountants
Subsidiaries	L&T Infra Investment Partners Advisory Private Limited; and L&T Infra Investment Partners Trustee Private 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 and 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
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 authorized 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 <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> .
BSE	BSE Limited
CARE	CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited)

Term	Description
Category I Investor	<ul style="list-style-type: none"> <li>Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;</li> <li>Provident funds, pension funds with a minimum corpus of ₹ 25 crore, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;</li> <li>Mutual Funds registered with SEBI;</li> <li>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;</li> <li>Insurance Companies registered with IRDA;</li> <li>State industrial development corporations;</li> <li>Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>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 ₹ 500 crore as per the last audited financial statements; and</li> <li>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</li> </ul>
Category II Investor	<ul style="list-style-type: none"> <li>Companies within the meaning of section 2(20) of the Companies Act, 2013;</li> <li>Statutory bodies/ corporations and societies registered under the applicable laws in India and authorized to invest in the NCDs;</li> <li>Co-operative banks and regional rural banks;</li> <li>Public/private charitable/ religious trusts which are authorized to invest in the NCDs;</li> <li>Scientific and/or industrial research organisations, which are authorized to invest in the NCDs;</li> <li>Partnership firms in the name of the partners;</li> <li>Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>Association of Persons; and</li> <li>Any other incorporated and/ or unincorporated body of persons</li> </ul>
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	The agreement to be entered into between our Company and Members of Consortium and as specified in the relevant Tranche Prospectus for each Tranche Issue
Consortium Members	As specified in the relevant Tranche Prospectus for each Tranche Issue

<b>Term</b>	<b>Description</b>
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 28, 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
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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> 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 ( <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a> ) 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, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue

Term	Description
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 December 3, 2019, filed by our Company with NSE and BSE 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
Issue	Public issue by L&T Infrastructure Finance Company Limited of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each (“ <b>Secured NCDs</b> ”) and/ or unsecured, subordinated, redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each (“ <b>Unsecured NCDs</b> ”) for an amount up to ₹ 5000,00,00,000 (Indian Rupees Five Thousand Crores) (“ <b>Shelf Limit</b> ”). The Unsecured NCDs will be eligible for Tier II capital. The Secured NCDs and/ or Unsecured NCDs are together hereinafter referred as “ <b>Debentures / NCDs</b> ”. 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 “ <b>Tranche Issue</b> ”), which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus (collectively the “ <b>Offer Document</b> ”)
Issue Agreement	The Issue Agreement dated December 2, 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	A. K. Capital Services Limited, Edelweiss Financial 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)

Term	Description
Public Issue Account Agreement	The agreement to be entered into between the Company, Lead Managers Registrar to the Issue and Banker(s) to the Issue for respective tranche issue and as specified in the relevant Tranche Prospectus
Public Issue Account Bank	As specified in the relevant Tranche Prospectus
Record Date	<p>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</p> <p>In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading will be deemed as the Record Date</p>
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
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 “ <i>Terms of the Issue – Register of NCD Holders</i> ” on page 221
Registered Brokers or Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock 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 28, 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 <a href="http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html</a> 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 ₹ 5000,00,00,000 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, NSE, BSE 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 and equity securities of our Company

<b>Term</b>	<b>Description</b>
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 <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Stock Exchange(s)	NSE and BSE
Subordinated Debt	<p>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:</p> <p>Remaining maturity of the instruments and rate of discount</p> <ul style="list-style-type: none"> <li>(a) up to one year 100%</li> <li>(b) more than one year but up to two years 80%</li> <li>(c) more than two years but up to three years 60%</li> <li>(d) more than three years but up to four years 40%</li> <li>(e) more than four years but up to five years 20%</li> </ul> <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital</p>
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members, the Trading Members of the Stock Exchange or the Designated Intermediaries
Syndicate Bidding Centres	Syndicate Bidding Centres established for acceptance of Application Forms
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 <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time
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	<p>Tier-II capital includes the following:</p> <ul style="list-style-type: none"> <li>(a) preference shares other than those which are compulsorily convertible into equity;</li> <li>(b) revaluation reserves at discounted rate of 55%;</li> <li>(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;</li> <li>(d) hybrid debt capital instruments;</li> <li>(e) subordinated debt; and</li> <li>(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</li> </ul>

<b>Term</b>	<b>Description</b>
Trading Members	Intermediaries registered with a Broker under the SEBI (Stock 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 June 6, 2016 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
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 Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding 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 Sundays and bank holidays in Mumbai

#### **Conventional and general terms or abbreviation**

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
₹ or Rupees or Indian Rupees or INR or Rs.	The lawful currency of Republic 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	1,00,00,00,000 (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

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
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 Shelf 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
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
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 nonperforming 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 / I T 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 Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act
IPC	Indian Penal Code, 1860



Term/Abbreviation	Description/ Full Form
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
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
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 lifetime 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 lifetime 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 ( <i>meaning total adjusted Loans &amp; Advances</i> )
ECBs	External Commercial Borrowing
FCNR	Foreign Currency Non-Resident

Term/Abbreviation	Description/ Full Form
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 51, 186, 108, 58, 110, 125, 142 and 228, 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.

Unless stated otherwise, all references to page numbers in this Draft Shelf Prospectus are to the Draft Shelf Prospectus.

### **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 Consolidated Ind AS Financial Statements and Audited Standalone Ind AS 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, M/s B.K. Khare & Co., Chartered Accountants, are included in this Draft Shelf Prospectus in the section titled “*Financial Information*” beginning at page 123.

The Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements are included in this Draft Shelf Prospectus. The examination reports on the Reformatted Standalone Financial Statements and Reformatted Consolidated Financial Statements as issued by our Company’s Statutory Auditor, M/s B.K. Khare & Co., Chartered Accountants, are included in this Draft Shelf Prospectus in the chapter titled “*Financial Information*” beginning at page 123.

The Unaudited Standalone Financial Results of our Company for the six months period ended September 30, 2019 submitted to the Stock Exchange pursuant to the requirements of SEBI LODR Regulations are included in this Draft Shelf Prospectus in the chapter titled “*Financial Information*” beginning at page 123.

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 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 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 and the financial data for six months period ended September 30, 2019 is derived from the Unaudited Standalone Financial Results prepared for the

half year ended September 30, 2019 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirements of the SEBI LODR Regulations.

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

### **Industry and Market 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 reports prepared by Crisil- ‘NBFC Report 2019’, ‘Ecoview 2019’ 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 “Risk Factor no. 46 – We have not independently verified certain data in this Draft Shelf Prospectus” on page 35.

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 Fiscal 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.

### Exchange Rates

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

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

Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://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.*

## 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:

- any disruption in our sources of funding or increase in costs of funding could adversely affect our liquidity and financial condition;
- we operate in a highly competitive industry and our inability to compete effectively may adversely affect our business;
- 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;
- 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;
- the risk of non-payment or default by borrowers may adversely affect our financial condition and results of operations;
- any adverse developments in the industries in which we operate, may adversely affect our business and results of operations;
- we have significant exposure to infrastructure sector. Any negative trends in the infrastructure sector 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 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;
- 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;
- 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;
- we have concentrations of loans in certain States and any economic downturn in those States or natural disasters affecting those States or change in regulations in those States affecting our borrowers could lead to increases in defaults by borrowers in those States;
- the escrow account mechanism and the trust and retention account arrangements implemented by us as a quasi-security mechanism in connection with the payment obligations of our borrowers (in infrastructure financing) may not be effective, which could adversely affect our results of operations and financial condition;
- our borrowers’ insurance of assets may not be adequate to protect them against all potential losses to which they may be subject to, which could affect our ability to recover the loan amounts due to us;
- 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;
- 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;
- 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 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;

- 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;
- 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;
- 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; and
- other factors discussed in this Draft Shelf Prospectus, including under the section titled “*Risk Factors*” on page 18.

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 86, 18 and 142, respectively. 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 allotment of NCDs.

## 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 or/and quantitative 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 they materialise, 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 Audited Consolidated Ind AS Financial Statements, Reformatted Consolidated Financial Information and the Unaudited Standalone Financial Results of our Company.*

*The financial data for the Fiscal 2019 is derived from the 2019 Audited Consolidated Ind AS Financial Statements and the financial data for the Fiscals 2018 and March 31, 2017 is derived from the Reformatted Consolidated 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, issue of non-convertible debentures (invested in by debt market participants including Mutual Funds, Pension Funds, Scheduled Commercial Banks, Retirement Funds, National Pension Scheme, Insurance Companies, 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 shares, inter-corporate deposits from corporates/subsidiaries, 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 operate profitably 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 domestic and 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 market and 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, we face competition from the full spectrum of public sector banks, private sector banks, foreign banks, financial institutions and other NBFCs who are active in infrastructure and real estate financing business. Some of our competitors may 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. For instance, competition in renewable energy financing may become more intense due to the increased interest in the sector among domestic and international banks and finance companies, and we may need to lend at lower interest rates which could reduce our operating margins.

Potentially, newer competitors could compete with us for business as well as procurement of funds at competitive rates. 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 rigorous monitoring of project performance for identifying early warning signals and taking corrective actions on a proactive basis. However, this level of monitoring 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 requisite 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 due to the above stated reason or any other reason, 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 ₹ 1,465.59 crores or 93.09% of our total income of ₹1,574.45 crores for the six months ended September 30, 2019 and ₹ 2,545.26 crores or 88.87% of our total income of ₹ 2,864.01 crores for the Fiscal 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. If there is an increase in the interest rate that we pay on our borrowings which 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 on any increase in cost of our borrowing to the customers/borrowers, it 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 portfolio. 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 ₹28,176.65 crores. 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	
	(in ₹ crore)	(in ₹ crore)	% of total loans
Infrastructure business	23,304.43	3,842.44	14.08%
Real estate finance business	4,063.01	Nil	Nil
Defocused business	809.21	Nil	Nil

Under infrastructure business, we primarily provide debt and financial advisory and syndication services related to infrastructure projects (with a focus on renewable energy, road and transmission 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;
- renewable energy projects are seasonal and prone to vagaries of nature;
- 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;
- potential defaults under financing arrangements with lenders and investors;
- failure of co-lenders with us under consortium lending arrangements to perform on their contractual obligations;
- 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.

We lend to renewable energy projects that supply power to offtakers which are parties to the Power Purchase Agreements (PPAs). Despite the liquidity buffers of a few months that we maintain in respect of our projects intended at mitigating short term cash flow mismatches, the poor health of the State DISCOMs/ other offtakers may lead to delays in payments to renewable energy projects that we finance. This poses a risk which may adversely affect the repayment capability of our borrowers. The power off-take from the renewable energy projects is largely through long term PPAs with the State DISCOMs. However, many of the DISCOMs in India are in poor financial health as noted in the Ministry of Power's report entitled "State Distribution Utilities Seventh Annual Integrated Rating", dated October 2019, where 16 out of 41 utilities have been assigned a rating of B or less, indicating "Below Average Operational and Financial Performance Capability". According to the report, the cost coverage ratio for most entities (19 out of 41 rated) remained low due to a substantial increase in expenses and non-cost reflective tariffs. The financial problems experienced by the DISCOMs often results in delayed payments to the renewable energy power generators and irregular payment cycles of our renewable energy project borrowers. This may affect the repayment capability of our borrowers and in turn may adversely affect our business, results of operations and financial condition. Furthermore, if such borrowers are unable to manage their cash flow and other financial risks applicable to such borrowers, our Gross stage 3 assets may increase.

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 homeowners of residential real estate projects undergoing construction the status of a financial creditor. 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. Further, 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) governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code.

Our borrowers may also default on their obligations to us as a result of their bankruptcy, 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 ₹ 28,176.65 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 Assets' 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 infrastructure finance and real estate finance. 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 infrastructure projects in India, especially public private partnerships (PPPs) and private sector projects;
- 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;
- any adverse developments in the industry;
- floods, natural disasters and calamities;
- regulatory changes, changes in tax policies, adverse court rulings, environment-protection guidelines;
- political events such as toll payment stoppages, reneging of PPAs and other schemes announced by central and state governments; and
- Other macroeconomic conditions in India and globally.

For instance, the viability of the renewable energy sector is linked to a favourable policy framework and the related fiscal and financial incentives available thereunder. Reduction or withdrawal of these benefits may impact the sector adversely. Issues relating to land availability, grid evacuation, curtailment, open access permission, grid management problem arising from the variable nature of solar and wind power, tariff related uncertainties, prolonged project commissioning periods on account of delay in approvals from the state governments due to a lack of single window clearances, large capital outlay, frequent policy changes can affect project viability during the implementation and operational stages, with negative impact on debt servicing capability of our borrowers and in turn will also adversely affect our business and operations.

The availability of private capital and continued growth of the real estate and infrastructure sectors are also linked to the continued growth of the Indian economy. Specific factors within each sector may also influence the success of the projects within those sectors, including changes in policies, regulatory frameworks and market structures. While initiatives have been taken by Central Government and various state governments, the implementation of these policies requires adequate funding as well as long time.

Further, since infrastructure services in India have historically been provided by the central and state governments without charge or at a subsidized charge to consumers, the growth of the infrastructure industry will be impacted by consumers' income levels and the extent to which they would be willing to pay or can be induced to pay for infrastructure services. If the central and state governments' initiatives and regulations in the infrastructure industry do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India or in specific sectors, our business, our future financial performance and results of operations could be materially and adversely affected.

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.***

As on September 30, 2019, with 42.40%, 14.42%, 15.94% and 5.45% of our total adjusted loans and advances comprising of loans towards renewable energy projects, construction finance, transportation projects and power transmission projects, respectively. We focus on underwriting greenfield projects and refinancing operational projects in renewable energy, roads, transportation projects, power transmission and real estate sectors in India, and have and may continue to have significant concentration of advances in these sectors. 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.

For instance, certain DISCOMs that purchase electricity from our borrowers and certain states have in the past sought revision in the terms of their existing PPA. A downward revision in the tariffs could negatively affect the cash flows and financial conditions of our borrowers and may affect their repayment capabilities. The newly elected government in the state of Andhra Pradesh have sought to revise the terms of the PPAs executed with the solar and wind power developers operating in such states, including for downward revision in tariffs. The matter is currently subjudice, payments to all the concerned renewable energy developers may get affected until the matter is resolved. In the past, the Supreme Court of India and the Appellate Tribunal of Electricity ("APTEL") have held that PPAs entered into with distribution utilities can be modified only in certain circumstances such as for consumer interest (while balancing the recovery of the cost of power) or by mutual agreement of the parties, and the APTEL has also held in another case that tariff fixed under a PPAs cannot be revised. However, a legal or regulatory dispute in this regard or an adverse outcome for our borrowers could result in deterioration in their receivables under the PPAs. If our borrowers do not receive payments under their PPAs, they may not have sufficient cash flows to meet their repayment obligations towards us. Further, a negative revision in the tariff could have a material adverse effect on our borrowers' business, cash flows, financial condition and results of operation. This may affect the repayment capability of our borrowers and in turn may adversely affect our business, results of operations and financial condition.

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 32.44%, 31.93%, 31.30% and 32.09% of our total adjusted loans and advances as of September 30, 2019, March 31, 2019, March 31, 2018 and March 31, 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 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 Listing 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. For instance, as an IFC, we are required to maintain risk weight at 50% of assets covering public private partnership and post commercial operation date projects which have completed atleast one year of satisfactory commercial operations and buyback guarantee by relevant authority as approved by RBI. In the event, this relaxation is withdrawn our CRAR may get adversely affected resulting in non-compliance with RBI guidelines with respect to maintenance of CRAR by NBFCs.

***10. 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/continue to respond to such 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 2018, the RBI issued few observations, covering among others, increase in off-balance sheet exposure, NPAs, liquidity ratio, exposure to sensitive sectors and geographic concentration. Our Company subsequently filed a letter with the RBI dated July 12, 2019, replying to the observations made in the inspection report and there is no further communication received in this regard.

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 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.

***11. We have concentrations of loans in certain States and any economic downturn in those States or natural disasters affecting those States or change in regulations in those States affecting our borrowers could lead to increases in defaults by borrowers in those States.***

Any material economic downturn or any other adverse developments, such as political unrest or a significant natural disaster, in the above States or any change in laws in the above States adversely affecting our borrowers, could lead to increases in defaults by borrowers in those States. As a result, we would experience increased delinquency risk from the borrowers with projects concentrated in that States, which could materially and adversely affect our business, financial condition and results of operations.

***12. The escrow account mechanism and the trust and retention account arrangements implemented and charged to us as a quasi-security mechanism in connection with the payment obligations of our borrowers (in infrastructure financing) may not be effective, which could adversely affect our results of operations and financial condition.***

We generally implement security and quasi-security arrangements in relation to our term loans. We take security by way of a mortgage on project land and buildings and hypothecation of project assets including plant and machinery. In addition, we often take an additional security through a charge on asset collateral such as pledges of shares held by promoters, personal guarantees and corporate guarantees. We also create a charge on trust and retention accounts and similar arrangements to provide us with payment security. The trust and retention account arrangements are effective in the event that revenue from the counterparty or other receipts, as applicable, is received by our borrowers and deposited in the relevant escrow accounts or trust and retention accounts. Although we monitor the flow into the trust and retention accounts, we may not have robust arrangement in place to ensure that such revenue is necessarily received or deposited in such accounts and the effectiveness of the trust and retention account arrangements is limited to that extent. If end users do not make payments to our borrowers or alternatively make payments outside the arrangement, the trust and retention account arrangements will not be effective in ensuring the timely repayment of our loans, which may adversely affect our results of operations and financial condition.

- 13. Infrastructure projects carry certain risks which, to the extent they materialize, could adversely affect our business and result in defaults/ delays in repayment of our loans and investments declining in value which could have a material and adverse effect on our business, future financial performance and results of operations.***

Our Company's product offerings include debt and equity financings, and financial advisory services related to infrastructure projects in India. As at September 30, 2019 our total adjusted loans and advances towards infrastructure finance was ₹ 23,304.43 crore which amounts to 82.71% of our total outstanding adjusted loans and advances. Infrastructure projects are characterized by project specific risks like insufficient credit flow, delay in receipt of funds, any legal differences among the various project partners, as well as certain general risks like pending regulatory approvals, change in Government policy, any natural geographical events etc.

If the risks relating to the projects we finance materialize, the quality of our asset portfolio and our profitability may decline, which would have a material and adverse effect on our business, financial performance and results of operations.

- 14. As an infrastructure financing institution, we and our borrowers have received certain tax benefits in the past. We cannot assure that such benefits will be available to us in the future. Unavailability of such benefits in the future may have an adverse effect on our business, profits, results of operations and financial condition.***

We, as well as infrastructure projects that we finance, have benefited from certain tax regulations and incentives that accord favourable treatment to infrastructure-related activities including u/s 36(1)(viii) of the I.T. Act. As a consequence, our operations have been subject to relatively low tax liabilities. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. In addition, it is possible that the draft Direct Tax Code, when notified, could significantly alter the taxation regime, including incentives and benefits, applicable to us or other infrastructure development activities. If the laws or regulations regarding the tax benefits applicable to us or the infrastructure sector as a whole were to change, our taxable income and tax liability may increase to that extent, which would adversely affect our financial results. Additionally, if such tax benefits were not available or significantly reduced, infrastructure projects could be considered less attractive which could negatively affect the sector and be detrimental to our business, prospects, results of operations and financial condition.

- 15. Our borrowers' insurance of assets may not be adequate to protect them against all potential losses to which they may be subject to, which could affect our ability to recover the loan amounts due to us.***

Under our loan agreements, where loans are extended on the basis of charge on assets, our borrowers are required to create a charge on their assets in our favour in the form of a hypothecation, a mortgage or both. In addition, the terms and conditions of the loan agreements require our borrowers to maintain insurance against various types / causes of damage which includes those damages caused by any disasters including floods, fires and earthquakes or theft on their charged assets as collateral against the loan granted by us. However, in certain cases, despite periodic checks, our borrowers may not have the required insurance coverage, they have not renewed the insurance policies, or the amount of insurance coverage may be less than the replacement costs of all covered property and is therefore insufficient to cover all financial losses that our borrowers may suffer. In the event the assets charged in our favour are damaged due to reasons, including among others, floods, fires and earthquakes, it may affect our ability to recover the loan amounts due to us.

**16. *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 99.20% and 98.40% 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 infrastructure business, our collateral is typically the assets, pledge of shares and cash-flows from infrastructure projects. Any decrease in the value of such projects, including due to deterioration in the quality of such projects, decrease in the market value of collateral or 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 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.

**17. *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 2016, we had streamlined and reorganized our financing businesses and employees under two primary financing business segments, i.e., infrastructure finance business (with focus on Roads, renewables and Transmission), and real estate finance business. We have divested certain part of, and are in the process of running-down, non-core business assets. These businesses include EPC contractor funding, financing greenfield thermal projects, hydro projects, telecom network & Debt capital market among others. Our defocused businesses comprised 2.87% of our total adjusted loans and advances as of September 30, 2019.

**18. *Our Promoter is also the Promoter of L&T Finance Limited (“LTFL”), 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 LTFL and three of our Directors are 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 LTFL and/or LTHFL and/or L&T IDF, over our interests.***

Our Promoter, L&T Finance Holdings Limited is also the promoter of LTFL, which is *interalia* involved in the infrastructure finance business and housing finance business. LTFL primarily focus on rural, infrastructure and housing finance business 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 underwriting greenfield infrastructure projects and refinancing operational projects and construction finance loans for real estate developers. Our customer base and consequently our products being offered by LTFL, 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 LTFL, 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 LTFL. Mr. Dinanath Mohandas Dubhashi, Mr. Thomas Matthew T. and Ms. Nishi Vasudeva are also directors 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.

**19. *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. As of September 30, 2019, our 'Gross Stage 3 Assets' was ₹ 3,842.44 crores i.e. 5.89% of the total adjusted loans and advances outstanding as of September 30, 2019. For details relating to our Gross Stage 3, provisions for Gross Stage 3 Assets and RBI provisioning norms, see "Our Business" on page 86. 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 profitability and net worth would be adversely affected. This could adversely impact our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

**20. *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 information provided by our customers, 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. Despite our end-use monitoring processes, it is possible that our 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 in the financing documents. 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.

**21. *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.***

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.

**22. *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 & Research and ICRA have rated our Company's existing NCDs at AAA/Stable, AAA/Stable, AAA/Stable and AAA/Negative, respectively. The rating on our Company's short-term debt by CRISIL and CARE are at A1+ and A1+, respectively. For further details, see the chapter titled "*Our Business*" on page 86.

Credit ratings across the industries we operate may also depend on the underlying circumstances and economic environment around such industries. 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.

**23. *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, financial position and result of operations.***

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.

**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; and
- delays or unanticipated costs,

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 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 129 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. *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, banks and financial institutions for a consideration, in order to, among other reasons, improve our liquidity, portfolio rebalancing and improve financial ratios. As of September 30, 2019, our portfolio of assigned outstanding loans with respect to our Company's total adjusted loans and advances was nil.

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.

**28. *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 Fiscal 2019 may not be comparable to our historical financial statements.***

We were required to prepare our financial statements in accordance with Indian GAAP upto Fiscal 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 Fiscal 2019 and for comparable period for the Fiscal 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. Accordingly, our financial statements for the period commencing from April 1, 2018 are not comparable to our historical financial statements.

**29. *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
L&T Infrastructure Finance Limited	NBFC-IFC	15%	22.97%	24.26%

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.

**30. *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.

Although we have established policies and procedures, they may not be fully effective. For further information, see the chapter titled “Our Business” on page 86. 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.

***31. Any failure, inadequacy and security breach in our information technology 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, 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 and we have evolved protocols to limit damage, 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.

***32. 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, market & technical studies conducting due diligence of projects, advising adequacy of insurance. 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. 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.

***33. 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 and short-term loans from banks. The majority of our loan assets, however, mature over the long 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.

***34. 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 142 for a description of certain material proceedings involving our Company, Group Companies and our Directors.

**35. *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.

**36. *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 “*Related Party Transaction*” on page 122.

**37. *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 (if any), 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.

**38. *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.***

Certain decisions concerning our Company's operations or financial structure may present conflicts of interest among our Company's Promoter, Directors and executive officers. Our Company's Promoter, Directors and related entities 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. 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.

**39. *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.

**40. *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.

**41. *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 Assets, KYC requirements and other internal control mechanisms. Further, as an IFC, we are required to maintain a minimum of 75% of our total assets deployed into infrastructure loans and our Company should maintain a CRAR of 15%. We may not be categorised as an IFC, if we are unable to comply with the above requirements. 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, are required to be registered under the relevant shops and establishments laws of the 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.

**42. *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.

**43. *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 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. In terms of 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 86.

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.



**44. *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 branches and registered office 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.

**45. *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 ₹ 24,298.95 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 Fiscal 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.

**46. *Certain supporting documents in connection with certain litigation against our Company included in the section “Outstanding Litigations and Defaults” and “Our Management” are unavailable.***

Certain documents in connection with litigation against our Company as disclosed in the chapter titled “Outstanding Litigations and Defaults” on page 142 are unavailable. Certain documents supporting the information included in the biographies pertaining to the previous work experience, for certain of Director(s), disclosed in the chapter “Our Management” on page 110 of this Draft Shelf Prospectus are unavailable. Such

details pertaining to such Director(s) are supported by affidavits executed by such Director(s), certifying the authenticity of the information provided by them.

**47. *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, “NBFC Overview 2019” and “EcoView 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, 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.

**48. *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 ₹ 3,731.74 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 “Financial Indebtedness” on page 125.

**49. *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 ₹ 10,044.61 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.

**50. *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 ₹ 1,040.18 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”. While some of these contingent liabilities (like letters of comfort issued to LC/ buyers credit issuing banks aggregating to a sum) as referred to in the chapter “Financial Indebtedness” on page 125 are in the ordinary course of business and which would materialise in a definite documented timeframe, in the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

**51. *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.

**52. *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 Income Tax Appellate Tribunal. 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 December 2, 2019. In the event that such approval is not received or is subsequently 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.

## EXTERNAL RISKS

### Risks Relating to India

**53. *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.

**54. *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 has modified the rating from the lowest investment grade of Baa3 to Baa2 with a negative outlook. 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.

*55. 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.

*56. 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. 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.

*57. 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. The primary challenge for the Indian Rupee was the volatile swings in capital flows. In October 2018, the Indian Rupee recorded a high of ₹74.72 and has been volatile in the last one year. 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 needing to 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.

- 58. *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.

- 59. *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 April 1, 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.

#### Risks Relating to the Issue

- 60. *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.

- 61. *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.

- 62.** *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 the unaudited standalone financial results in relation to our Company for the half year ended September 30, 2019 in respect of which the Auditors have issued their Limited Review Report dated October 18, 2019. As Limited Review 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.

- 63.** *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.

- 64.** *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.

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

Substantially all of 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 ₹ 13,388.76 crore. Securities on our 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 NCDs will rank *pari passu* to the existing and future secured indebtedness and other secured liabilities and obligations of our Company.

- 66.** *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.

- 67.** *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.

- 68.** *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.

- 69.** *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 58.

- 70.** *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.

- 71.** *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*”. 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.

**72. *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 on April 18, 2006 as a public limited company under the provisions of the Companies Act, 1956 and was granted a certificate of incorporation by the RoC, Chennai, Tamil Nadu. Pursuant to change in registered office of our Company, revised certificate of incorporation was granted by the RoC, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U67190MH2006PLC299025.

#### **Registered and Corporate 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](mailto:investorgrievances@ltfs.com)  
**Website:** [www.ltfs.com/companies/lt-infra-finance.html](http://www.ltfs.com/companies/lt-infra-finance.html)  
**PAN No.:** AABCL22834  
**LEI No.:** 335800TZ7EER9NLK4K24

#### **Registration**

Corporate Identification Number: U67190MH2006PLC299025 issued by the RoC and LEI No.: 335800TZ7EER9NLK4K24. Our Company holds a certificate of registration dated January 10, 2007 bearing number N-07-00759 issued initially by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934. Subsequently, our Company was classified as 'Infrastructure Finance Company - NBFC' by the RBI and hence a certificate of registration dated July 7, 2010 bearing number N-07-00759 has been issued by RBI. Further, our Company shifted its registered office from Mount Poonamallee Road, Manapakkam, Chennai 600 089, Tamil Nadu to Brindavan Building, Plot No 177, Vidyanagari Marg, CST Road, Kalina Santacruz (E), Mumbai 400 098 and a fresh certificate of registration dated April 10, 2018 bearing number N-13.02232 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934.

#### **Chief Financial Officer**

**Mr. Sachinn Joshi**  
L&T Infrastructure Finance Company Limited  
Brindavan Building, Plot No 177,  
CST Road, Kalina Santacruz (E),  
Mumbai 400 098  
Tel: +91 22 6212 5000  
Fax: +91 22 6212 5553  
E-mail: [investorgrievances@ltfs.com](mailto: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. Ankit Sheth**  
L&T Infrastructure Finance Company Limited  
Brindavan Building, Plot No 177,  
Vidyanagari Marg, CST Road, Kalina Santacruz (E),  
Mumbai 400 098 ,  
Tel: +91 22 6212 5000  
Fax: +91 22 6212 5553  
E-mail: [investorgrievances@ltfs.com](mailto: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 or refund orders 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**

#### **A. K. Capital Services Limited**

30-38, Free Press House, 3<sup>rd</sup> Floor,

Free Press Journal Marg,

215, Nariman Point,

Mumbai – 400 021

Maharashtra, India

**Tel:** +91 22 6754 6500

**Fax:** + 91 22 6610 0594

**Email:** ltinfrainance.ncd2019@akgroup.co.in

**Investor Grievance Email:** investor.grievance@akgroup.co.in

**Website:** www.akgroup.co.in

**Contact Person:** Ms. Aanchal Wagle/Mr. Lokesh Shah

**Compliance Officer:** Mr. Tejas Davda

**SEBI Registration No.:** INM000010411

**CIN:** L74899MH1993PLC274881

#### **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:** ltifcl.ncd@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

#### **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 5007

**Email:** projectshakti@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**

7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,

Prabhadevi, Mumbai 400 025,

Maharashtra, India

**Tel:** +91 22 6630 3030  
**Fax:** (+91 22) 6630 3330  
**Email:** LTinfra.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, 17, R. Kamani Marg, Ballard Estate,  
Mumbai – 400001

**Tel:** +91 (22) 40807000

**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:** ncd.ltinfra2019@linkintime.co.in

**Investor Grievance mail:** ncd.ltinfra2019@linkintime.co.in

**Website:** www.linkintime.co.in

**Contact Person:** Ms. Shanti Gopalkrishnan

**Compliance Officer :** B. N Ramakrishnan

**Tel (Compliance Officer) :** +91 22 49186200

**SEBI Registration Number:** INR000004058

**CIN:** U67190MH1999PTC118368

**Statutory Auditor:**

**M/s. B.K. Khare & Co., Chartered Accountants**

Address: 707 Sharda Chambers, New Marine Lines, Mumbai- 400 020

**Tel:** +91 22 62439500

**E-mail:** shirishrahalkar@bkkhareco.com

**Contact Person:** Shirish Rahalkar

**Firm Registration No.:** 105102W

**Date of appointment as Statutory Auditor:** June 17, 2016

**Credit Rating Agencies:**

**CRISIL Limited**

CRISIL 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/001/1999

**CIN:** L67120MH1987PLC042363

**CARE Ratings Limited**

4<sup>th</sup> 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, Level 4, West Wing, Bandra Kurla Complex,  
Bandra East, Mumbai 400051

**Tel:** +91 22 4000 1700

**Fax:** +91 22 4000 1701

**E-mail:** shrikant.dev@indiaratings.co.in

**Website:** www.indiaratings.co.in

**Contact Person:** Mr. Shrikant Dev

**Compliance Officer:** Mr. Shrikant Dev

**SEBI Registration No.:** IN/CRA/002/1999

**CIN:** U67100MH1995FTC140049

**Legal Advisor to the Issue:****Khaitan & Co**

One Indiabulls Centre,  
13<sup>th</sup> 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****Citibank NA**

First International Finance Centre, Plot  
Nos. C-54 & C-55, G-Block, Bandra  
Kurla Complex,  
Bandra (East), Mumbai 400051

**Contact person:** Rajarshi Charkraborty

**Tel:** +91 22- 6175 7060

**Fax:** +91 22- 6654 1318

**Email:** rajarshi.chakraborty@citi.com

**Website:** www.online.citibank.co.in

**Oriental Bank of Commerce**

Large Corporate Branch  
No. 63, 1<sup>st</sup> Floor, Dr. Radhakrishnan  
Salai Mylapore, Chennai – 600 004

**Tel:** 044 2466 1078

**Fax:** 044 2499 8116

**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:** +91 22 2269 3438/ 2265  
8721

**Fax:** +91 22 2265 1752

**Email:** b0385@psb.co.in

**Contact Person:** Mr. Mukesh  
Kumar, Asst. General Manager

**Website:** www.psbindia.com

**State Bank of India**

Corporate Accounts Group Branch  
Neville House, 3<sup>rd</sup> Floor,

**Syndicate Bank**

227, Nariman Bhavan, Ground Floor  
Mumbai - 400021

**Bank of Maharashtra**

85-E, Maker Tower, Cuffe  
Parade, Mumbai - 400005

J.N. Herediya Marg,  
Ballard Estate, Mumbai 400001  
**Tel:** +91 22 6154 2667  
**Fax:** +91 22 6154 2802  
**Email:** amt4.09995@sbi.co.in  
**Contact Person:** Relationship Manager  
AMT-4  
**Website:** www.sbi.co.in

**Tel:** +91 22 2284 2865  
**Fax:** +91 22 2202 4812  
**Email:** br.5037@syndicatebank.co.in  
**Contact Person:** C.K. Venakateswaran  
**Website:** www.syndicatebank.in

**Tel:** +91 22 2218 1031/ 22  
183081  
**Fax:** +91 22 2218 3355  
**Email:**  
brmgr485@mahabank.co.in  
**Contact Person:** Asst. General  
Manager  
**Website:**  
www.bankofmaharashtra.in

**Canara Bank**  
Specialised Prime Corporate Branch, 7<sup>th</sup>  
Floor, Maker Chambers, Nariman Point  
Mumbai - 400 021  
**Tel:** +91 22 2287 5090  
**Fax:** +91 22 2287 5095  
**Email:** cb1903@canarabank.com  
**Website:** www.canarabank.com

**Union Bank of India**  
Industrial Finance Branch, Union Bank  
Bhawan, 1<sup>st</sup> Floor, 239, Vidhan Bhavan  
Marg, Nariman Point, Mumbai- 400021  
**Tel:** +91 22 2289 2094  
**Fax:** +91 22 2285 5037  
**Email:**  
ifbmumbai@unionbankofindia.com  
**Contact Person:** Arun Kumar  
**Website:** www.unionbankofindia.co.in

**Allahabad Bank**  
2<sup>nd</sup> Floor, Allahabad Bank  
Building, 37 Mumbai Samachar  
Marg, Fort, Mumbai- 400023  
**Contact Person:** K.C. Gupta,  
Chief Manager  
**Tel:** +91 22- 2270 2745/ 46/ 47  
**Fax:** +91 22- 2270 2733/ 35  
**Email:**  
br.mumifb@allahabadbank.in  
**Website:** www.allahabadbank.  
in.com

**United Overseas Bank**  
3 North Avenue,  
Maker Maxity, Unit 31/32/37,  
3<sup>rd</sup> Floor, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051  
**Contact person:** Sampann Nayak  
**Tel:** +91 22- 4247 2805  
**Fax:** +91 22- 2659 1+91 22  
**Email:** sampann.nayak@uobgroup.com  
**Website:** www.uobgroup.com

**HDFC Bank Limited**  
B Wing, 4<sup>th</sup> Floor,  
Peninsula Business Park Lower Parel  
(West), Mumbai – 400013  
**Tel:** +91 22 3395 8143  
**Fax:** +91 22 3078 8579  
**Email:** anant.kumar@hdfcbank.com  
**Contact Person:** Mr. Anant Kumar  
**Website:** www.hdfcbank.com

**Bank of Baroda**  
8, Meghdoot, Junction of  
Linking Road and Turner road,  
Bandra (west), Mumbai -  
400050  
**Tel:** +91 22 2645 3677  
**Email:** rm2.cfsbal@bankofbaro  
da.com  
**Contact Person:** Mr. Dattatray  
Hadpadkar  
**Website:**  
www.bankofbaroda.com

**India Infrastructure Finance  
Company Limited**  
5<sup>th</sup> floor, Block 2, Plate A & B, NBCC  
Tower, East Kidwai Nagar, New Delhi-  
110023  
**Contact Person:** Chief General  
Manager (Credit)  
**Tel:** +91 11 2466 2777  
**Email:** info@iifcl.org  
**Website:** www.iifcl.org

**Indusind Bank**  
4<sup>th</sup> floor- Unit No. 401 & 404,  
Wing A, Peninsula Tower,  
Peninsula Corporate Par,  
Ganpat Rao Kadam Marg,  
Off Senapati Bapat Marg,  
Lower Parel, Mumbai 400013  
**Contact Person:** Indrajoy Bhattacharya  
**Tel:** +91 22 4368 0671  
**Fax:** +91 22 4368 0670  
**Email:**  
indrajoy.bhattacharya@indusind.com  
**Website:** www.indusind.com

**IDBI Bank Limited**  
IDBI Tower, WTC Complex,  
Cuffe Parade, Colaba,  
Mumbai 400005  
**Contact Person:** Peter DJKM  
**Tel:** +91 22 6655 2213  
**Email:** dj.peter@idbi.co.in  
**Website:** www.idbibank.in

### 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=44> 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.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.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](http://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 Issue, including details such as postal address, telephone number and email address, are provided on the websites of the NSE and BSE 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 ₹ 0.10 crore 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 ₹ 0.10 crore 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 ₹ 0.50 crore 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 crores and ‘IND AAA / Stable’ by India Ratings for an amount of upto ₹ 5,000 crores. The rating of NCDs by CRISIL 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 “*Objects of the Issue*” on page 55.

### 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 the Stock Exchange.*

*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
2,00,00,00,000 Equity Shares of face value of ₹ 10 each	2,000.00
Total Authorised Share Capital	2,000.00
Issued, subscribed and paid up Equity Share capital	
1,25,53,00,609 Equity Shares of ₹ 10 each	1,255.30
Securities Premium Account	2,168.22

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

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

There has been no change in authorised share capital of our Company as on last quarter end, for last five years.

Equity Share capital history of our Company as on last quarter ended September 30, 2019, for the last five years

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 (₹)
November 30, 2015	1,70,21,276	10	47	79,99,99,972	Right Issue to L&T FHL	84,62,54,276	846,25,42,760	37
March 29, 2017	4,58,33,333	10	48	219,99,99,984	Right Issue to L&T FHL	89,20,87,609	892,08,76,090	38
March 21, 2018	9,78,26,086	10	46	449,99,99,956	Right Issue to L&T FHL	98,99,13,695	989,91,36,950	36
September 28, 2018	18,33,86,914	10	49	898,59,58,786	Right Issue to L&T FHL	1,17,33,00,609	1173,30,06,090	39
January 31, 2019	8,20,00,000	10	49	4,01,80,00,000	Right Issue to L&T FHL	1,25,53,00,609	1,25,53,00,6090	39

### 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	12,55,300,603	12,55,300,603	100
2.	Mr. Dinanath Mohandas Dubhashi *	1	-	-^
3.	Mr. Raju Dodti *	1	-	-^
4.	Mr. Sachinn Joshi *	1	-	-^
5.	Mr. Shiva Rajaraman *	1	-	-^
6.	Mr. Sunil Prabhune *	1	-	-^
7.	Mr. Abhishek Sharma*	1	-	-^
	<b>Total</b>	<b>12,55,300,609</b>	<b>12,55,300,603</b>	<b>100.00</b>

\*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 7 equity shareholders; given below are details of the equity shareholders of our Company as on 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 (LTFH)	12,55,300,603	12,55,300,603	100
2.	Mr. Dinanath Mohandas Dubhashi *	1	-	..^
3.	Mr. Raju Dodti *	1	-	..^
4.	Mr. Sachinn Joshi *	1	-	..^
5.	Mr. Shiva Rajaraman *	1	-	..^
6.	Mr. Sunil Prabhune *	1	-	..^
7.	Mr. Abhishek Sharma*	1	-	..^
	<b>Total</b>	<b>12,55,300,609</b>	<b>12,55,300,603</b>	<b>100.00</b>

\*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.	LIC of India	950.00
2.	International Finance Corporation	667.00
3.	India Long Term Debt Fund	500.00
4.	Punjab National Bank	400.00
5.	Kotak Mahindra Trustee Co. Limited A/c Kotak low duration fund	300.00
6.	The Provident Fund Trust for The Employees of Indian Oil Corporation Limited (md)	248.70
7.	United India Insurance Company Limited	210.00
8.	HDFC Bank Limited	200.00
9.	Postal Life Insurance Fund A/C SBIFMPL	180.00
10.	Food Corporation of India CPF Trust	148.00
	<b>Total</b>	<b>3,803.70</b>

^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.**

Nil

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

### Debt to equity ratio\*

(₹ in crores)		
Particulars	As at September 30, 2019	Post-Issue*
<b>Debts</b>		
Debt Securities	9,779.36	14,779.36
Borrowings (Other than debt securities)	12,599.72	12,599.72
Subordinated liabilities	1,919.87	1,919.87
<b>Total debts (A)</b>	<b>24,298.95</b>	<b>29,298.95</b>
Shareholders' fund		

Particulars	As at September 30, 2019	Post-Issue*
Equity Share capital	1,255.30	1,255.30
Other Equity	2,692.95	2,692.95
<b>Total shareholders' funds (B)</b>	<b>3,948.25</b>	<b>3,948.25</b>
<b>Total debt/ equity(A/B)</b>	<b>6.15</b>	<b>7.42</b>

\*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 7.42 times, the actual debt equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

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

Our Company has two subsidiary companies as on the date of this Draft Shelf Prospectus. Our Promoter does not hold any share in our Subsidiary Companies, as on September 30, 2019.

#### 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:

Sr. 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 Subsidiary Companies, Associate Companies and Joint Venture

Our Company does not have any joint venture. The shareholding of the directors in our Subsidiary Companies and Associate Company as on September 30, 2019 are mentioned below:

#### A. Subsidiary Companies

##### (a) L&T Infra Investment Partners Trustee Private Limited

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

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

##### (b) L&T Infra Investment Partners Advisory Private Limited

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

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

#### B. Associate Company

##### L&T Infra Debt Fund Limited

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

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

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

NIL

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

NIL

**Details of any reorganisation or reconstruction in the last one year**

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 Infrastructure Finance Company 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.

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**”):

1. 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 Infrastructure Finance Company 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%
	<b>Total</b>	<b>100%</b>

*\*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.*

### Purpose for which there is a Requirement of Funds

*As stated in this section.*

### **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 and selling commission to the Lead Managers/Consortium Members, printing and distribution expenses, legal fees, advertisement expenses, fees payable to RTA, Debenture Trustee, SCSBs' commission / fees 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 Fiscals commencing from Fiscal 2020, 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 proceeds of the Issue only upon the execution of the documents for creation of security and the Debenture Trust Deed and receipt of 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 211.

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

December 2, 2019

### **L&T Infrastructure Finance Company Limited**

Brindavan, Plot No.177, C.S.T Road,  
Kalina, Santacruz (E), Mumbai 400098

Dear Sirs,

**Sub: Statement of indicative tax benefits available to Debenture Holders of L&T Infrastructure Finance Company 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. 5000 crores (Rupees Five Thousand crore) (hereinafter referred to as the “Issue”)**

We refer to the proposed Issue by **L&T Infrastructure Finance Company Limited** (the “Company”) and enclose the Statement of [indicative] 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 A.K. Capital Services Limited, Edelweiss Financial Services Limited, Trust Investment Advisors Private 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.

Yours faithfully

For **B. K. Khare & Co.**

**Chartered Accountants**

Firm Registration Number: 105102W

**Shirish Rahalkar**

**Partner**

Membership No: 4111212

UDIN: 19111212AAAAPA7933

Mumbai.

## STATEMENT OF INDICATIVE 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 is guidance on the tax law listing the indicative 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/will not be 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, for FY:2019-20 –

- 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

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.
- 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.

5. *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 whether 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. *Other 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 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 June 1, 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***

1. 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. [The debenture holder may consider the above exemption after evaluating specific facts and tax advice from their tax advisors.]

## **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 subject to conditions and 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 1<sup>st</sup> 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 exceptions 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 is indicative covering 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 DTAA, if any, between India and the country in which the non-resident is 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’ and “CRISIL EcoView”. 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 its 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 expects 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 <sup>#</sup>
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

<sup>#</sup>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.

*Fund raising and managing liquidity remains the biggest concern for NBFCs; divergence across players' ability to raise funds increased significantly*

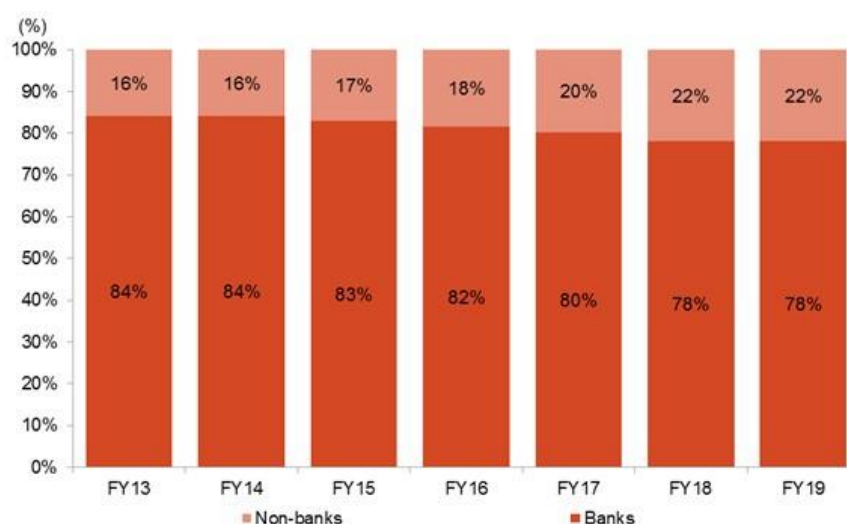
- Higher interest rates in the first half and tight liquidity in the second half increased the cost of borrowing for NBFCs by 25-30 bps in Fiscal 2019. Fund raising is expected to remain a challenge in Fiscal 2020 as well.
- CRISIL Research believes divergence across players' fund-raising ability has risen post-September 2018 and remains high; fund-raising situation should improve marginally in Fiscal 2021.
- Banks increased the exposure to NBFCs significantly post-crisis. However, funding to riskier and small players from debt capital market and banks remain challenging.

*Non-banks' strong growth hits a bump in the second half of Fiscal 2019*

NBFCs' loan book witnessed a growth of 17% CAGR from Fiscal 2014 to Fiscal 2019, amounting to ₹ 27.30 trillion. NBFCs grew at a strong pace in the first half of Fiscal 2019, up ~17% on-year. However, the default of IL&FS in mid-September 2018 created a panic, and investor/lender confidence in funding NBFCs declined. Further, with the tight liquidity conditions and higher risk perception to the sector, raising funds remains challenging. This led to a sharp slowdown in their growth in the second half of Fiscal 2019.

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:

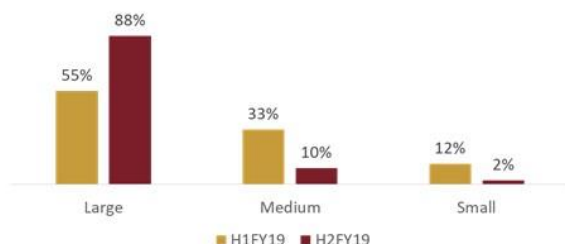


Source: RBI, NHB, MFin, CRISIL Research

*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 risky book in the retail segment and lower ALM mismatch were only able to raise NCD, which is reflected in the unique player-wise issuance.

Sharp decline in the share of small and mid-sized players in raising NCDs



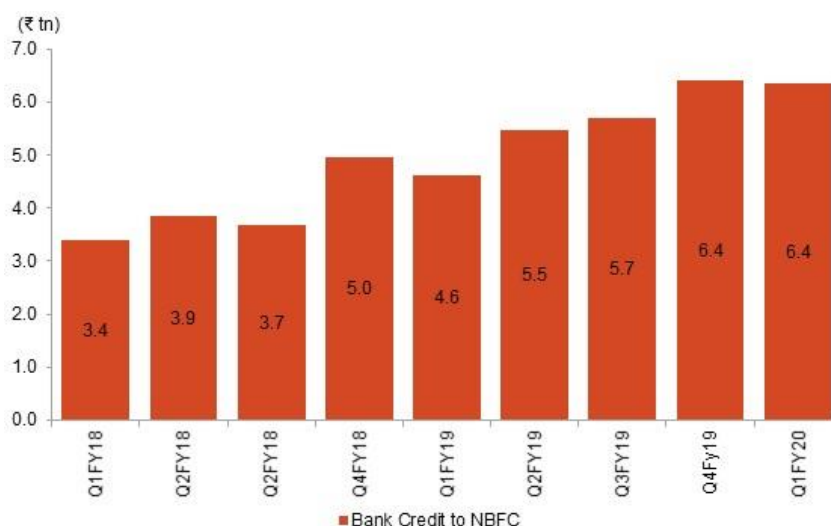
*Note: Players with loan book greater than Rs 300 bn classified as large, loan book between Rs 50 bn - Rs 300 bn classified as medium and players with less than Rs 50 bn as small*

Source: CRISIL Research

Banks are selective in lending to NBFCs

With tight liquidity in debt capital market and lower appetite from mutual funds, bank borrowings is the key fund-raising avenue for non-banks. Banks credit exposure to the NBFC segment witnessed 29% growth in Fiscal 2019, compared with bank credit growth of 12%. Banks have also played an active role in securitising NBFCs assets, in turn providing liquidity to NBFCs.

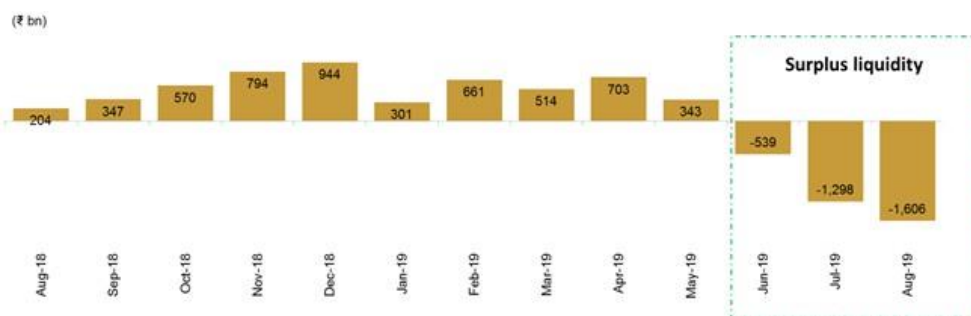
Banks credit exposure to the NBFC segment:



Source: RBI, CRISIL Research

CRISIL Research believes the banking sector has been flush with liquidity over the past three months. Despite this, both large PSBs as well as private banks have been selective in lending to the NBFC sector. We expect risk-averse banks to extend credit to NBFCs on a case-to-case basis.

Monthly average net liquidity in banking system



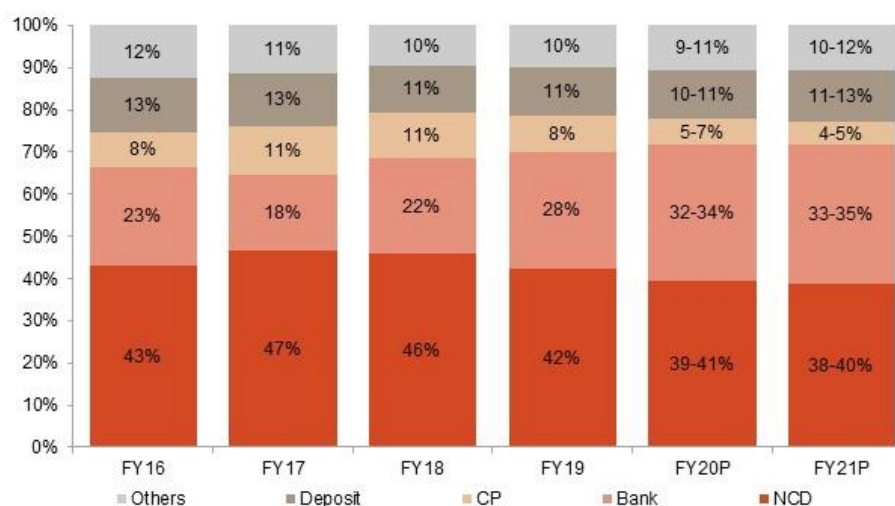
Note: Monthly average net liquidity in system is measured by liquidity absorbed (-) / injected (+) by RBI under money market operations. Positive value indicates liquidity deficit (amount infused by RBI) whereas negative value indicates liquidity surplus (amount absorbed by RBI)

Source: RBI, CRISIL Research

NBFCs to focus more on managing liquidity and matching ALM; market borrowing to decline

Competitive market rates and easy access to market borrowings led to an increase in market borrowings (CPs/NCDs) for non-banks until Fiscal 2018. However, tight market borrowing conditions in the second half of Fiscal 2019 led to non-banks hunted other avenues for raising funds. Non-banks started increased bank borrowings and, consequently, the share of market borrowing came down by the end of Fiscal 2019. CRISIL Research expects share of bank borrowings to increase further in the resource mix of non-banks considering tight fund-raising conditions. Liquidity challenges for non-banks are expected to soften gradually over time.

Resource profile of NBFCs



Note: Based on sample set of CRISIL rated non-banks accounts for more than 60% of outstanding book of NBFCs as on March 2019.

Source: Company Reports, CRISIL Research

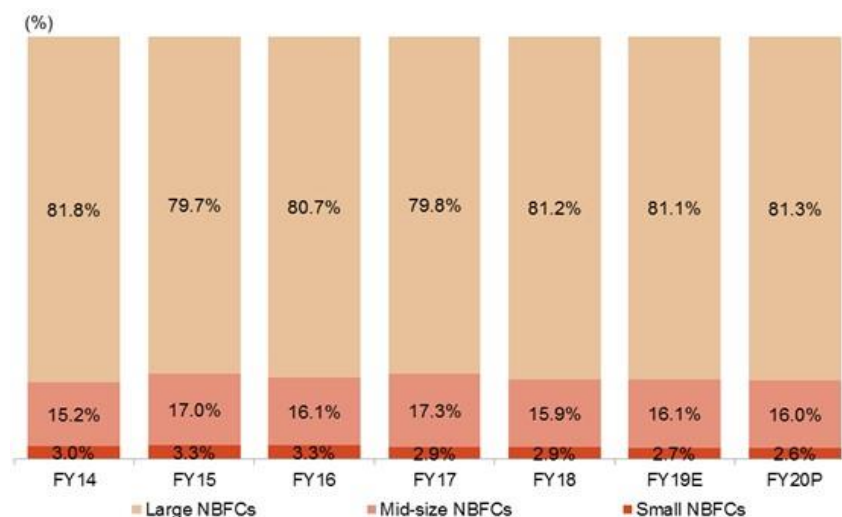
Competitive Dynamics: Large, Medium and Small NBFCs

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 ₹ 25 billion as of FY19; as mid-size NBFCs if AUM is between ₹ 25 and ₹ 100 billion; and Large NBFCs if AUM is above ₹ 100 billion as of FY19*

Source: Company Reports, CRISIL Research

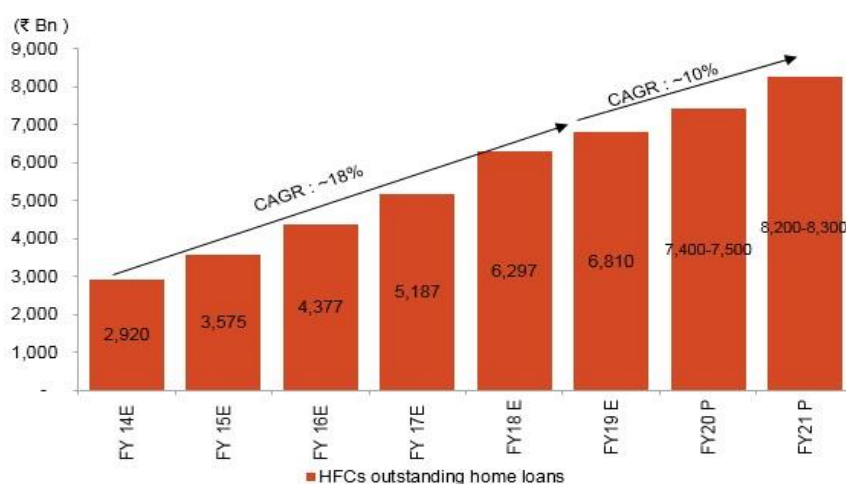
### Housing Finance: Outstanding

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 ₹ 10.0 lakh; micro and small enterprises up to Rs 20 lakh and housing up to ₹ 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 ₹ 45 lakh has been enhanced to ₹ 3.5 lakh from ₹ 2 lakh. The additional interest deduction of ₹ 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 -

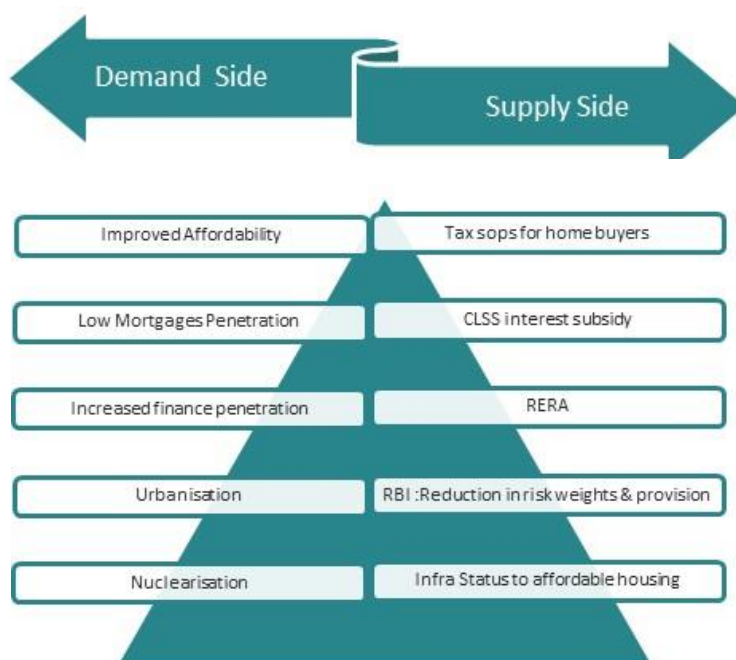
- NHBs revised guidelines announced in June 2019 have made the following key amendments:
  - The minimum Tier 1 capital adequacy to be maintained by HFCs has been increased from 6% to 10%
  - The overall capital adequacy ratio requirement has been increased from 12% to 15% in a graded manner
  - The 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*

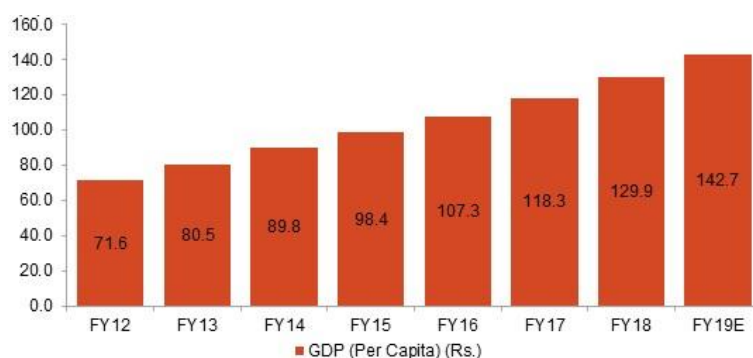
Drivers for growth





*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 India’s 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



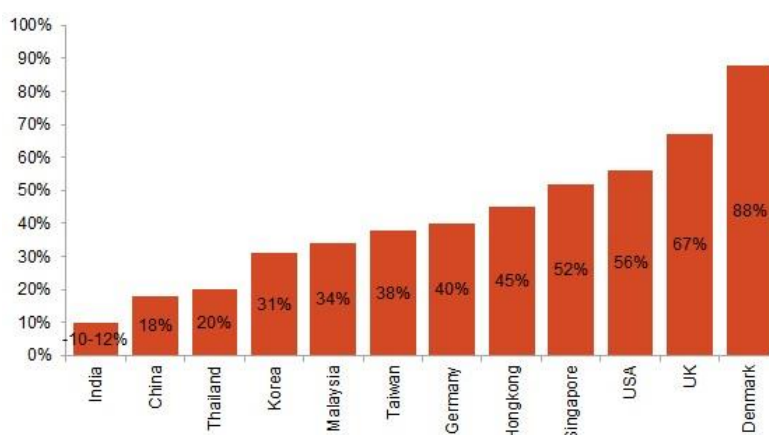
*Note: GDP per capita is in Rs '000*

*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.

### **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



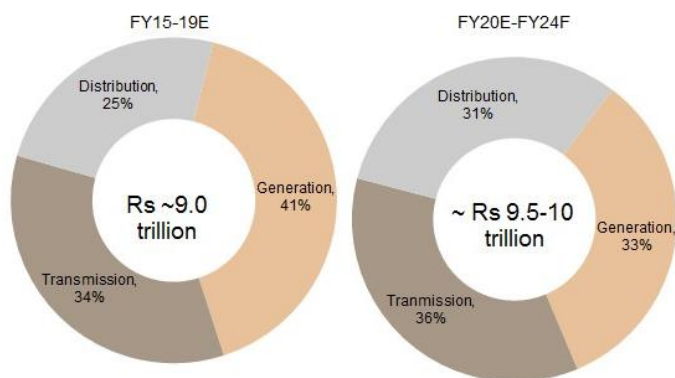
*Source: RBI, Company reports, CRISIL Research*

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 ₹ 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.

### *Transmission and distribution segments to drive investments over the next five years*

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.

Segment-wise break-up of total investments in power segment



*Note: E: estimates, F: forecast*

*Source: CRISIL Research*

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.

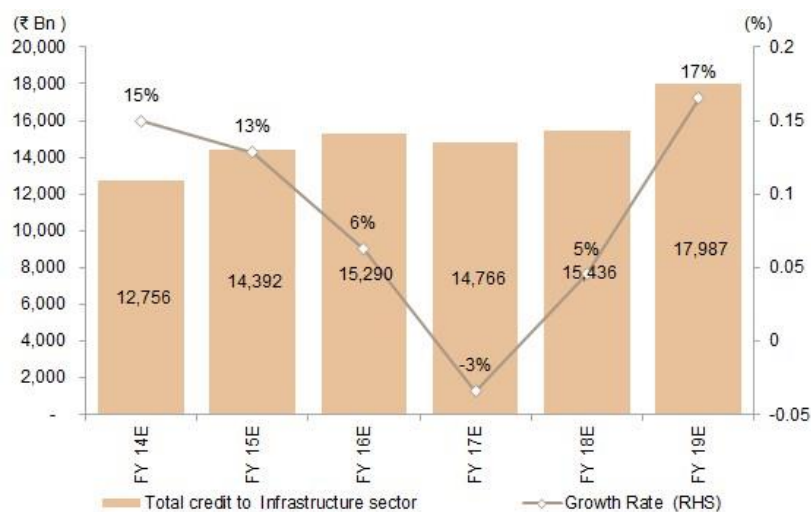
### *Overall infrastructure credit grew 17% in Fiscal 2019:*

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. 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 expects 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 NHA'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

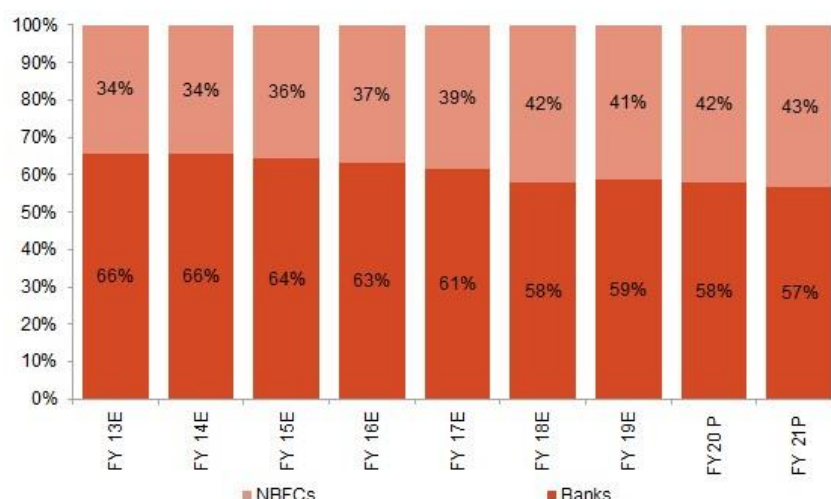
The market share of NBFCs in infrastructure finance grew by 600-700 bps over the last 5 years. However, banks which were losing market share to HFCs over the last few years gained market share of around 100 bps in Fiscal 2019. In Fiscal 2019, the government had infused over Rs 1 trillion in public sector 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 government-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



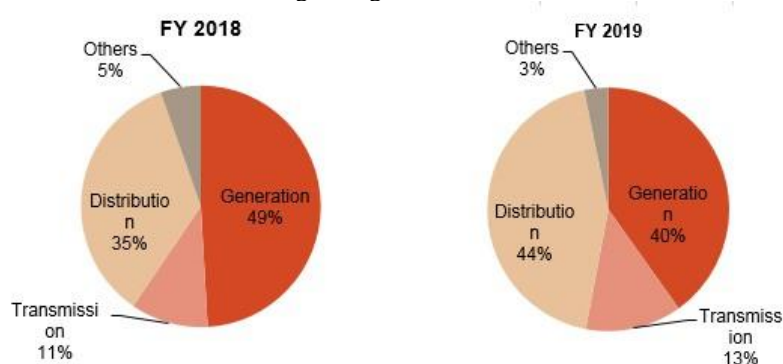
*E: Estimated, P: Projected*

*Source: CRISIL Research*

*Transmission and distribution segment to gain share in overall disbursement in power sector*

The share of disbursements in the transmission and distribution segment in the overall power sector increased from 45% in Fiscal 2018 to 57% in Fiscal 2019 on account of strong support from the government in terms of higher budgetary allocations, whereas that of the generation segment fell from 49% to 40% due to the poor financial health of private players and dearth of new projects. With greater emphasis placed by players on the renewable power segments along with transmission and distribution, their share in overall loan disbursements has increased. Going forward, we expect the transmission and distribution segment to witness healthy growth on account of planned investment of ~Rs 3.8 trillion in transmission and Rs 3-3.2 trillion in the distribution segment over the next 5 years. Along with this, the share of renewable energy in the mix is expected to increase, driven by growth in investments in solar power.

Transmission and distribution segment gains share in overall disbursements in power sector



*Note: Data for Power Finance Corporation (PFC) and Rural Electrification Corporation (REC)*

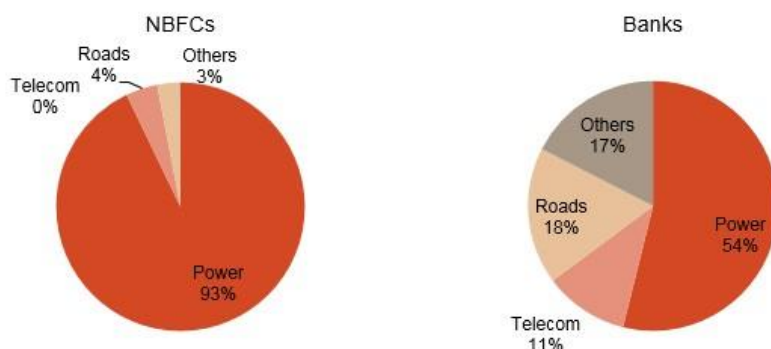
*Source: CRISIL Research*

*Financing by NBFCs concentrated on power sector, while banks have a much diversified profile*

A segmental analysis reveals that while banks lent almost 54% of their portfolio to the power segment (generation, distribution and transmission companies), nearly 93% of NBFCs outstanding loans were extended to the power sector.

- We must note that this portfolio is partly skewed due to the presence of government-backed specialised institutions such as PFC and REC

#### Infrastructure finance portfolio



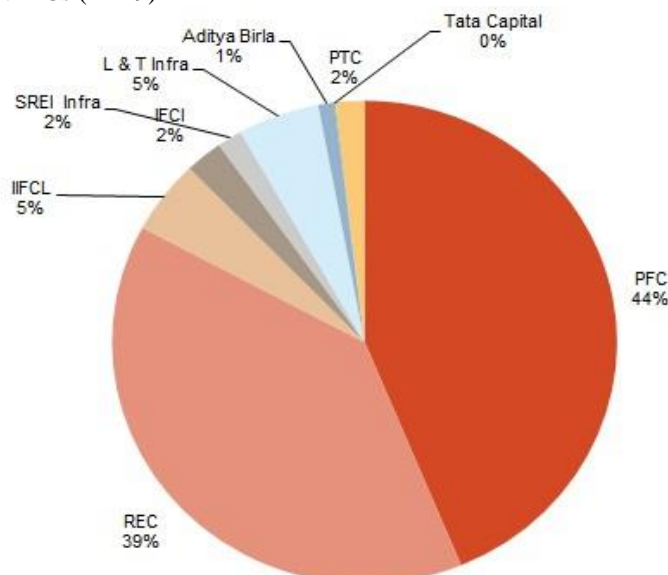
*Note: Data of NBFCs is estimated for 2019*

*Source: CRISIL Research*

PFC and REC together accounted for more than 80% of loan outstanding to the infrastructure sector by NBFCs

- While PFC and REC are specialised power players, other NBFCs have a fairly diversified portfolio across power, roads, telecom and urban infrastructure.

#### Market share among NBFCs (FY19)



*Source: RBI, CRISIL Research*

Long-tenure infra loans typically widen the asset-liability mismatch of financiers. Banks, for instance, rely almost exclusively on retail deposits to fund their advances.

While the average tenure of individual retail deposits does not exceed a year, infrastructure project advances have significantly longer tenures.

To narrow asset-liability mismatch and incentivize banks to fund infrastructure projects, the RBI released guidelines on infra bonds and the 5/25 structure.

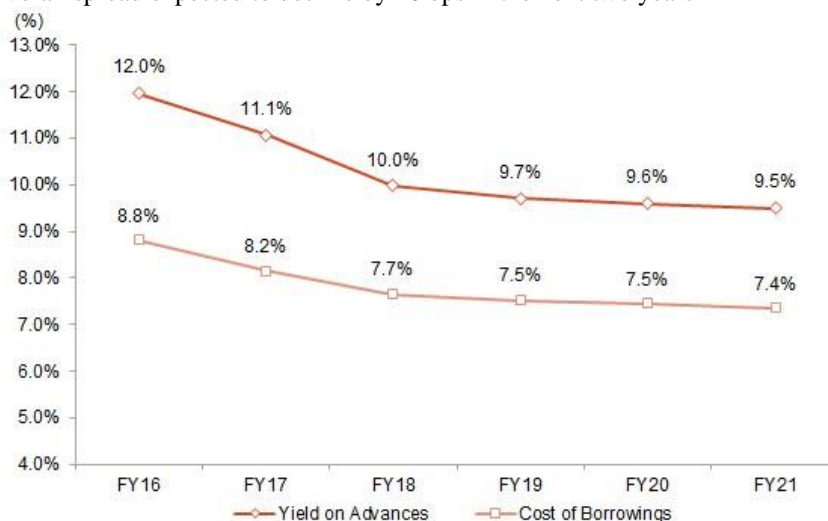
#### Infrastructure financing: Profitability

*Higher credit cost and rise in non-performing assets to hurt infra focused*

### NBFCs profitability

As large non-banking finance companies (NBFCs) raise material share of their requirement in the bond market where coupon rates are lower than the interest rates charged by banks, their cost of funds has been traditionally low. Bonds issued by Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) have a wide market acceptance (highest credit rating and tax-free feature of bonds), which allows them to keep their borrowing costs at a lower spread over government securities. Further, these NBFCs can also diversify their borrowings and control cost of raising funds as they can access external commercial borrowings (subject to cap of 50% of their net worth or \$500 million, whichever is lower, under the automatic route), at a time when global interest rates are lower. Given the credit rating and quantum of net worth of government entities PFC and REC, they can efficiently raise sufficient resources in the foreign markets. As a result, these entities enjoy lower cost of funds than their counterparts who borrow at a relatively higher cost.

Overall spread expected to decline by 10 bps in the next two years



Note: Above nos. are aggregate for PFC, REC, L&T Infra and SREI Infra

Source: CRISIL Research

During Fiscal 2019, the cost of borrowing declined by 15-20 basis points (bps) for the industry. However, the aggregate cost of borrowings looks elevated, excluding PFC and REC. We expect cost of borrowing for infrastructure financing players to decline by ~10 bps (to 7.5%) over the next two years, as market rates have softened, and bank credit turned cheaper over the past three four months.

Few players witnessed a significant drop in yields in Fiscal 2019 owing to loan reset policy and some high-priced loans were repaid by borrowers during the year. The Reserve Bank of India has lowered the repo rate by 110 bps since January 2019 and a change in bank lending rates would pull down overall yields for infra financing players as they directly compete with banks. Further, yields are likely to decline by 10-15 bps in fiscals 2020 and 2021 as the MCLR (marginal cost of funds-based lending rate) of banks comes down.

Despite the decline in yields, profitability improved in Fiscal 2019 as players benefited from provisioning write back owing to a shift to Ind-AS. Credit costs as a percentage of average assets decreased significantly in Fiscal 2019 based on this migration.

Going forward we expect, profitability to reduce to 1.8% in Fiscal 2020 and stabilize thereafter. The decline in profitability for entities other than PFC and REC likely to be on account of decline in asset quality, and, consequently, higher provisioning. Profitability of infrastructure NBFCs expected to reduce and stabilize thereafter

	FY16	FY17	FY18	FY19	FY20	FY21
NII	4.4%	4.2%	3.4%	2.9%	2.9%	3.1%
other income	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Total Income	4.5%	4.4%	3.6%	3.1%	3.1%	3.3%
opex	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
credit cost	0.7%	1.5%	1.2%	0.0%	0.3%	0.4%
PBT	3.7%	2.7%	2.2%	2.9%	2.6%	2.6%
Tax	1.2%	1.1%	0.5%	0.9%	0.8%	0.8%
ROA	2.5%	1.6%	1.6%	2.1%	1.8%	1.8%



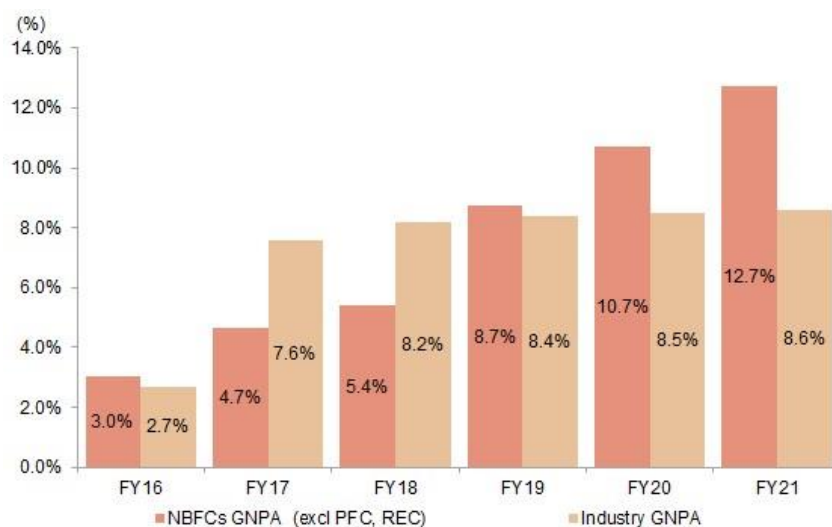
*Note: Above nos. are aggregate for PFC, REC, L&T Infra, and SREI Infra. Net interest income is calculated as (Interest income on advances - Interest paid)/average assets)*  
*Source: CRISIL Research*

#### *GNPAs to remain high over the medium term*

Infrastructure finance companies among NBFCs are facing worsening asset quality. Market leaders in the domain, including PFC and REC, face major portfolio concentration risk as their loans are primarily based in the power domain. Also, the weak profile of the borrowers and the inherent risks associated with project financing, such as delayed clearances and cash flows, made their non-performing asset (NPA) problem more acute in fiscals 2018 and 2019.

Industry gross NPAs (GNPAs) rose to 8.6% of the gross advances from 7.6% in Fiscal 2017, driven by poor asset quality of players such as REC and IIFCL. The GNPAs of NBFCs had been a mere ~2.8% in Fiscal 2016. However, it shot up because NBFCs migrated to new NPA recognition norms whereby a loan is classified as an NPA if the borrower is 90 days past due (dpd) in payment.

Industry GNPA ratio expected to stabilize with stability in the NPA recognition norms



*Note: GNPA nos. are aggregates for PFC, REC, SREI Infra, L&T Infrastructure Finance and PTC India Financial Services;*  
*Source: CRISIL Research*

Infrastructure financing asset quality remains inherently vulnerable to the weak credit risk profile of borrowers. Furthermore, the players have high sectoral concentration, mainly skewed towards the power segment. Also, more than 80% of industry's advances is towards government sector power utilities including generation, transmission companies and discoms.

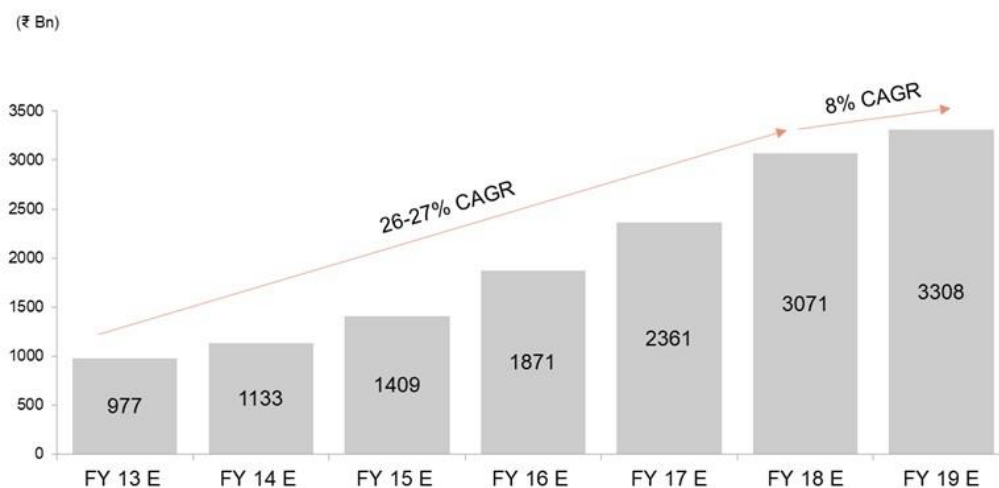
Overall gross non-performing assets of the industry increased by 20-30 bps in Fiscal 2019, excluding PFC and REC. GNPAs deteriorated sharply by over 300-330 bps during the period. Asset quality for few players has improved as under Ind-A reporting, as all loans towards state power utilities and public sector undertaking were upgraded to Stage I and Stage II assets from the NPA category earlier. Other infra players witnessed significant increase in overall GNPA. Going forward, we expect the overall GNPA of the industry to increase by 200 bps in fiscals 2020 and 2021 on account of asset quality risk of private sector power player, which have increasingly become more vulnerable because of industrial issues such as lack of fuel availability, inability to pass on fuel price increase, and absence of long-term power purchase agreements for assured power off take.

## Wholesale Finance: Outstanding

Wholesale finance represents lending services to medium-sized and large corporate, 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 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.

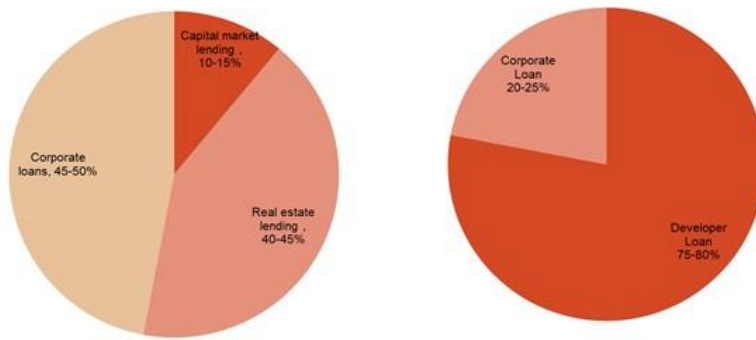
**Lower turnaround time** - Customers often require funds in a timely manner for funding business growth and/or managing the liquidity crunch. Non-banks are able to meet such requirement thanks to faster turnaround time. On average, non-banks disburse a large ticket loan to a new customer within 45-60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

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.

## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 16 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors” on page 18 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31<sup>st</sup> of each year, and references to a particular fiscal are to the twelve months ended March 31<sup>st</sup> of that year.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on the Audited Consolidated Ind AS Financial Information, Audited Standalone Ind AS Financial Information, Reformatted Consolidated Financial Information and the Unaudited Standalone Financial Results, included in this Draft Shelf Prospectus. For further information, see “Financial Statements” on page 123 and “Material Developments” on page 124.*

*In this section, unless the context otherwise requires, a reference to “our Company” is a reference to L&T Infrastructure Finance Company Limited on a standalone basis, while any reference to “we”, “us” or “our” is a reference to L&T Infrastructure Finance Company Limited on a consolidated basis.*

### Overview

Our Company is one of the largest private sector non-banking financial company in infrastructure finance business in India with focus on providing solution oriented offerings in sectors like roads, renewable energy and transmission.

Our Company was incorporated in 2006 and is registered with the RBI as a systemically important non deposit taking NBFC. Our Company is registered with the RBI as a systemically important non-deposit taking NBFC - Infrastructure finance company, or “IFC”, which allows it to optimize its capital structure by diversifying its borrowings and accessing long term funding resources. On June 10, 2011, our Company was classified as a Public Financial Institution (PFI) by the Ministry of Corporate Affairs.

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, wholesale and housing finance with return on equity as an important performance metric.

Our principal business verticals include:

**Infrastructure finance Business:** We offer Infrastructure finance to entities involved in renewable energy, power transmission, roadways, ports and airports sector. We focus on underwriting greenfield projects and refinancing operational projects. One of our key strength is our strong underwriting ability and consequent sell-down to various investors.

Till Fiscal 2019, the infrastructure finance business was part of our Company’s Wholesale business, which comprised of infrastructure finance, structured finance and debt capital markets business. In the first quarter of Fiscal 2020, our Company decided to classify its structured corporate finance and debt capital markets businesses 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 ₹ 23,304.43 crores.

**Real Estate Finance Business:** We offer construction finance loans for real estate developers. 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. We focus on the affordable and mid segment projects predominantly in Tier 1 cities. As of September 30, 2019, our adjusted total loans and advances under our real estate finance business were ₹ 4,063.01 crores.

We have 129 employees as of September 30, 2019. Each of our businesses are led by senior executives who are, generally, also responsible for certain organizational functions at the group level. Together, they have demonstrated the ability to manage and grow our operations.

A summary of our key operational and financial parameters derived from Unaudited Ind AS financial statements on a standalone basis for the six months period ended September 30, 2019 and year ended March 31, 2019 are as follows:

(₹ in crores, except %)

	As of / For the period ended September 30, 2019 (IND-AS)	As of / For the Year Ended March 31, 2019 (IND-AS)
Total Adjusted Loans & Advances Outstanding	28,176.65	28,383.32
Total Disbursements	3,157.18	12,649.71
Average Assets Under Management	26,587.98	25,093.78
Total Income	1,574.45	2,864.01
Net Worth (Note 1)	3,948.25	3,930.36
Return on Average Net Worth (%) (Note 2)	0.42%	7.33%
Profit After Tax (Note 3)	16.64	231.89
Gross Stage 3 Assets (GS3) (%) (Note 4)	14.08%	15.27%
Net Stage 3 Assets (NS3) (%) (Note 5)	5.89%	6.40%

**Notes:** The below notes are applicable to the key operational and financial parameters, 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.
2. "Return on Average Net Worth" refer to Net Profit after Tax divided by Average Network
3. "Profit After Tax" includes one-time impact of ₹ 257.75 crores on account of revaluation of Opening deferred tax asset as at March 31, 2019 due to the option provided for lower corporate tax rate of 25.17% as introduced by the Taxation Laws (Amendment) Ordinance, 2019) for FY2019-20 & onwards.
4. "Gross Stage 3 Assets (%)" refers to Gross Stage 3 Assets divided by loans (gross of allowances for Stage 1, Stage 2 and Stage 3).
5. "Net Stage 3 Assets (%)" reflect Net Stage 3 Assets divided by loans (gross of allowances for Stage 1, Stage 2 and Stage 3)

A summary of our key operational and financial parameters derived from IGAAP Financial statements on a standalone basis for the Fiscal 2018 and Fiscal 2017 are as follows:

(₹ in crores, except %)

	As of / For the period ended March 31, IGAAP	
	2018	2017
Total Adjusted Loans & Advances Outstanding	24,297.16	22,804.22
Total Disbursements	20,926.54	10,076.21
Average Assets Under Management	22,720.20	21,735.44
Total Income	2,734.42	2,678.42
Net Worth (Note 1)	3,348.22	2,880.84
Return on Average Net Worth (%) (Note 2)	2.44%	1.47%
Profit attributable to the Shareholders	75.89	42.21
Gross NPA (%) (Note 3)	5.75%	5.30%
Net NPA to Net Advance (%) (Note 4)	3.04%	2.91%

**Notes:** The below notes are applicable to the key operational and financial parameters, are as follows:

1. "Net Worth" refers to the aggregate of share capital and reserves and surplus.
2. "Return on Average Net Worth" refer to Net Profit after Tax divided by Average Network
3. "Gross NPAs (%)" refers to Gross NPAs divided by Loan book.
4. "Net NPAs" reflect our gross NPAs less provisions for NPAs and "net NPA (%)" refers to the ratio of net NPAs to Loan book.

## Our Strengths

**Unique business model with a strong focus on renewable energy generation, transportation and power transmission projects**

We believe that, our technical expertise (apart from financial expertise) helps in delivering quick turnaround time

with superior financing solutions. Prior to Fiscal 2012 we were present across diversified businesses. We provided financial assistance to several of infrastructure sectors, including coal-thermal & hydroelectric power and EPC road where we were principally participants and not the lead financier. Post Fiscal 2012, we decided to focus on carefully identified sectors where we finance (greenfield & brownfield) projects as sole lenders or lead consortium lender.

**Infrastructure finance Business:** Our infrastructure finance business focuses on financing viable renewable energy, 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 term loans typically in the range of ₹ 50 crore to ₹ 1,000 crore 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 immovable properties, hypothecation of moveable assets, charges on project contracts, charges of bank accounts, pledges of securities (such as equity and debentures owned by sponsors) 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 sectors depending on the type of loan, tenor, extent of structuring, credit rating etc. Variable interest rates are generally linked to the PLR (Prime Lending Rate) of our company. Under our infrastructure finance business, we recorded loan disbursements of ₹2,766.88 crores and ₹8,109.35 crores for the half year ended September 30, 2019 and the Fiscal 2019, respectively.

**Real Estate Finance Business:** Under our real estate finance business, we recorded loan disbursements of ₹ 390.30 crores and ₹ 1,297.28 crores for the half year ended September 30, 2019 and the Fiscal 2019, respectively. Our real estate finance business is present in four select urban locations, i.e., Mumbai, National Capital Region (“NCR”), Bangalore 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.

### ***Strong appraisal, structuring and syndication capabilities***

We have built our loan appraisal, approval and structuring procedures to suit the needs of our clients in each of our financing businesses. For our infrastructure finance and real estate finance businesses, we structure the terms of our loans and financing, as per the needs of individual projects and clients. Under our infrastructure finance business, we provide several types of loans including project finance term loans, working capital loans, bridge loans, which are tailor made solutions for their capital expenditure and operational expenditure needs. Similarly, for our real estate finance business, we offer a wide-range of financing solutions such as construction finance, structured debt, pre-approved funding, inventory financing and lease rental discounting to address funding requirements of clients across categories. For both infrastructure finance and real estate finance 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, *inter alia*, the track-record of clients and stages of project completion.

Further, 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 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 management policy:** We have implemented a risk management policy, covering capital adequacy, liquidity and earnings volatility and maintain a comprehensive system of internal controls. Our risk management 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 risk management policy. We put in place a risk measurement and analytics framework to develop early warning capabilities and to use early warning signals to make decisions, and to drive our collection and repossession strategy. 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) arising from our key financing businesses. We have set up a robust governance framework to monitor and manage the market risk operations.

*Risk-adjusted pricing:* Our Company has a time-tested framework which enables risk-adjusted pricing of all products. It also enables comparison across different categories of financing, time buckets etc.

While our Company continues to have high rate of Net Stage 3 assets, we have been successful in reducing our Net Stage 3 assets as a percentage of our total loans outstanding from 6.40% as of March 31, 2019 to 5.89% as of September 30, 2019.

### ***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 several sectors including 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, in our infrastructure finance business, we leverage on L&T's in-depth technical expertise to assess projects and operational risk. Similarly, we have grown our real estate finance 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. Further, we believe, there are opportunities presented by other businesses of the 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, in each of our key businesses segments in which we operate, and which are underpenetrated business, with significant growth potential, as follows:

- *In our infrastructure finance business*, we intend to continue to grow our loans disbursed in the sectors in which we have demonstrated presence, expertise and market leadership, such as renewable power generation, transportation, and power transmission, while also seeking to expand our focus to other sectors. We have also been focussing on refinancing operational assets with full control on the cash flows. 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;

In the renewables finance business, our Company has been steadily focussing toward renewables (low-gestation periods and quicker cash flow generation) and roads (sector activity picking up with more projects

going operational) and has over the same period, lowered exposure to tower and distribution projects and other riskier longer tenure projects with cash flow difficulties.

In our road sector finance business, we intend to be the complete value chain financier to the developers. We have been focussing on under-construction lending ('HAM Projects'), operational asset refinancing and bond financing.

- *For our real estate finance business*, we intend to continue to leverage on synergies with L&T to lend 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;

***Focus on strong underwriting and continuous sell-down, which would generate healthy fee-based income, thereby supporting overall profitability without having a material impact to our risk profile***

We intend to continue 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 infrastructure finance business, we intend to continue 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, NBFCs and other financial institutions.

Our Company has established centres of excellence, which underwrite infrastructure projects to be down sold to financiers (banks and NBFCs) for an underwriting fee, which contributes towards overall profitability, with limited impact on its risk profile.

Additionally, we intend to increasingly syndicate loans and grow our fee income, such as fees related to processing, underwriting and syndication, for our real estate finance business and by providing structured solutions to infrastructure projects.

***Further enhance technology systems and data analytics as a competitive advantage***

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.

Further, we intend to increase deployment of data analytics in our business operations, in tune with the group's strategy to introduce data analytics in all the group businesses. Data analytics could enable early warning signals of stress in the portfolio and enable quick mitigation of the same. We also intend to increasingly add additional external and public data inputs, such as credit bureau assessments, credit history with other lenders and real time bank account information as data points into our evaluation metrics.

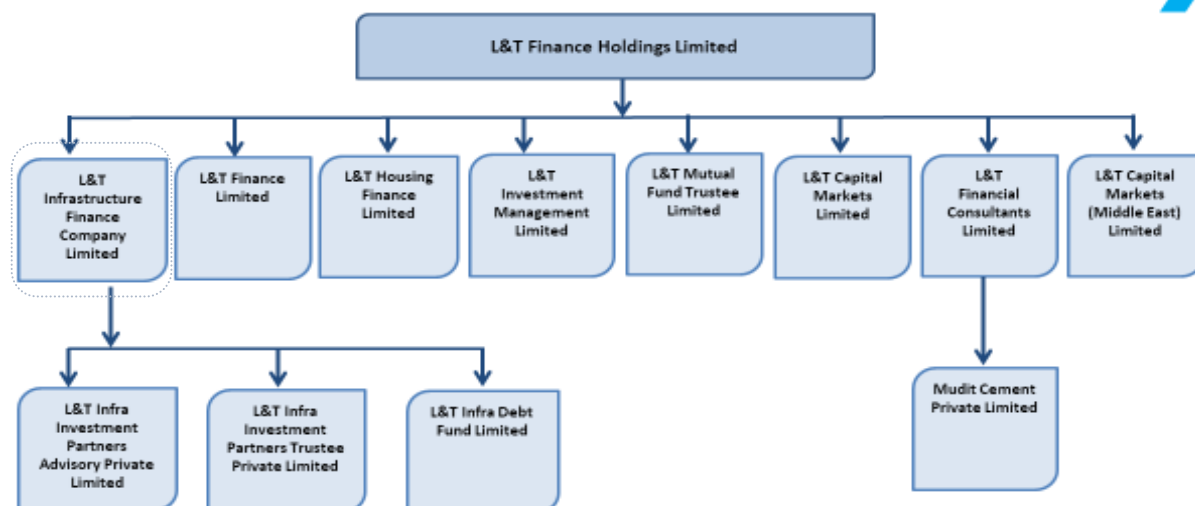
## **DESCRIPTION OF OUR BUSINESS**

Our Company is a part of the larger L&T group which is one of the leading business conglomerates in India and we are wholly owned subsidiary of L&T Finance Holdings Limited ("LTFHL"), the holding company of L&T Group's financial services companies. LTFHL, through its subsidiaries, offers a diverse range of financial products and services across rural, housing and wholesale finance businesses. It also offers fund management and other non-fund based services, such as insurance and mutual fund distribution and financial advisory services (project finance and pre-bid advisory.).

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



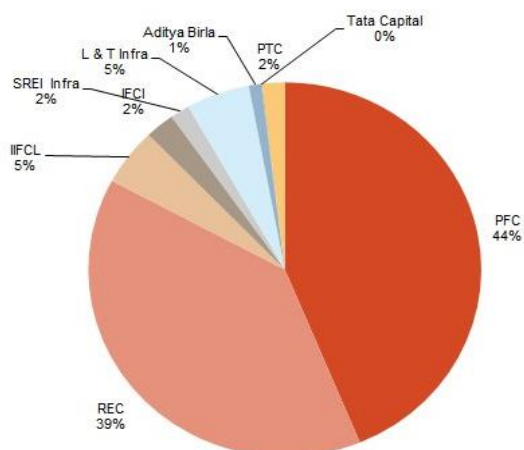
## GROUP STRUCTURE



**Note:** 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 L&T Finance Holding Limited holding 23.36%.

Our Company is one of the largest private sector non-banking financial company in infrastructure finance business in India with total adjusted loans and advances outstanding aggregating to ₹ 28,176.65 crore as of September 30, 2019.

*Market share among Public Financial Institutions and NBFCs in the Infrastructure Finance (Fiscal 2019)*



Source: RBI, CRISIL Research- NBFC Report 2019

Our primary businesses are infrastructure finance and real estate finance.

We offer Infrastructure finance to entities in renewable energy, power transmission, roadways, ports and airports sector. We focus on underwriting greenfield projects and refinancing operational projects. We also offer construction finance loans for real estate developers. We focus on the affordable and mid segment projects predominantly in Tier 1 cities.

### Key Operational and Financial Parameters

A summary of our key operational and financial parameters for the last three completed Fiscals, and September 30, 2019 are as follows:

## A. Standalone : IGAAP

A summary of our key operational and financial parameters for the Fiscals ended March 31, 2018 and March 31, 2017, (standalone) are as follows:

(₹ in crores, except %)

Parameters	As at / for the years ended	
	March 31, 2018	March 31, 2017
Net worth (Note 1)	3,348.22	2,880.84
Total Borrowings of which		
- Long Term Borrowings	15,906.85	17,681.18
- Short Term Borrowings	2,350.42	939.35
- Current Maturities of Long Term Secured Borrowings	2,936.19	1,925.07
Property, Plant and Equipment	1.03	0.92
Intangible Assets (Note 2)	6.11	1.04
Non-Current Assets (Note 3)	22,712.86	22,379.66
Cash and Cash Equivalents	372.48	118.25
Current Investments	258.61	738.02
Other Current Assets (Note 4)	2,868.14	1,626.78
Non-Current Liabilities (Note 5)	467.86	666.10
Current Liabilities (Note 6)	1,209.69	772.12
Loan Book (Note 7)	23,483.28	21,957.12
Off Balance Sheet Loan	Nil	Nil
Total Income	2,734.42	2,678.42
Finance Cost	1,727.77	1,826.27
Provisions & Contingencies (Note 8)	822.16	749.94
Profit After Tax	75.89	42.21
Gross NPA (%) (Note 9)	5.75%	5.30%
Net NPA to Net Advances (%) (Note 10)	3.04%	2.91%
CRAR - Tier I Capital Ratio (%)	13.80%	12.89%
CRAR - Tier II Capital Ratio (%)	6.87%	6.80%

**Notes:** The below notes are applicable to the key operational and financial parameters, are as follows:

5. "Net Worth" refers to the aggregate of share capital and reserves and surplus.
6. "Intangible Assets" refers to the aggregate of intangible assets and intangible assets under development.
7. "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.
8. "Other Current assets" include trade receivables, short term loans and advances, current maturities of long-term loans & advances towards financing activities and other current assets.
9. "Non-Current liabilities" refers to the aggregate of other long-term liabilities and long-term provisions.
10. "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.
11. "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).
12. "Provisions & Contingencies" refers to the aggregate of bad- debts and advances written off, provision for diminution in value of investments, provision for standard assets, provision for restructured assets, provision for non-performing assets.
13. "Gross NPAs (%)" refers to Gross NPAs divided by Loan book.
14. "Net NPAs" reflect our gross NPAs less provisions for NPAs and "net NPA (%)" refers to the ratio of net NPAs to Loan book.

## B. Consolidated : IGAAP

A summary of our key operational and financial parameters for the Fiscals ended March 31, 2018 and March 31, 2017 (consolidated), are as follows:

(₹ in crores, except %)

Parameters	As at / for the year ended	
	March 31, 2018	March 31, 2017
Net worth (Note 1)	3,543.66	3,007.02
<b>Total Borrowings</b> of which		
- Long Term Borrowing	15,906.85	17,681.18
- Short Term Borrowing	2,350.42	939.35
- Current Maturities of Long Term Secured Borrowing	2,936.19	1,925.06

Parameters	As at / for the year ended	
	March 31, 2018	March 31, 2017
Property, Plant and Equipment	1.03	0.92
Intangible Assets (Note 2)	6.11	1.04
Non-Current Assets (Note 3)	22,894.26	22,492.96
Cash and Cash Equivalents	374.28	118.36
Current Investments	272.31	751.45
Other Current Assets (Note 4)	2,868.31	1,627.02
Non-Current Liabilities (Note 5)	467.86	666.11
Current Liabilities (Note 6)	1,211.32	773.03
Loan Book (Note 7)	23,483.28	21,957.12
Off Balance Sheet Loan	Nil	Nil
Total Income	2,731.40	2,686.71
Finance Cost	1,727.77	1,825.27
Provisions & Contingencies (Note 8)	822.16	749.93
Profit attributable to Shareholders	145.14	98.34

**Notes:** The below notes are applicable to the key operational and financial parameters, are as follows:

1. "Net Worth" refers to the aggregate of share capital and reserves and surplus.
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, 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, provision for diminution in value of investments, provision for standard assets, provision for restructured assets, provision for non-performing assets.

### 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 Fiscal 2019 are as follows:

(₹ in crores, except %)

Parameters	As at /for the Half Year ended September 30, 2019
Net worth (Note 1)	3,948.25
Total Borrowings	
- Debt Securities	9,779.36
- Borrowings (Other than debt securities)	12,599.72
- Subordinated liabilities	1,919.87
Property, Plant and Equipment	0.38
Intangible Assets (Note 2)	13.24
Non-Financial Assets (Note 3)	1,132.05
Financial Assets: Investments	1,980.00
Non-Financial Liabilities (Note 5)	5.31
Cash and Cash Equivalents	292.29
Financial Asset other than Investment and Cash & Cash Equivalents (Note 4)	24,901.45
Financial Liabilities (Note 6)	24,352.23
Assets Under Management (Note 7)	26,471.66
Off Balance Sheet Assets	Nil
Interest Income	1,465.59
Interest Expense (Note 8)	1,017.92
Net Loss on Fair Value Changes	67.80
Net Gain on derecognition of financial instruments under amortised cost category	13.91
Impairment on financial instruments	35.17
Profit After Tax (Note 9)	16.64

Parameters	As at /for the Half Year ended September 30, 2019
Gross Stage 3 Assets (%) (Note 10)	14.08%
Net Stage 3 Assets (%) (Note 11)	5.89%
CRAR - Tier I Capital Ratio (%)	16.14%
CRAR - Tier II Capital Ratio (%)	6.83%

**Notes:** The below notes are applicable to the key operational and financial parameters, 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.
2. "Intangible Assets" refers to the aggregate of intangible assets 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, other financial assets and bank balances other than cash and cash equivalents.
5. "Non-Financial liabilities" includes current tax liabilities (net), provisions and other non-financial liabilities.
6. "Financial liabilities" includes payables, debt securities, borrowings (other than debt securities), subordinate debt and other financial liabilities.
7. "Assets Under Management" refers to principal loans outstanding.
8. "Interest Expense" represents Finance Cost.
9. "Profit After Tax" includes one-time impact of ₹ 257.75 crores on account of revaluation of Opening deferred tax asset as at March 31, 2019 due to the option provided for lower corporate tax rate of 25.17% as introduced by the Taxation Laws (Amendment) Ordinance, 2019) for FY2019-20 & onwards.
10. "Gross Stage 3 Assets (%)" refers to Gross Stage 3 Assets divided by loans (gross of allowances for Stage 1, Stage 2 and Stage 3).
11. "Net Stage 3 Assets (%)" reflect Net Stage 3 Assets divided by loans (gross of allowances for Stage 1, Stage 2 and Stage 3).

A summary of our key operational and financial parameters as at and for the year ended March 31, 2019 are as follows:

(₹ in crores, except %)

Parameters	As at / for the Year ended March 31, 2019
Net worth (Note 1)	3,930.36
Total Borrowings	
- Debt Securities	12,932.50
- Borrowings (Other than debt securities)	9,562.29
- Subordinated liabilities	1,928.61
Property, Plant and Equipment	0.70
Intangible Assets (Note 2)	12.58
Non-Financial Assets (Note 3)	1,488.83
Financial Assets: Investments	2,080.54
Non-Financial Liabilities (Note 5)	7.15
Cash and Cash Equivalents	22.04
Financial Asset other than Investment and Cash & Cash Equivalents (Note 4)	24,817.36
Financial Liabilities (Note 6)	24,471.26
Assets Under Management (Note 7)	26,704.29
Off Balance Sheet Assets	Nil
Interest Income	2545.26
Interest Expense (Note 8)	1940.82
Net Loss on Fair Value Changes	374.54
Net loss on derecognition of financial instruments under amortised cost category	8.43
Impairment on financial instruments	(8.11)
Profit After Tax	231.89
Gross Stage 3 Assets (%) (Note 9)	15.27%
Net Stage 3 Assets (%) (Note 10)	6.40%
CRAR - Tier I Capital Ratio (%)	17.47%
CRAR - Tier II Capital Ratio (%)	6.79%

**Notes:** The below notes are applicable to the key operational and financial parameters, 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.
2. "Intangible Assets" refers to the aggregate of intangible assets and intangible assets under development.
  3. "Non-Financial Assets" includes net block of property, plant and equipment, intangible assets and intangible assets under development, current tax assets, deferred tax assets and net assets.
  4. "Financial Assets other than "Investment and Cash & Cash Equivalent" includes receivables, loans, other financial assets and bank balances other than cash and cash equivalents.
  5. "Non-Financial liabilities" includes current tax liabilities (net), provisions and other non-financial liabilities.
  6. "Financial liabilities" includes payables, debt securities, borrowings (other than debt securities), subordinate debt and other financial liabilities.
  7. "Assets Under Management" refers to principal loans outstanding.
  8. "Interest Expense" represents Finance Cost.
  9. "Gross Stage 3 Assets(%)" refers to Gross Stage 3 Assets divided by loans (gross of allowances for Stage 1, Stage 2 and Stage 3).
  10. "Net Stage 3 Assets (%)" reflect Net Stage 3 Assets divided by loans (gross of allowances for Stage 1, Stage 2 and Stage 3).

#### 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, except %)

Parameters	As at / for the Year ended March 31, 2019
Net worth (Note 1)	4,148.23
Total Borrowings	
Debt Securities	12,932.50
Borrowings (Other than debt securities)	9,562.29
Subordinated liabilities	1,928.61
Property, Plant and Equipment	0.70
Intangible Assets (Note 2)	12.58
Non-Financial Assets (Note 3)	1,493.99
Financial Assets: Investments	2,514.61
Non-Financial Liabilities (Note 5)	9.09
Cash and Cash Equivalents	27.04
Financial Asset other than Investment and Cash & Cash Equivalents (Note 4)	24,816.41
Financial Liabilities (Note 6)	24,472.47
Assets Under Management (Note 7)	26,704.29
Off Balance Sheet Assets	Nil
Interest Income	2,551.45
Interest Expense (Note 8)	1,940.82
Net Loss on Fair Value Changes	374.42
Net loss on derecognition of financial instruments under amortised cost category	8.43
Impairment on financial instruments	(8.11)
Profit attributable to Shareholders	297.00

**Notes:** The below notes are applicable to the key operational and financial parameters, 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.
2. "Intangible Assets" refers to the aggregate of intangible assets and intangible assets under development.
3. "Non-Financial Assets" includes net block of property, plant and equipment, intangible assets and intangible assets under development, current tax assets, deferred tax assets and net assets.
4. "Financial Assets other than "Investment and Cash & Cash Equivalent" includes 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 payables, debt securities, borrowings (other than debt securities), subordinate debt and other financial liabilities.
7. "Assets Under Management" refers to principal loans outstanding.
8. "Interest Expense" represents Finance Cost.

#### Debt Equity Ratio of our Company

	September 30, 2019
Before the issue of debt securities	6.15
After the issue of debt securities*	7.42

*\*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.*

## Key Business Parameters

The table below sets forth our gross segment revenues from continuing operations for the periods indicated:

(₹ in crores); (% of total of segmental revenue)

	Fiscal ended March 31,	
	2019	%
	(IND-AS)	
Wholesale Business*	2,364.40	83.93%
Real Estate Finance Business	452.78	16.07%
<b>Total</b>	<b>2,817.18</b>	<b>100%</b>

*\* In the first quarter of Fiscal 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 details in relation to our adjusted 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	%	2019	%	2018	%
Wholesale Business*	23,304.43	82.71%	24,735.06	87.15%	22,150.09	91.16%
Real Estate Finance Business	4,063.01	14.42%	3,648.26	12.85%	2,147.07	8.84%
Defocused Business	809.21	2.87%	-	-	-	-
<b>Total</b>	<b>28,176.65</b>	<b>100%</b>	<b>28,383.32</b>	<b>100%</b>	<b>24,297.16</b>	<b>100%</b>

*\* In the first quarter of Fiscal 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 Infrastructure Finance Business

Our infrastructure finance business focuses on financing renewable energy generation, transportation and power transmission projects and provides customized debt financing with an emphasis on structuring of loans based on the needs of our customers.

We provide long tenure project finance term loans typically in the range of ₹ 50 crores to ₹ 1000 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 immovable properties, hypothecation of moveable assets, charges of bank accounts, pledges of securities such as equity and debentures and corporate and personal guarantees (as applicable) and for working capital loans we generally seek a pari passu charge on *inter alia* the current assets of the borrower. The average tenure of loans under this business is 140 months for infrastructure finance.

Our loan products typically have a floating interest rate linked to PLR (**Prime Lending Rate**) of our Company 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), a bank/ escrow account, debt service reserve accounts, pledge of shares or debentures and/or cash flows of the borrower). Rights typically granted under various project concession agreements including 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.

Adjusted loans and advances under our infrastructure finance business comprised 82.71%, 81.96% and 84.97% of our total adjusted loans and advances as of September 30, 2019, 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 51.26%, 19.27% and 6.59%, respectively of our loans outstanding under our infrastructure finance financing business as of September 30, 2019.

The table below sets forth broken down by businesses in our infrastructure finance business segment, as of dates indicated on a consolidated basis:

(₹ in crores)

	As of September 30,	As of March 31,	
	2019	2019	2018
Adjusted loans and advances outstanding	23,304.43	23,261.55	20,644.22
Loans disbursed	2,766.88	8,109.35	8,946.14

The table below sets forth adjusted loans outstanding broken down by sectors in our infrastructure finance business, as of dates indicated on a consolidated basis:

(₹ in crores)

	As of September 30,	As of March 31,	
	2019	2019	2018
Renewable power generation	11,946.92	11,301.49	9,287.81
Transportation	4,490.06	4,670.67	2,149.83
Power transmission	1,535.17	967.21	689.30
Others	5,332.28	6,322.18	8,517.28
<b>Total</b>	<b>23,304.43</b>	<b>23,261.55</b>	<b>20,644.22</b>

*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.

*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, especially focusing on projects going operational, we have also financed other transportation projects such as airports, ports, railways, among others.

*Power Transmission Sector:* We finance and advise on projects involving the construction, operation and maintenance of transmission networks.

*Other Sectors:* Healthcare, education, hotels, social infrastructure and telecom, among others.

## Real Estate Finance Business

Under our real estate finance business, the adjusted loans and advances comprised 14.42%, 12.85% and 8.84% of our total adjusted loans and advances as of September 30, 2019, March 31, 2019 and March 31, 2018, respectively.

We 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 real estate finance business is focussed on larger cities in four key markets of Mumbai, NCR, Hyderabad and Bangalore, respectively.

The table below sets forth total adjusted loans and advances broken down by businesses in our real estate finance business segment, as of the dates indicated:

(₹ in crores)

	As of September 30,	As of March 31,	
	2019	2019	2018
Real Estate finance	4,063.01	3,648.26	2,147.07

The table below sets forth loans disbursed in our real estate finance business segment, for the periods indicated:

(₹ in crores)

	As of September 30,	As of March 31,	
	2019	2019	2018
Real Estate finance	390.3	1297.28	1932.45

In our real estate finance business, we offer financing solutions to address overall funding requirements of real estate developers in four key markets of Mumbai, NCR, Hyderabad and Bangalore, 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 ₹ 300 crores, and average loan sizes of ₹ 130 crores, at interest rates primarily ranging between 13.50% to 17.00%.

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 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.

We customise the loans provided to real estate developers to suit their specific needs. We finance the real estate developers whom we determine as suitable based on our strict evaluation criteria and with whom we have developed a well-established relationship. For example, we provide structured debt 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 approved only if 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. 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.

#### **Real Estate Finance Business and Infrastructure finance Business: Credit Policy and Approval Process**

Our Real Estate Finance Business and Infrastructure finance Business manage their investment and credit approval process in accordance with their investment and credit policy. Dedicated credit committees discharge the responsibility for approving the advances made by our Real Estate Finance and Infrastructure finance 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, contracts, bank accounts 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: the parties' 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 infrastructure and 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 infrastructure projects may face some temporary mismatches; real estate project may be dependent on collection from new and existing sales resulting in short term mismatches. We create a Debt Service Reserve Account (DSRA) equivalent to interest and principal payments for a few months, to ensure timely payment to lenders under such conditions. In case of defaults beyond threshold periods, various legal actions are explored including through SARFAESI, Bankruptcy Code and arbitration proceedings.

## **Our Defocused Financing Businesses**

In the first quarter of Fiscal 2020, our Company has decided to classify its 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 defocused business was ₹ 809.21 crores, of which structured finance group accounted for ₹ 475.67 crore and debt capital markets accounted for ₹ 333.54 crore.

## **Customer Base of Primary Businesses**

The table below illustrates our key customers for our primary businesses as on date:

<b>Business</b>	<b>Key customers</b>
<b>Infrastructure Finance business</b>	
Infrastructure finance	Infrastructure project developers
<b>Real Estate Finance Business</b>	
Real estate finance	Real estate developers

## **Office Network**

Our operations are spread throughout India and we have 4 branches in 4 cities across 3 states and 1 union territory, as of September 30, 2019.

### *Asset Quality*

We maintain our asset quality by adhering to credit evaluation standards, limiting customer and sectoral exposure and regular interaction with customers. We ensure that coverage (including security cover) are adhered to while lending. We ensure prompt collection and proper storage of post-disbursement documents. We periodically conduct a portfolio and an account-level review either by loan officers or by our in-house internal audit team.

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 (on a standalone basis), as of the specified dates are set out in the table below:

(₹ in crores, except %)

Particulars	As of September 30, 2019	As of March 31, 2019
	Ind AS	
Gross Stage 3 Assets	3,842.44	4,196.52
Provisions	2,374.24	2,605.04
Net Stage 3 Assets	1,468.20	1,591.48
Gross Outstanding Loans and advances	27,284.14	27,488.84
Net Outstanding Loans and advances	24,909.90	24,883.80
Gross Stage 3 Assets to Gross Loans and advances	14.08%	15.27%
Net Stage 3 Assets to Net Loans and advances	5.89%	6.40%
Stage 3 Assets Coverage Ratio	61.79%	62.08%

- Details of Non-Performing Assets and provisions thereon of our Company, as of the specified dates (on a standalone basis) are set out in the table below:

(₹ in crores, except %)

Particulars	As of March 31,	
	2018	2017
	IGAAP	
Gross NPAs	1350.12	1163.36
Provisions	655.41	540.83
Net NPAs	694.71	622.53
Gross Outstanding Loans and advances	23483.28	21957.11
Net Outstanding Loans and advances	22827.87	21416.28
Gross NPA to Gross Loans and advances	5.75%	5.30%
Net NPA to Net Loans and advances	3.04%	2.91%
NPA Coverage Ratio	48.54%	46.49%

### 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 22.97% and 24.26% 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 finance and real estate finance 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 Fiscals ended March 31, 2019, March 31, 2018 and March 31, 2017 was 8.55%, 8.32%, 8.43%, 8.44% and 8.88%, respectively.

## Our Credit Ratings

Our current credit ratings for our Company are set forth below:

	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)
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.

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, projection of cash flow covers for the debt servicing by the customers, obtaining collateral with prudent security cover for our exposure. 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 active management of our assets and liabilities and structuring assets with resets/ options at suitable intervals. As of September 30, 2019, 57% of our total borrowings was at fixed rates and 43% 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.

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 ₹292.29 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
<b>Liabilities / Outflow</b>						
Equity Capital	-	-	-	-	1,255.30	<b>1,255.30</b>
Non-Perpetual Preference shares	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	2,810.15	<b>2,810.15</b>
Total Borrowings	611.36	6,850.26	11,621.42	1,088.00	2,878.00	<b>23,049.04</b>
Current Liabilities and Provisions	126.11	1,381.18	2,588.51	586.71	472.98	<b>5,155.49</b>
Unutilized Lines	-	257.15	-	-	-	<b>257.15</b>
<b>Total</b>	<b>737.47</b>	<b>8,488.59</b>	<b>14,209.93</b>	<b>1,674.71</b>	<b>7,416.43</b>	<b>32,527.13</b>
<b>Assets / Inflow</b>						
Fixed Assets	-	-	-	-	13.61	<b>13.61</b>
Investment	22.10	62.97	-	-	1,696.81	<b>1,781.88</b>
Cash and Bank Balance	293.87	119.49	-	-	-	<b>413.36</b>
Inflow from Loans and Advances	183.78	7,987.53	3,856.30	4,607.51	8,387.21	<b>25,022.33</b>
Other Assets	192.88	2,871.89	4,195.72	3,348.13	8,816.71	<b>19,425.33</b>
Unutilized Lines	0.00	-	-	-	-	<b>0.00</b>
<b>Total</b>	<b>692.63</b>	<b>11,041.88</b>	<b>8,052.02</b>	<b>7,955.64</b>	<b>18,914.34</b>	<b>46,656.51</b>
<b>Surplus / (Deficit)</b>	<b>(44.84)</b>	<b>2,553.29</b>	<b>(6,157.91)</b>	<b>6,280.93</b>	<b>11,497.91</b>	<b>14,129.38</b>
<b>Cumulative Surplus (Deficit)</b>	<b>(44.84)</b>	<b>2,508.45</b>	<b>(3,649.46)</b>	<b>2,631.47</b>	<b>14,129.38</b>	

### Foreign Exchange Risk

As of September 30, 2019, we do not have any outstanding not external commercial borrowing. 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 oversees 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 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.

**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. In addition, our Directors are insured under directors' and officers' liability insurance policy.

### **Employees**

As of September 30, 2019, we employed 129 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, L&T Finance Holding Limited has adopted ESOP Schemes to grant options to select employees (including employees of its subsidiaries) linked to their performance which gives them a right to purchase or subscribe at a future date, the shares offered by the company, at a pre-determined price. 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**

### ***Fiscal 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.

### ***Fiscal 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 Infra Debt Fund Limited (L&T 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”.

### ***Fiscal 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.

## **Competition**

Although some market participants (some banks/ NBFCs) have stepped back from some segments of infrastructure financing due to various reasons like capital constraints, liquidity issues, focus on retail businesses etc, competition in our industry is expected to increase in the long run. Our primary competitors are public sector banks, private banks (including foreign banks), government-backed specialised institutions such as PFC and REC and other NBFCs.

## **Intellectual Property**

By and under the Trademark Licence Agreement, our Promoter and our group companies 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. 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**

The Company has also formulated a corporate social responsibility policy in accordance with the requirements of the Companies Act, 2013, as amended from time to time. This policy has been updated in Fiscal 2019 to include thrust areas like providing aid to women entrepreneurs, digital financial inclusion and adding of sustainable development goals as per United Nations.

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 Tamil Nadu.

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 Fiscal 2019, our Company's expenditure towards CSR activities was ₹ 3 crores.

### **Properties**

Our registered and corporate office are located at Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai, which we utilize on a leasehold basis from L&T Financial Consultants Limited. All of our branches are located on leased premises.

## **HISTORY, MAIN OBJECTS AND KEY AGREEMENTS**

### **Brief background of our Company**

Our Company, a subsidiary of L&T Finance Holdings Limited, was incorporated on April 18, 2006 under the provisions of the Companies Act, 1956. The registered and corporate office of our Company is Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098, Maharashtra.

Our Company was registered with the RBI under Section 45-IA of the RBI Act, 1934 as a non-banking financial company not accepting public deposits vide certificate of registration dated January 10, 2007 bearing number N-07-00759. Subsequently, we were classified as 'Infrastructure Finance Company - NBFC' by the RBI and a certificate of registration dated July 7, 2010 bearing number N-07-00759 was issued by the RBI. Presently, our Company holds a certificate of registration dated April 10, 2018 bearing number N-13.02232 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**

The registered office of our Company was shifted from Mount Poonamallee Road, Manapakkam, Chennai 600 089, Tamil Nadu to Brindavan, Plot No. 177, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098, Maharashtra vide Special Resolution passed by the shareholders at their meeting held on May 15, 2017, with effect from August 10, 2017.

### **Main objects of our Company**

The main objects of our Company as contained in our Memorandum of Association are:

1. To carry on the business of developing and providing wide range of financial products and services for the purpose of and in relation to the development and establishment of infrastructure projects and facilities, including without limitation, providing of various kinds of guarantees and credit enhancements and refinancing assurance including market making or providing of liquidity support of various kinds, development, encouragement and participation in securities market for infrastructure financing, development and implementation of various opportunities and schemes for domestic savers to participate in infrastructure development.
2. To carry on the business of arranging or providing financial assistance in the form of lending or advancing money by way of a loan (including long-term loan), working capital finance, overdraft, cash credit, refinance or in any other form, independently or in association with any person, Government or any other agencies, whether incorporated or not, whether with or without security to institutions, banks, bodies corporate (whether or not incorporated), firms, associations authorities, bodies, trusts, agencies, societies or any other persons engaged in or in connection with either directly or indirectly or whether wholly or in part, for the purposes of infrastructure development work or providing infrastructure facilities or engaged in infrastructure activities, which shall include work or facility or providing of services in relation to or in connection with setting up, development, construction, operation, maintenance, modernization, expansion and improvement of any infrastructure project or facility including roads, highways, railways, airports, airways, waterways, ports, transport systems, bridges, telecommunication and other communication systems, systems for generation or storage or transmission or distribution of power, irrigation and irrigation system, sewerage, water supply, sanitation, health, housing, development of commercial properties, tourism, education, oil and gas, food and agriculture infrastructure and setting up of industrial areas.
3. To carry on the business of providing both in India and abroad, guarantees and counter guarantees, letters of credits, indemnities, loans and advances of all nature, underwriting, factoring, consultancy, formulating schemes for the purpose of mobilisation of resources and other form of credit enhancement to companies engaged in development or financing of infrastructure work or activity, whether by way of personal covenant or by mortgaging or charging all or any part of the undertaking, property or asset of the company, both present and future, wheresoever situate or in any other manner and in particular to guarantee the payment of any principal money, interests or other monies secured by or payable under contracts, obligations, debentures, bonds, debenture stock, mortgages, charges, repayment of capital monies and the payments of dividends in respect of stocks and shares or the performance of any other obligations by such companies.

4. To carry on the business of consultancy services of all kinds and description, including syndication of loans, counselling and tie-up for project and working capital finance, syndication of financial arrangements whether in domestic or international markets, assisting in setting up of joint ventures, foreign currency lending and without prejudice to the generality of the foregoing to act as advisors for any Infrastructure development project of activity.

#### **Key terms of our Material Agreements**

1. ***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.

2. ***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 Finance 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 Finance Limited (individually as a “**Party**”, together the “**Parties**”) (“**Shareholders’ Agreement**”)

The salient features of the Shareholders’ Agreement, in relation to our Company, *inter alia* includes the following:

- **Non- Disposal Undertaking:** Our Company is interalia restricted from transferring or creating any encumbrance over 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 by the Investor within 15 business days of such notice.
  - **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.
3. ***Share Subscription and Share Purchase Agreement dated April 25, 2019 (“Share Subscription and Share Purchase Agreement”) executed among our Company, L&T Infra Debt Fund Limited, APIS Growth II (Lavender) Limited, L&T Finance Holdings Limited and L&T Finance 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 Finance Limited (individually as a “**Party**”, together the “**Parties**”)

Pursuant to the Share Subscription and 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 1,00,00,000 equity shares) to the Investor. Also, the Investor, subject to the terms and conditions contained in the Share Subscription and 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
<b>Mr. Dinanath Mohandas Dubhashi</b>  <i>Designation:</i> Chairperson and Non-Executive Director  <i>Age:</i> 53 years  <i>DIN:</i> 03545900  <i>PAN:</i> AAEPD9649J  <i>Term of Appointment:</i> Liable to retire by rotation	Indian	April 29, 2016	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 Finance Limited 6. L&T Capital Markets Limited 7. L&T Investment Management Limited
<b>Mr. Thomas Mathew T.</b>  <i>Designation:</i> Independent Director  <i>Age:</i> 66 years  <i>DIN:</i> 00130282  <i>PAN:</i> AICPM6941Q  <i>Term of Appointment:</i> 5 years commencing from January 23, 2017	Indian	January 23, 2017	19A011, Phase 2, Kohinoor City, Kirol Road, Kurla (West), Mumbai – 400070.	1. PTC India Financial Services Limited 2. L&T Infra Debt Fund Limited 3. L&T Finance Holdings Limited 4. Larsen and Toubro Limited 5. Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited 6. LIC (International) B.S.C.(c), Bahrain 7. L&T Capital Markets (Middle East) Limited
<b>Ms. Nishi Vasudeva</b>  <i>Designation:</i> Independent Director  <i>Age:</i> 63 years  <i>DIN:</i> 03016991  <i>PAN:</i> AACPV8566A  <i>Term of Appointment:</i>	Indian	April 6, 2018	21 - A, Land Breeze, 52 Pali Hill, Bandra, Mumbai - 400050.	1. L&T Finance Holdings Limited 2. L&T Infra Debt Fund Limited 3. HCL Technologies Limited 4. Atria Convergence Technologies Limited

Name, Designation, Age, DIN, PAN and Term of Appointment	Nationality	Date of Appointment	Address	Other Directorships
5 years commencing from April 6, 2018				
<b>Mr. Rishi Mandawat</b>  <i>Designation:</i> Non-Executive Director  <i>Age:</i> 40 years  <i>DIN:</i> 07639602  <i>PAN:</i> AIJPM4245Q  <i>Term of Appointment:</i> Not liable to retire by rotation pursuant to the Articles	Indian	July 8, 2017	1601, Tower 5, Planet Godrej, K K Marg, Mahalaxmi (E), Mumbai – 400011.	1. L&T Housing Finance Limited 2. L&T Finance Limited 3. BDC Datacentres (Bangalore) Private Limited 4. India Resurgence Asset Management Business Private Limited

### Profile of Directors

**Dinanath Mohandas Dubhashi** is the Non-Executive Director and Chairperson of the Company. He is the managing director and chief executive officer of L&T Finance Holdings Limited. 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 the Company, he has been associated with BNP Paribas, CARE Ratings and SBI Capital Markets in various capacities.

**Thomas Mathew Thumpeparambil** is an Independent Director of the Company. He is the former managing director of Life Insurance Corporation of India. He has experience of over 36 years in the life insurance industry.

**Nishi Vasudeva** is an Independent Director of the Company. She is the former chairperson and managing director of Hindustan Petroleum Corporation Limited. She has experience of over 30 years in the petroleum industry.

**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 our Company, 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 to our Directors during the Fiscal 2019 by our Company are as follows:**

Sr. No.	Name of the Director	By our Company
		Sitting Fees (in ₹)
1.	Mr. Dinanath Mohandas Dubhashi	Nil
2.	Mr. A.K. Jain <sup>(1)</sup>	4,00,000.00
3.	Mr. S.H. Bhojani <sup>(2)</sup>	1,80,000.00
4.	Mr. Pradip Roy <sup>(3)</sup>	1,20,000.00
5.	Mr. Pradeep Kumar Panja <sup>(4)</sup>	80,000.00
6.	Mr. Thomas Mathew T.	4,60,000.00

Sr. No.	Name of the Director	By our Company
		Sitting Fees (in ₹)
7.	Ms. Nishi Vasudeva <sup>(5)</sup>	4,00,000.00
8.	Mr. Rishi Mandawat	1,40,000.00

<sup>(1)</sup> Ceased to be an Independent Director with effect from April 1, 2019

<sup>(2)</sup> Ceased to be an Independent Director with effect from May 23, 2018

<sup>(3)</sup> Ceased to be an Independent Director with effect from May 28, 2018

<sup>(4)</sup> Ceased to be an Independent Director with effect from June 8, 2018

<sup>(5)</sup> Appointed as an Independent Director with effect from April 6, 2018

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. Further, Mr. Thomas Mathew T. and Ms. Nishi Vasudeva are also directors on the board of L&T Infra Debt Fund Limited. The remuneration paid to the above directors by L&T Infra Debt Fund Limited during the Fiscal 2019 is as follows:

Sr. No.	Name of the Director	By L&T Infra Debt Fund Limited
		Remuneration (in ₹)
1.	Mr. Dinanath Mohandas Dubhashi	Nil
2.	Mr. Thomas Mathew T.	16,42,000.00
3.	Ms. Nishi Vasudeva	15,67,000.00

Pursuant to the recommendation of our NRC through circular resolution dated May 10, 2019 and the circular resolution dated May 12, 2019 passed by the Board of the Directors, the eligible Non-Executive directors and Independent Directors have been paid commission for the Fiscal Year 2019, as follows:

Sr. No.	Designation	Amount (in ₹)
1.	Mr. Dinanath Mohandas Dubhashi	Nil
2.	Mr. A. K. Jain <sup>(1)</sup>	10,65,000.00
3.	Mr. S. H. Bhojani <sup>(2)</sup>	5,10,000.00
4.	Mr. Pradip Roy <sup>(3)</sup>	2,80,000.00
5.	Mr. Pradeep Kumar Panja <sup>(4)</sup>	1,45,000.00
6.	Mr. Thomas Mathew T., Independent Director	10,11,000.00
7.	Ms. Nishi Vasudeva, Independent Director <sup>(5)</sup>	12,01,000.00
8.	Mr. Rishi Mandawat, Non-Executive Director	5,45,000.00

<sup>(1)</sup> Ceased to be an Independent Director with effect from April 1, 2019

<sup>(2)</sup> Ceased to be an Independent Director with effect from May 23, 2018

<sup>(3)</sup> Ceased to be an Independent Director with effect from May 28, 2018

<sup>(4)</sup> Ceased to be an Independent Director with effect from June 8, 2018

<sup>(5)</sup> Appointed as an Independent Director with effect from April 6, 2018

Pursuant to the resolutions passed by the Board at its meetings held on July 25, 2017 the Independent Directors and eligible Non-Executive Director(s) (i.e. directors who did not hold any office or place of profit in L&T and/or its subsidiaries/ associates) are entitled to fees/ remuneration as under:

Meeting	Overall limit per Director per meeting (₹)
Meetings of the Board/Independent Directors	40,000
Meetings of Audit Committee	40,000
Meetings of Nomination and Remuneration Committee	40,000
Meetings of other Committees	20,000

### Borrowing Powers of the Board

Pursuant to a resolution passed by the shareholders at their EGM held on April 2, 2018, 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 ₹ 30,000 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 eligible non-executive director(s) ((i.e. directors who did not hold any office or place of profit in L&T and/or its subsidiaries/ associates) of our Company are entitled to receive sitting fees for every meeting of the Board or a committee thereof.

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:

Except as mentioned below, as on March 31, 2019, none of the Directors of our Company hold any Debentures issued by our Company:

Sr. No.	Name of the Director	ISIN	Debenture Holding	Amount (₹)
1.	Mr. Dinanath Mohandas	INE691I07166	20	20,000
2.	Dubhashi	INE691I07265	20	20,000

## 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/ Resignation	Director of the Company since (in case of resignation)
Mr. S. H. Bhojani Designation: Independent Director DIN: 00196767	Resignation	May 23, 2018	July 17, 2012
Mr. Pradip Roy Designation: Independent Director DIN: 00026457	Resignation	May 28, 2018	October 20, 2014
Ms. Falguni Nayar	Resignation	March 19, 2018	July 03, 2015

<b>Name of the Director, Designation and DIN</b>	<b>Appointment / Resignation/ Change in Designation</b>	<b>Date of Appointment/ Resignation</b>	<b>Director of the Company since (in case of resignation)</b>
Designation: Non- Executive Director  DIN: 00003633			
Mr. Pavninder Singh  Designation: Non- Executive Director  DIN: 03048302	Resignation	July 8, 2017	January 19, 2016
Mr. Pradeep Kumar Panja  Designation: Independent Director  DIN: 03614568	Resignation	June 8, 2018	November 1, 2016
Mr. Thomas Mathew T.  Designation: Independent Director  DIN: 00130282	Appointment	January 23, 2017	-
Mr. Rishi Mandawat  Designation: Non-Executive Director  DIN: 07639602	Appointment	July 8, 2017	-
Ms. Nishi Vasudeva  Designation: Independent Director  DIN: 03016991	Appointment	April 6, 2018	-
Mr. A.K Jain  Designation: Independent Director  DIN: 02155213	Resignation	April 1, 2019	January 23, 2012
Mr. Y.M. Deosthalee  Designation: Non-Executive Director  DIN: 00001698	Resignation	May 31, 2017	April 18, 2006

#### **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 Mohandas Dubhashi (DIN 03545900) <i>Chairman and Non- Executive Director</i>	*1.00	^_

\*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:

### A. Audit Committee

The Board vide a resolution passed by circulation dated June 22, 2018 reconstituted the Audit Committee. The members of the Audit Committee are:

- (i) Mr. Thomas Mathew T.- Chairperson
- (ii) Ms. Nishi Vasudeva - Member
- (iii) Mr. Dinanath Mohandas Dubhashi - Member

The terms of reference of the Audit Committee, *inter alia*, include:

1. Recommend to the Board appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
3. Examine the financial statement and the auditors' report thereon;
4. Approve transactions of the Company with related parties or any subsequent modification thereof;
5. Scrutinise inter-corporate loans and investments;
6. Cause valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and other related matters;
9. Functioning of the Vigil Mechanism Framework of the Company;
10. Ensure Information System Audit of the internal systems and processes to assess operational risks faced by the Company in accordance with the requirements stipulated by RBI;
11. Investigate into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of the Company; and
12. Right to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of the Company.

### B. Nomination and Remuneration Committee ("NRC")

The Board by a resolution passed by circulation dated June 22, 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.

The members of the NRC are:

- (i) Mr. Thomas Mathew T.- Chairperson
- (ii) Ms. Nishi Vasudeva - Member
- (iii) Mr. Dinanath Mohandas Dubhashi - Member

The terms of reference of the NRC Committee, *inter alia*, include:

The role of the NRC includes the following:

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

### **C. Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee was reconstituted by a resolution passed by Board on July 19, 2019.

The members of the Stakeholders' Relationship Committee are:

- (i) Mr. Dinanath Mohandas Dubhashi- Chairperson
- (ii) Mr. Raju Dodti- Member
- (iii) Mr. Sachinn Joshi- Member

The terms of reference of the Stakeholders' Relationship Committee, *inter alia*, include:

The Stakeholder Relationship Committee considers and resolves the grievances of security holders of the Company.

### **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 – Chairperson
- (ii) Manager- Member
- (iii) Chief Risk Officer – Member
- (iv) Group Chief Risk Officer – Member
- (v) Chief Investments Officer – Member
- (vi) Group Chief Economist – Member
- (vii) Group Chief Financial Officer- Member
- (viii) Group Head – Treasury- Member
- (ix) Mr. Vipul Chandra - Member

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:

- 1. 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;
- 2. Deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and set risk management objectives;
- 3. Review the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits;

4. Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
5. Product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/products, etc.;
6. Reviewing the current interest rate outlook of the Company and decide about the future business strategy accordingly; and
7. Deciding on the source and mix of liabilities or sale of assets.

#### **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 – Member
- (ii) Manager – Member
- (iii) Chief Risk Officer - Member
- (iv) Group Chief Risk Officer - Member
- (v) Mr. Rishi Mandawat - Member
- (vi) Mr. R. Govindan - Member

The terms of reference of the Risk Management Committee, *inter alia*, include:

The Risk Management Committee shall function in conformity with the Board-approved Risk Management Policy, and the quorum for its meetings would be two members with one of them being the Chairman.

The Risk Management Committee reviews *inter alia* the integrated risk which includes liquidity risk, interest rate risk and currency risk and suggests remedial actions as required. The Committee is chaired by an Independent Director.

#### **F. Corporate Social Responsibility Committee**

The Board by a resolution passed by circulation dated June 22, 2018 reconstituted the Corporate Social Responsibility Committee. The members of the Corporate Social Responsibility Committee are:

- (i) Mr. Dinanath Mohandas Dubhashi - Chairperson
- (ii) Mr. Thomas Mathew T. - Member
- (iii) Ms. Nishi Vasudeva – Member

The terms of reference of the CSR Committee, *inter alia*, include:

The role of CSR includes the following:

1. Formulation of CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommendation of the same to the Board for its consideration and due approval;
2. Recommendation to the Board of the amount to be spent on activities under CSR from time to time; and
3. Monitoring due implementation of the CSR Policy of the 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 constituted an IT Strategy Committee on vide circular resolution dated June 22, 2018.

The Members of the IT Strategy Committee are:

- (i) Ms. Nishi Vasudeva (Independent Director) – Chairperson

- (ii) MD & CEO - L&T Finance Holdings Limited - Member
- (iii) Chief Information Officer- Member
- (iv) Chief Technology Officer - Member
- (v) Manager - Member
- (vi) Chief Risk Officer - Member
- (vii) Chief Information Security Officer - Member

The roles and responsibility of the IT Strategy Committee will be as follows:

The terms of reference and frequency at which the meetings of IT Committee will be held be as stated in the Policy on Information Technology adopted by the Board and/ or as may be specified in the RBI Directions from time to time.

### **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 1, 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 NSE and BSE.

Our Promoter is engaged in non-banking financial services and its primary businesses include wholesale finance, housing finance, rural finance, investment management and wealth management. Our Promoter is registered with the RBI as a Non-Banking Financial Company – Core Investment Company (“**NBFC-CIC**”) and has received a certificate of registration as a core investment company dated September 11, 2013 under Section 45-IA of the Reserve Bank of India Act, 1934, registering the Company as a non-deposit taking, non-banking financial institution, core investment company 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 122 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 SEBI or any other statutory authority, except as disclosed in the chapter titled “*Outstanding Litigations and Defaults*” on page 142.

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.

**Shareholding Pattern of our Promoter as on September 30, 2019**

	Category of shareholder	Nos. of share -holders	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 e.g.: X	Class ego: 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	63.86	0	63.86	1,07,810,899	8.44	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	36.14	0	36.14	0	0	NA	NA	7,22,952,456
(C)	Non Promoter - Non Public																	
(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	100.00	0	100.00	1,07,810,899	5.39	0	0	20,00,472,659

## 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	12,55,300,603	99.99
Mr. Dinanath Mohandas Dubhashi*	1	-^
Mr. Raju Dodti*	1	-^
Mr. Sachinn Joshi*	1	-^
Mr. Shiva Rajaraman*	1	-^
Mr. Sunil Prabhune*	1	-^
Mr. Abhishek Sharma*	1	-^
<b>Total</b>	<b>12,55,300,609</b>	<b>100.00</b>

\*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 Fiscals 2019, 2018, 2017, 2016 and 2015, in accordance with the requirements under Accounting Standard 18 “Related Party Disclosures”, see “*Financial Information*” on page 123.



## SECTION V-FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Audited Consolidated Ind AS Financial Statements	F1-F73
2.	Audited Standalone Ind AS Financial Statements	F74-F168
3.	Reformatted Consolidated Financial Statements	F169-F210
4.	Reformatted Standalone Financial Statements	F211-F280
5.	Unaudited Standalone Financial Result	F281-F295
6.	Statement of Accounting Ratio - Consolidated	F296-F297
7.	Statement of Accounting Ratio - Standalone	F298-F299

## INDEPENDENT AUDITOR'S REPORT

To the Members of L&T Infrastructure Finance Company Limited.

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of **L&T Infrastructure Finance Company Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries are hereinafter referred to as "the Group") comprising the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

#### Other Information

The Holding company's Board of Directors is responsible for the other information. The other information comprises the Board report.



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Our opinion on 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, in doing so, consider whether the other information is materially inconsistent with the 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 Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.
3. In preparing the consolidated 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.



### **Auditor's Responsibility**

4. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
5. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
8. We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
9. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Other Matter**

10. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs 509.27 crores as at March 31, 2019, total revenues of Rs. 26.70 crores and net cash inflows amounting to Rs. 1.88 crores for the



year ended on that date, as considered in the consolidated financial statements. The financial statements of two subsidiaries having total assets of 12.77 crores as at March 31, 2019, total revenue of Rs. 7.40 crores and net cash inflows amounting to Rs. (1.57) crores for the year ended on that date are audited and have been furnished to us by the Management and in respect of one subsidiary whose financial statements reflect total assets of Rs 496.49 crores as at March 31, 2019, total revenues of Rs. 19.28 crores and net cash inflows amounting to Rs. 3.46 crores for the year ended on that date is based on management accounts which is relied upon by us. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and our report in so far as it relates to the aforesaid subsidiaries, is based solely on such audited financial statements /management accounts. Our opinion is not modified in respect of the above matter. The subsidiaries mentioned in this paragraph are located within India whose financial statements have been prepared in accordance with accounting principles generally accepted in the country.

11. The Consolidated financials also include the Group's share of net profit of Rs. 63.65 crores for the year ended March 31, 2019, in respect of one associate, whose financial statements are been audited by us.
12. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

- 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 reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India 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 internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- The Group has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 44 to the consolidated financial statements.
  - The Group did not have any long-term contracts for which there were any material foreseeable losses. Provision has been made in the standalone financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts.
  - There are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For **B.K. Khare & Co.**

Chartered Accountants

Firm Registration Number 105102W



**Padmini Khare Kaicker**

Partner

Membership Number 044784

Mumbai, April 28, 2019





**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF L&T INFRASTRUCTURE FINANCE COMPANY LIMITED.**

Referred to in paragraph 13 (f) of our report of even date on the Consolidated financial Statement of **L&T Infrastructure Finance Company Limited** for the year ended March 2019

**Report on the Internal Financial Controls 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 the Biostadt India Limited as of March 31, 2019 and for the year ended. We have audited the internal financial controls over financial reporting of Biostadt India Limited (hereinafter referred to as "the Holding Company" and the Group") as of March 31, 2019

**Management's Responsibility for Internal Financial Controls**

The respective Board of Director of the Holding Company's are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 Holding Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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





**Opinion**

In our opinion, the Holding 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 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.

For **B.K. Khare & Co.**

Chartered Accountants

Firm's Registration No. 105102W



**Padmini Khare Kaicker**

Partner

Membership Number 044784

Mumbai, April 28, 2019.

**L&T Infrastructure Finance Company Limited**  
**Consolidated Balance Sheet as at March 31, 2019**

₹ In Crore

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>ASSETS</b>				
<b>1 Financial assets</b>				
(a) Cash and cash equivalents	2	27.04	361.36	114.79
(b) Bank balance other than (a) above	3	14.42	14.24	11.59
(c) Derivative financial instruments	4	-	-	0.03
(d) Receivables	5			
(i) Trade receivables		59.12	49.52	41.49
(ii) Other receivables		0.64	0.14	0.44
(e) Loans	6	24,736.95	20,764.11	19,425.60
(f) Investments	7	2,514.61	2,744.69	3,108.74
(g) Other financial assets	8	5.28	6.83	16.12
		<b>27,358.06</b>	<b>23,940.89</b>	<b>22,718.80</b>
<b>2 Non-financial assets</b>				
(a) Current tax assets (net)	9	378.80	318.55	266.05
(b) Deferred tax assets (net)	10	923.66	1,023.99	935.49
(c) Property, plant and equipment	11	0.70	1.03	0.92
(d) Intangible assets under development		10.10	4.05	-
(e) Other intangible assets	11	2.48	2.07	1.04
(f) Other non-financial assets	12	178.25	181.37	178.98
		<b>1,493.99</b>	<b>1,531.06</b>	<b>1,382.48</b>
<b>Total assets</b>		<b>28,852.05</b>	<b>25,471.95</b>	<b>24,101.28</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial liabilities</b>				
(a) Payables	13			
(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		13.65	12.61	5.42
(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		0.40	0.78	0.21
(b) Debt securities	14	12,932.50	12,168.87	10,327.16
(c) Borrowings (other than debt securities)	15	9,562.29	8,400.98	9,480.30
(d) Subordinated liabilities	16	1,928.61	1,879.84	1,811.56
(e) Other financial liabilities	17	35.02	179.50	110.09
		<b>24,472.47</b>	<b>22,642.58</b>	<b>21,734.74</b>
<b>2 Non-Financial Liabilities</b>				
(a) Current tax liabilities (Net)	18	0.54	0.54	0.40
(a) Provisions	19	2.86	1.80	2.09
(b) Other non-financial liabilities	20	5.69	45.16	23.30
		<b>9.09</b>	<b>47.50</b>	<b>25.79</b>
<b>3 EQUITY</b>				
(a) Equity share capital	21	1,255.30	989.91	892.09
(b) Other equity	22	2,892.93	1,568.48	1,196.75
<b>Equity attributable to owners of the Company</b>		<b>4,148.23</b>	<b>2,558.39</b>	<b>2,088.84</b>
<b>4 Non-controlling interest</b>		<b>222.26</b>	<b>223.48</b>	<b>251.91</b>
<b>Total liabilities and equity</b>		<b>28,852.05</b>	<b>25,471.95</b>	<b>24,101.28</b>

Significant accounting policies

See accompanying notes forming part of the financial statements

1  
2 to 56

In terms of our report attached,  
**For B.K.Khare & Co.**  
Chartered Accountants

  
**Padmini Khare Kaicker**  
Partner

For and on behalf of the Board of Directors of  
**L&T Infrastructure Finance Company Limited**

  
**Dinanath Dubhashi**  
Chairperson  
(DIN 03545900)

  
**Sachinn Joshi**  
Chief Financial Officer

  
**Ankith Sheth**  
Company Secretary

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019



L&T Infrastructure Finance Company Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2019

₹ in Crore

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue from operations</b>			
(i) Interest income	23	2,551.45	2,242.94
(ii) Dividend income	24	0.04	0.78
(iii) Fees and commission income	25	271.92	373.57
(iv) Net gain on fair value changes	26	(0.13)	47.67
<b>Total revenue from operations</b>		<b>2,823.28</b>	<b>2,664.96</b>
II Other income	27	41.10	24.51
<b>III Total (Income (I + II))</b>		<b>2,864.38</b>	<b>2,689.47</b>
<b>Expenses</b>			
(i) Finance costs	28	1,940.82	1,731.56
(ii) Fees and commission expense	29	-	1.23
(iii) Net loss on fair value changes	30	374.42	32.64
(iv) Net loss on derecognition of financial instruments under amortised cost category	31	8.43	110.69
(v) Impairment on financial instruments	32	(8.11)	531.70
(vi) Employee benefits expenses	33	50.51	41.29
(vii) Depreciation, amortization and impairment	34	1.12	1.13
(viii) Other expenses	35	75.50	66.87
<b>IV Total expenses (IV)</b>		<b>2,442.69</b>	<b>2,517.11</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>421.69</b>	<b>172.36</b>
<b>VI Exceptional items</b>			
<b>VII Profit before tax (V - VI)</b>		<b>421.69</b>	<b>172.36</b>
<b>VIII Tax expense</b>			
(i) Current tax	36	87.87	104.90
(ii) Deferred tax	36	100.47	(90.56)
<b>IX Net profit after tax (VII - VIII)</b>		<b>233.35</b>	<b>158.02</b>
<b>X Share in profit of associates</b>		<b>63.65</b>	<b>68.03</b>
<b>XI Net profit after tax and share in profit of associate company (IX+X)</b>		<b>297.00</b>	<b>226.05</b>
<b>Profit for the year attributable to:</b>			
Owners of the company		291.27	202.38
Non-controlling interest		5.73	23.67
<b>XII Other comprehensive Income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of the defined benefit plans (net of tax)		(0.22)	(0.11)
(b) Exchange differences in translating the financial statements of foreign operations, net		-	-
<b>B Items that will be reclassified to profit or loss</b>			
(a) Change in fair value of debt instruments measured at fair value through other comprehensive income (net of tax)		(0.34)	0.08
(b) The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	(0.03)
(c) Income tax relating to items that will be reclassified to profit or loss		0.03	(0.03)
<b>Other comprehensive income for the year attributable to:</b>			
Owners of the company		(0.53)	(0.09)
Non-controlling interest		-	-
<b>XIII Total comprehensive income (XI+XII)</b>		<b>296.47</b>	<b>225.96</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the company		290.74	202.29
Non-controlling interest		5.73	23.67
<b>XIV Earnings per equity share</b>	42		
Basic (₹)		2.71	2.53
Diluted (₹)		2.71	2.53

Significant accounting policies

1

See accompanying notes to the financial statements

2 to 56

In terms of our report attached,  
For B.K.Khare & Co.  
Chartered Accountants

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Padmini Khare Kalcker  
Partner

Dinanath Dubhashi  
Chairperson  
(DIN 03545900)

Sachinn Joshi  
Chief Financial Officer

Ankit Ghosh  
Company Secretary

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019



L&T Infrastructure Finance Company Limited  
Consolidated statement of changes in equity for the year ended March 31, 2019

a. Equity Share Capital

Particulars	2018-19		2017-18	
	Number of shares	₹ in crore	Number of shares	₹ in crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	98,99,13,695	985.91	85,20,87,609	892.09
Add: Shares issued during the year	26,53,86,214	265.39	97,82,56,086	97.82
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,25,53,00,009	1,255.30	98,99,13,695	989.91

b. Other Equity

Particulars	Reserve and surplus					Items of other comprehensive income			Non-controlling interest	Total
	Securities premium account	General reserve	Debt redemption reserve	Reserve under section 36(1)(iii) of Income tax Act, 1961	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Retained earnings	Remeasurements of the defined benefit liabilities / (asset)	Fair value changes of financial instrument measured at fair value through other comprehensive income	Effective portion of cash flow hedge	Total Other Equity
Balance as at April 1, 2017	782.79	51.13	288.49	453.16	969.12	(748.44)	(0.13)	-	0.03	1,196.75
Profit for the year	-	-	-	-	-	202.38	(0.11)	0.05	-	202.38
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year (a)+(b)	-	-	-	-	-	202.38	(0.11)	0.05	-	202.38
Issue of equity shares	352.17	-	-	-	-	-	-	-	-	352.17
Share issue expenses	(0.45)	-	-	-	-	-	-	-	-	-
Transfer to reserve u/s 36(1)(iii) of Income tax Act, 1961	-	-	-	38.25	-	(38.25)	-	-	-	-
Transfer to debt redemption reserve	-	-	24.57	-	-	(24.57)	-	-	-	-
Transfer to general reserve	-	16.00	(16.00)	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	15.18	(15.18)	-	-	-	-
Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	-	-	-	-	-	(15.18)	-	-	-	-
Additional tax on dividend paid	-	-	-	-	-	(15.18)	-	-	-	-
Gain Distributed to shareholders	-	-	-	-	-	(151.46)	-	-	-	-
Net gain/loss on transaction with non-controlling interest	-	-	-	-	-	(30.83)	-	-	-	-
Balance as at March 31, 2018	1,134.51	67.13	297.47	491.41	984.90	(806.75)	(0.24)	0.05	-	1,548.68
										1,791.95



L&T Infrastructure Finance Company Limited  
Consolidated statement of changes in equity for the year ended March 31, 2019

b. Other Equity

Particulars	Reserve and surplus					Items of other comprehensive income			Non-controlling interest	Total
	Securities premium account	General reserve	Debt redemption reserve	Reserve under section 36 (1)(iii) of Income tax Act, 1961	Reserve u/s 45-4C of Reserve Bank of India Act, 1934	Retained earnings	Remeasurements of the defined benefit liabilities / (asset)	Fair value changes of financial instrument measured at fair value through other comprehensive income		
Balance as at March 31, 2018	1,134.51	67.13	297.47	491.41	384.90	(805.75)	(0.24)	0.02	221.48	1,791.25
Profit for the year	-	-	-	-	-	291.27	-	-	5.73	297.00
Other comprehensive income, net of tax	-	-	-	-	-	-	(0.22)	(0.31)	-	(0.53)
Total comprehensive income for the year (c)=(a)+(b)	-	-	-	-	-	291.27	(0.22)	(0.31)	-	-
Issue of equity shares	1,035.01	-	-	-	-	-	-	-	-	1,035.01
Share issue expenses	(1.30)	-	-	-	-	-	-	-	-	(1.30)
Transfer to reserve u/s 36(1)(iii) of Income tax Act, 1961	-	-	-	50.87	-	(50.87)	-	-	-	-
Transfer to debt redemption reserve	-	-	45.85	-	-	(45.85)	-	-	-	-
Transfer to general reserve	-	-	(29.26)	-	-	(29.26)	-	-	-	-
Transfer to reserve u/s 45-4C of Reserve Bank of India Act, 1934	-	29.26	-	-	46.38	(46.38)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
Additional tax on dividend paid	-	-	-	-	-	-	-	-	-	-
Gain distributed to shareholders	-	-	-	-	-	-	-	-	-	-
Net gain/(loss) on transaction with non-controlling interest	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	2,168.22	96.39	314.06	542.28	431.28	(658.60)	(0.46)	(0.26)	222.26	3,115.28

Significant accounting policies  
See accompanying notes forming part of the financial statements

In terms of our report attached,

For B. K. SHARMA & CO.

Chartered Accountants

Padmini Bhare Kalekar

Partner

Membership no. 044784

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Dinanath Dubhishi

Chairperson

(DIN 03545900)

Sachin Jais

Chief Financial Officer

Place : Mumbai

Date : April 28, 2019

Amli Sheeth

Company Secretary



L&T Infrastructure Finance Company Limited  
Consolidated Statement of Cash Flows for the year ended March 31, 2019

Particulars	₹ in Crore	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	421.67	172.32
Adjustment for:		
Depreciation and amortisation	1.12	1.13
Fair value change in loan asset	(0.49)	8.25
Net loss arising on financial assets (investments)	375.15	110.69
Net loss on derecognition of financial instruments under amortised cost category	8.43	(16.98)
Provision for expected credit loss	(8.11)	531.70
Operating profit before working capital changes	797.77	807.11
Changes in working capital		
(Increase)/decrease in financial and non-financial assets	(14.71)	39.91
Increase/(decrease) in financial and non-financial liabilities	(20.03)	197.23
Cash generated from operations		
Direct taxes paid	(148.11)	(155.23)
Loans disbursed (net of repayments)	(3,972.57)	(2,116.30)
Net cash flow generated from/(used) in operating activities (A)	(3,357.65)	(1,227.28)
<b>B. Cash flows from investing activities</b>		
Add: Inflow from investing activities		
Proceeds from sale of property, plant and equipment	(7.26)	(6.31)
Proceed from sale of investments	-	534.88
Less: Outflow from investing activities		
Purchase of property, plant and equipment <sup>1</sup>	-	-
Purchase of investments (net)	(72.48)	-
Net cash flow generated from/(used) in investing activities (B)	(79.74)	528.57
<b>C. Cash flows from financing activities</b>		
Add: Inflow from financing activities		
Proceeds from issue of share capital including security premium on account of employee stock options	1,300.40	450.00
Proceeds from borrowings (net)	1,993.21	651.33
Less: Outflow from financing activities		
Payment to non-controlling interests	(6.95)	(52.09)
Share issue expenses	(1.30)	(0.45)
Dividend paid (including dividend distribution tax)	(182.29)	(103.51)
Repayment of borrowing	-	-
Redemption of preference shares	-	-
Net cash generated from/(used in) financing activities (C)	3,103.07	945.28
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(334.32)	246.57
Cash and cash equivalents as at beginning of the year	361.36	114.79
Cash and cash equivalents as at end of the year	27.04	361.36

Notes:

- Purchase of property, plant and equipment 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.
- 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	2,303.78	2,162.78
Interest paid	1,946.99	1,524.58

Significant accounting policies  
See accompanying notes to the financial statements

1  
2 to 56

In terms of our report attached,  
For B. K. KHARE & CO.  
Chartered Accountants

Padmini Khare Kalcker  
Partner  
Membership no. 044784

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Dinanath Dubhashi  
Chairperson  
(DIN: 03543900)

Sachinn Joshi  
Chief Financial Officer

Anant Sheth  
Company Secretary

Place : Mumbai  
Date : April 28, 2019

Place : Mumbai  
Date : April 28, 2019



**1. Significant Accounting Policies:**

**1.1. Statement of compliance:**

The Consolidated financial statements of L&T Infrastructure Finance Company Limited (the "Company") and its subsidiaries and associates (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 1.32. 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 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. Basis of consolidation:**

- (i) The consolidated financial statements incorporate the financial statements of the parent company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control is achieved when the Company, directly or indirectly:
  - has power over the investee;
  - is exposed, or has rights, to variable returns from its involvement with the investee; and
  - has the ability to use its power to affect its returns.
- (ii) The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
- (iii) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interests (NCI) and have been shown separately in the financial statements. Total comprehensive income of the subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (iv) Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company.
- (v) All intragroup assets and liabilities, equity, income, expenses, unrealised profits/losses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.
- (vi) The consolidated financial statements of the Group combine financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses.
- (vii) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

**1.5. 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. 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.

**1.6. 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.

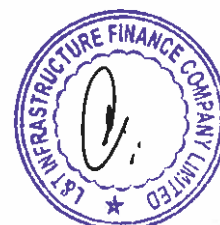
**(ii) Fee and commission income:**

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 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) Investment management fees, guarantee fees and portfolio management fees:**

Income from investment management fees is recognised in accordance with the Investment Management Agreement and the SEBI regulations based on average Assets Under Management (AUM) of mutual fund schemes over the period of the agreement in terms of which services are performed.

Guarantee fees is recognised on pro rata basis over the period of the guarantee.

Portfolio management fees are recognised on accrual basis in accordance with Portfolio Management Agreement entered into with respective clients over the period of the agreement in terms of which the services are rendered.

**(v) Income from financial instruments at FVTPL:**

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL except those that are held for trading.

**(vi) 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.

**1.7. 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.

#### **1.8. 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.

#### **1.9. 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.



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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.

### **1.10. 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.

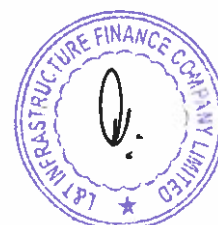
#### **(ii) Post-employment benefits:**

(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.



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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 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 absences is 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.

### **1.11. 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 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.

(Also refer to policy on depreciation, above)





**1.12. 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.

**1.13. 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.

**1.14. 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 unlikelihood 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 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 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:



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- 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.

### 1.15. 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).



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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.

**1.16. 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.

**1.17. 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.

**1.18. 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.

**1.19. 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.

**1.20. 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.

**1.21. Share-based payment arrangements:**

The stock options granted to employees pursuant to the Company's 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





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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. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

**1.22. 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.

**1.23. 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 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.

**1.24. 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**



## **L&T Infrastructure Finance Company Limited**

### **Notes forming part of consolidated financial statements**

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 it 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.

#### **1.25. Provisions, contingent liabilities and contingent assets:**

Provisions are recognised only when:

- (i) A 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.



**1.26. 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.

**1.27. Non-current assets held for sale:**

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

**1.28. 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.

**1.29. 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.





## **L&T Infrastructure Finance Company Limited**

Notes forming part of consolidated financial statements

### **1.30. 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.

### **1.31. 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.

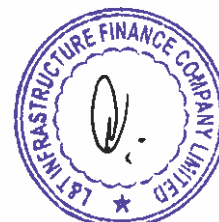
### **1.32. First time adoption of Ind AS:**

The Group 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 Group are as follows:

- (i) The Group 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 Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017.
- (iv) The Group 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 Group 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 Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

- (vi) The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date.



## **L&T Infrastructure Finance Company Limited**

Notes forming part of consolidated financial statements

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- (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.

### **1.33. 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 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.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of consolidated financial statements**

**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	-	-	-
Balances with banks in current accounts (of the nature of cash and cash equivalents)	27.04	361.36	114.79
<b>Total</b>	<b>27.04</b>	<b>361.36</b>	<b>114.79</b>

**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			
Unclaimed infrastructure bonds application money	14.42	13.61	10.87
Unclaimed interest on infrastructure bonds	-	0.63	0.72
<b>Total</b>	<b>14.42</b>	<b>14.24</b>	<b>11.59</b>

**Note 4 : Derivative financial instruments**

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Fair value assets			
Currency swaps	-	-	0.03
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.03</b>

**Note 5 : Receivables**

₹ in Crore

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Trade receivables</b>			
(a) Receivables considered good - Secured	-	-	-
(b) Receivables considered good - Unsecured	57.05	49.52	41.49
(c) Receivables - credit impaired	8.63	1.46	1.22
(d) Impairment loss allowance	(6.56)	(1.46)	(1.22)
	<b>59.12</b>	<b>49.52</b>	<b>41.49</b>
<b>Other receivables</b>			
(a) Receivables considered good - Unsecured	0.22	-	-
(b) Receivables from related parties (Refer note 40)	0.42	0.14	0.44
	<b>0.64</b>	<b>0.14</b>	<b>0.44</b>
<b>Total</b>	<b>59.76</b>	<b>49.66</b>	<b>41.93</b>



L&T Infrastructure Finance Company Limited  
Notes forming part of consolidated financial statements  
Note 6 : Loans

₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>(A)</b>			
<b>(i) At Amortised Cost</b>			
- Term loans	14,731.99	15,103.62	15,133.66
- Debentures	1,462.70	1,473.48	1,870.37
- Loans repayable on demand	88.56	68.36	86.61
- Inter Corporate Deposit	-	52.00	35.00
Total gross loans at amortised cost	16,283.25	16,697.46	17,125.64
- Less: Impairment loss allowance	(2,730.50)	(3,287.34)	(2,961.55)
<b>Subtotal (i)</b>	<b>13,552.75</b>	<b>13,410.12</b>	<b>14,164.09</b>
<b>(ii) At Fair Value Through Profit or Loss:</b>			
- Term loans	10,298.51	6,251.11	4,918.15
- Debentures	865.62	1,124.76	356.99
- Loans repayable on demand	41.46	-	-
Total gross loans at fair value through profit or loss	11,205.59	7,375.87	5,275.14
- Less: Impairment loss allowance/Net fair value changes	(21.39)	(21.88)	(13.63)
<b>Subtotal (ii)</b>	<b>11,184.20</b>	<b>7,353.99</b>	<b>5,261.51</b>
<b>Subtotal (i)+(ii)</b>	<b>24,736.95</b>	<b>20,764.11</b>	<b>19,425.60</b>
<b>(B)</b>			
<b>(i) At Amortised Cost</b>			
- Secured by tangible assets	15,843.10	16,332.13	16,787.84
- Unsecured	440.15	365.33	337.80
Total gross loans at amortised cost	16,283.25	16,697.46	17,125.64
- Less: Impairment loss allowance	(2,730.50)	(3,287.34)	(2,961.55)
<b>Subtotal (i)</b>	<b>13,552.75</b>	<b>13,410.12</b>	<b>14,164.09</b>
<b>(ii) At Fair Value Through Profit or Loss:</b>			
- Secured by tangible assets	11,205.59	7,375.87	5,275.14
- Less: Impairment loss allowance	(21.39)	(21.88)	(13.63)
<b>Subtotal (ii)</b>	<b>11,184.20</b>	<b>7,353.99</b>	<b>5,261.51</b>
<b>Subtotal (i)+(ii)</b>	<b>24,736.95</b>	<b>20,764.11</b>	<b>19,425.60</b>
<b>(C)</b>			
<b>(I) Loans in India</b>			
<b>(i) At Amortised Cost</b>			
- Public Sector	-	-	-
- Others	16,283.25	16,697.46	17,125.64
- Less: Impairment loss allowance	(2,730.50)	(3,287.34)	(2,961.55)
<b>Subtotal (i)</b>	<b>13,552.75</b>	<b>13,410.12</b>	<b>14,164.09</b>
<b>(ii) At Fair Value Through Profit or Loss:</b>			
- Public Sector	-	-	-
- Others	11,205.59	7,375.87	5,275.14
- Less: Impairment loss allowance	(21.39)	(21.88)	(13.63)
<b>Subtotal (ii)</b>	<b>11,184.20</b>	<b>7,353.99</b>	<b>5,261.51</b>
<b>(II) Loans outside India</b>			
<b>(i) At Amortised Cost</b>			
- Public Sector	-	-	-
- Others	-	-	-
- Less: Impairment loss allowance	-	-	-
<b>Subtotal (i)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(ii) At Fair Value Through Profit or Loss</b>			
- Public Sector	-	-	-
- Others	-	-	-
- Less: Impairment loss allowance	-	-	-
<b>Subtotal (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>24,736.95</b>	<b>20,764.11</b>	<b>19,425.60</b>



Note 7 : Investments

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value (₹)	Quantity (Nos)	Net Carrying Value	Face value (₹)	Quantity (Nos)	Net Carrying Value	Face value (₹)	Quantity (Nos)	Net Carrying Value
<b>(A) Investments in fully paid equity shares</b>									
<b>(i) Associate (Unquoted) (At cost)</b>									
Feedback infra private limited	-	-	-	-	-	-	10	37,90,000	43.41
L&T infra debt fund limited	10	23,70,36,157	513.21	10	23,70,36,157	449.56	10	22,76,00,000	348.52
			513.21			449.56			391.93
<b>(ii) Quoted</b>									
<b>(a) Investments carried at fair value through profit or loss</b>									
Unvy infra project	2	6,94,370	0.25	2	6,94,370	0.29	2	6,94,370	0.54
Monnet upat & energy limited	10	5,93,420	1.66	10	17,98,245	2.72	10	17,98,245	6.13
Shy vani oil gas and energy limited	10	14,96,658	-	10	14,96,658	0.33	10	14,96,658	0.34
Gol offshore limited	10	97,91,408	-	10	97,91,408	9.89	10	97,91,408	15.08
KSK energy ventures limited	10	1,06,88,253	0.96	10	1,06,88,253	9.23	-	-	-
			2.67			22.46			22.09
<b>(B) Unquoted</b>									
<b>(a) Investments carried at fair value through profit or loss</b>									
Arden Telecom Private Limited (Face value Rs. 100 each)	-	-	9.50	-	-	42.17	-	11,35,136	43.66
Bhoruka Power Corporation Limited (Face value Rs. 10 each)	-	-	134.14	-	-	134.09	-	5,87,750	124.52
KMC Infratech Road Holdings Limited (Face value Rs. 10 each)	-	-	-	-	-	-	-	100	0.00
Coastal projects limited	10	78,96,884	-	10	78,96,884	6.38	10	78,96,884	6.38
ICOMM tele limited	10	41,667	-	10	41,667	-	10	41,667	-
VMC systems limited	10	1,73,653	-	10	1,73,653	*0.00	10	1,73,653	*0.00
Hanger biotech energies private limited	10	2,08,716	-	10	2,08,716	*0.00	10	2,08,716	*0.00
Soma enterprises limited	10	5,00,000	-	10	5,00,000	0.50	10	29,46,155	84.37
Mediciti healthcare services private limited	10	16,35,003	-	10	16,35,003	*0.00	10	16,35,003	1.07
Warasgaon lakeview hotels limited	-	-	-	-	-	-	10	63,849	5.72
Tikona infinet limited	-	4,25,912	0.17	10	605	0.17	10	605	0.17
Bhoruka power corporation limited	10	100	-	10	100	*0.00	10	100	*0.00
Bhoruka power india investments private limited	10	10	-	10	10	*0.00	10	10	*0.00
Soma tollways private limited	10	1,16,16,491	329.10	10	64,13,216	329.10	10	64,13,216	329.10
Mission holdings private limited	-	-	-	10	100	*0.00	10	100	*0.00
Indian highways management company limited	10	15,00,000	1.73	10	15,00,000	1.73	10	15,00,000	1.73
KSK maharadi power co. ltd.	10	2,63,85,109	-	10	62,21,868.00	5.62	-	-	-
NSL tidong power generation private limited	-	-	-	10	6,27,72,331	62.77	-	-	-
NSL sugars limited	10	29,25,656	-	10	29,25,656	2.93	-	-	-
Athena chattargh power limited	10	6,93,00,000	-	10	6,93,00,000	68.72	-	-	-
Supreme best value kohapur(thruch) sangli tollways private limited	10	5,026	-	10	5,026	0.01	-	-	-
			474.64			654.19			596.72
<b>(B) Investment in share application money</b>									
NSL Tidong power generation private limited	-	-	-	-	-	-	-	-	62.77
			-			-			62.77
<b>(C) Investments in debt securities</b>									
<b>(a) Investments carried at fair value through profit or loss</b>									
Tikona infinet limited	2,840	5,79,772	149.58	2,840	5,79,772	164.66	2,840	5,79,772	170.54
Bhoruka power corporation limited	1,00,000	21,971	340.00	1,00,000	21,971	340.00	1,00,000	21,971	352.75
NSL sugars ltd.	100	21,32,310	14.74	100	21,32,310	16.24	-	-	-
Soma enterprises limited	10	6,61,58,871	31.58	10	6,61,58,871	51.00	-	-	-
Mission holdings private limited	-	-	-	-	-	-	1,00,000	5,500	113.18
NSL renewable power private limited	20,000	4,811	9.27	-	-	-	-	-	-
KMC Infratech Road Holdings Limited (Face value Rs. 1,000,000 each)	-	-	-	-	-	-	-	-	149.71
Bhoruka Power Corporation Limited (Face value Rs. 100,000 each)	-	-	117.60	-	-	117.56	-	-	109.17
RVK Enterprise Private Limited (Face value Rs. 100,000 each)	-	-	71.14	-	-	72.09	-	-	-
Regen Infrastructure (Face value Rs. 1,000,000 each)	-	-	72.82	-	-	76.40	-	-	-
			806.73			837.95			895.35
<b>(b) Investment carried at fair value through other comprehensive income</b>									
U. P. power corporation limited	10,00,000	221	22.29	10,00,000	221	22.57	-	-	-
Dewan housing finance limited	-	-	-	-	-	-	10,00,000	289	35.25
			22.29			22.57			88.25
<b>(D) Investments in mutual funds</b>									
<b>(a) Investments carried at fair value through profit or loss</b>									
L&T liquid fund direct plan- growth	-	-	-	-	-	-	-	11,23,998	250.06
Reliance liquid fund	-	-	-	-	-	-	-	3,41,530	135.04
UTI-money market fund	-	-	-	-	-	-	-	7,43,282	135.04
ICICI Prudential Liquid - Direct - Daily Dividend	-	-	-	-	-	13.70	-	-	13.43
L&T liquid fund direct plan- growth	-	-	8.26	-	-	0.03	-	-	68.14
			8.26			13.73			601.72
<b>(E) Investments in fully paid preference shares (Unquoted)</b>									
<b>(a) Investment carried at fair value through profit or loss</b>									
Saw vizag coal terminal private limited	10	7,03,833	-	10	7,03,833	0.24	10	7,03,833	0.70
SXS Ispat power limited	10	97,73,621	9.77	10	97,73,621	9.77	10	97,73,621	9.77
Arden Telecom Private Limited (Face value Rs. 100,000 each)	-	-	85.48	-	-	53.67	-	-	55.08
			95.26			63.64			65.55
<b>(F) Investments in government securities</b>									
<b>(a) Investments carried at amortised cost</b>									
Government of India	100	1,90,00,000	189.01	-	-	-	-	-	-
			189.01			-			-
<b>(G) Investments in units of funds</b>									
<b>(a) Investments carried at fair value through profit or loss</b>									
UCHFL urban development fund	10,000	10,000	3.86	10,000	10,000	6.53	10,000	10,000	6.53
UCHFL housing and infrastructure trust	100	1,16,000	1.16	-	-	-	-	-	-
			5.02			6.53			6.53
<b>(b) Investment carried at fair value through other comprehensive income</b>									
Indinfravit Trust	100	1,00,000	0.98	-	-	-	-	-	-
			0.98			-			-
<b>(H) Investment in security receipts</b>									
<b>(a) Investments carried at fair value through profit or loss</b>									
Phoenix trust FY 14-9	1,000.00	11,08,935	27.72	1,000.00	11,08,935	41.59	1,000.00	11,08,935	55.45
EARC trust - SC 105 trust	1,000.00	11,90,000	63.90	1,000.00	11,90,000	116.18	1,000.00	11,90,000	116.18
EARC trust - SC 132 trust	1,000.00	8,500	0.77	1,000.00	8,500	0.85	1,000.00	8,500	0.85
EARC trust - SC 258 trust	1,000.00	25,83,490	108.45	1,000.00	25,83,490	257.23	1,000.00	25,83,490	258.35
JMI financial (JMFARC) trust	1,000.00	26,21,651	195.70	1,000.00	26,21,651	258.17	-	-	-
			396.54			674.02			430.82
<b>Total investments (A)</b>			<b>2,514.61</b>			<b>2,744.69</b>			<b>3,108.74</b>
<b>(i) Investments outside India</b>									
<b>(ii) Investments in India</b>									
<b>Total investments (B)</b>			<b>2,514.61</b>			<b>2,744.69</b>			<b>3,108.74</b>



L&T Infrastructure Finance Company Limited  
Notes forming part of consolidated financial statements

Note 8 : Other financial assets

Particulars	₹ in Crore		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Security deposits	5.13	6.51	5.94
Accrual of fee income	-	0.14	0.16
Forward contract receivable	-	-	10.02
Other receivables	0.15	0.18	-
<b>Total</b>	<b>5.28</b>	<b>6.83</b>	<b>16.12</b>

Note 9 : Current tax assets (Net)

Particulars	₹ in Crore		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance payment of income tax (net of provision for tax)	378.80	318.55	266.05
<b>Total</b>	<b>378.80</b>	<b>318.55</b>	<b>266.05</b>

Note 10 : Deferred tax assets (Net)

Particulars	₹ in Crore		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Mat credit receivable	0.50	0.50	0.50
Deferred tax assets (net)	923.16	1,023.49	934.99
<b>Total</b>	<b>923.66</b>	<b>1,023.99</b>	<b>935.49</b>



Note 11 : Property, plant and equipment and other intangible assets

Description	Gross Block				Depreciation & Amortisation				Net Book Value	
	As at April 1, 2017	Additions during the year	Deductions during the year	As at March 31, 2018	As at April 1, 2017	Charge during the year	Deductions during the year	As at March 31, 2018	As at	
									March 31, 2018	April 1, 2017
(₹ in crore)										
Tangible										
Computers	0.70	-	0.29	0.41	-	0.34	0.16	0.18	0.23	0.70
Furniture & fittings	0.13	-	0.05	0.08	-	0.02	0.01	0.01	0.07	0.13
Office equipment	0.09	0.01	-	0.10	-	0.03	-	0.03	0.07	0.09
Vehicles	-	0.80	-	0.80	-	0.14	-	0.14	0.66	-
Total tangible assets (A)	0.92	0.81	0.34	1.39	-	0.53	0.17	0.36	1.03	0.92
Intangible										
Computer software	7.24	1.62	-	8.86	6.19	0.60	-	6.79	2.07	1.04
Total intangible assets (B)	7.24	1.62	0.00	8.86	6.19	0.60	0.00	6.79	2.07	1.04
Total (A+B)	8.16	2.43	0.34	10.25	6.19	1.13	0.17	7.15	3.10	1.96

Description	Gross Block				Depreciation & Amortisation				Net Book Value	
	Opening as at April 1, 2018	Additions during the year		Closing as at March 31, 2019	Up to April 1, 2018	Charge during the year	Deductions	Up to March 31, 2019	As at	
										March 31, 2019
Tangible										
Computers	0.41	-	0.03	0.38	0.17	0.09	0.02	0.24	0.13	0.24
Furniture & fittings	0.08	-	-	0.08	0.02	0.01	-	0.03	0.05	0.07
Office equipment	0.10	-	-	0.10	0.03	0.02	-	0.05	0.05	0.07
Vehicles	0.80	-	-	0.80	0.14	0.19	-	0.33	0.47	0.66
Total tangible assets (A)	1.39	-	0.03	1.36	0.36	0.31	0.02	0.65	0.70	1.03
Intangible										
Computer software	8.86	1.24	0.02	10.08	6.79	0.81	-	7.60	2.48	2.07
Total intangible assets (B)	8.86	1.24	0.02	10.08	6.79	0.81	0.00	7.60	2.48	2.07
Total (A+B)	10.25	1.24	0.05	11.44	7.15	1.12	0.02	8.25	3.18	3.10



L&T Infrastructure Finance Company Limited  
Notes forming part of consolidated financial statements

**Note 12 : Other non-financials assets**

	₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	6.29	6.13	3.35
Input credit receivable	1.39	0.12	0.22
Gratuity asset (Refer note 38)	-	0.13	-
Amount paid under protest	4.55	4.55	4.55
Statutory dues recoverable	-	-	-
Assets acquired in settlement of claims	164.75	169.65	169.65
Others	1.27	0.78	1.21
<b>Total</b>	<b>178.25</b>	<b>181.36</b>	<b>178.98</b>

**Note 13: Payables**

	₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Trade payables</b>			
Micro and small enterprises	-	-	-
Due to others	(0.03)	0.02	0.30
Due to related parties (Refer note 40)	13.68	12.59	5.12
<b>Sub total</b>	<b>13.65</b>	<b>12.61</b>	<b>5.42</b>
<b>Other payables</b>			
Micro and small enterprises	-	-	-
Due to others	-	-	1.50
Due to related parties (Refer note 40)	0.40	0.78	(1.29)
<b>Sub total</b>	<b>0.40</b>	<b>0.78</b>	<b>0.21</b>
<b>Total</b>	<b>14.05</b>	<b>13.39</b>	<b>5.63</b>

**Note 14: Debt securities**

	₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>(A)</b>			
<b>At Amortised Cost</b>			
- Commercial paper (net)	4,594.87	2,350.42	935.15
- Non convertible debentures	8,337.63	9,818.45	9,392.01
<b>Total</b>	<b>12,932.50</b>	<b>12,168.87</b>	<b>10,327.16</b>
<b>(B)</b>			
<b>(a) Debt securities in India</b>			
(i) At Amortised cost	12,932.50	12,168.87	10,327.16
(ii) At Fair Value through Profit or Loss	-	-	-
<b>Total</b>	<b>12,932.50</b>	<b>12,168.87</b>	<b>10,327.16</b>

**Note 15: Borrowings (other than debt securities)**

	₹ in Crore		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>(A)</b>			
<b>At Amortised Cost</b>			
(a) Term Loans			
(i) From banks	3,833.33	3,850.02	4,093.38
(ii) From financial institutions	750.00	-	-
(b) Loan repayable on demand from banks	4,522.40	4,550.96	5,354.24
(c) External commercial borrowings	-	-	32.68
(d) Corporate bond repo	456.56	-	-
<b>Total</b>	<b>9,562.29</b>	<b>8,400.98</b>	<b>9,480.30</b>
<b>(B)</b>			
<b>(a) Borrowings (other than debt securities) in India</b>			
(i) At Amortised Cost	9,562.29	8,400.98	9,480.30
(ii) At Fair Value through Profit or Loss	-	-	-
<b>Total</b>	<b>9,562.29</b>	<b>8,400.98</b>	<b>9,480.30</b>
<b>(b) Borrowings (other than debt securities) outside India</b>			
(i) At Amortised Cost	-	-	-
(ii) At Fair Value through Profit or Loss	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9,562.29</b>	<b>8,400.98</b>	<b>9,480.30</b>





**L&T Infrastructure Finance Company Limited**  
**Notes forming part of consolidated financial statements**

**Note 16: Subordinated liabilities**

₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)			
At amortised cost			
Perpetual debt instruments to the extent that do not qualify as equity	289.71	289.18	285.78
Tier II debentures	1,638.90	1,590.66	1,525.78
<b>Total</b>	<b>1,928.61</b>	<b>1,879.84</b>	<b>1,811.56</b>
(B)			
(a) Subordinated liabilities in India			
(i) At amortised cost	1,928.61	1,879.84	1,811.56
<b>Subtotal</b>	<b>1,928.61</b>	<b>1,879.84</b>	<b>1,811.56</b>
(b) Subordinated liabilities outside India			
(i) At amortised cost	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,928.61</b>	<b>1,879.84</b>	<b>1,811.56</b>

**Note 17: Other financial liabilities**

₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Dividend payable	-	151.46	86.00
Liabilities for expenses	19.36	13.10	11.99
Employee benefits payable	-	-	0.44
Unclaimed infrastructure bonds application money	14.42	13.61	10.87
Unclaimed interest on infrastructure bonds/debentures	-	0.63	0.72
Other payables	1.24	0.70	0.07
<b>Total</b>	<b>35.02</b>	<b>179.50</b>	<b>110.09</b>

**Note 18: Current tax liabilities (net)**

₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Provision for current year tax	0.54	0.54	0.40
<b>Total</b>	<b>0.54</b>	<b>0.54</b>	<b>0.40</b>

**Note 19: Provisions**

₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Provision for employee benefits			
Compensated absences	2.37	1.80	1.82
Gratuity (Refer note 38)	0.49	-	0.27
<b>Total</b>	<b>2.86</b>	<b>1.80</b>	<b>2.09</b>

**Note 20: Other non-financial liabilities**

₹ in Crore			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Statutory dues payable	5.69	14.33	5.79
Dividend distribution tax payable	-	30.83	17.51
<b>Total</b>	<b>5.69</b>	<b>45.16</b>	<b>23.30</b>



**Note 21: Equity share capital**

**(I) 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	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
Issued, Subscribed & Paid up: Equity shares of ₹ 10 each fully paid	1,25,53,00,609	1,255.30	98,99,13,695	989.91	89,20,87,609	892.09

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

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

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

**(III) Reconciliation of the shares 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	98,99,13,695	989.91	89,20,87,609	892.09	89,20,87,609	892.09
Issued during the year	26,53,86,914	265.39	9,78,26,086	97.82	-	-
Outstanding at the end of the year	1,25,53,00,609	1,255.30	98,99,13,695	989.91	89,20,87,609	892.09

**(IV) Equity shares in the Company held by the holding company**

	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	1,25,53,00,609	1,255.30	98,99,13,695	989.91	89,20,87,609	892.09
	1,25,53,00,609	1,255.30	98,99,13,695	989.91	89,20,87,609	892.09

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

Equity Shares	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	1,25,53,00,609	100.00%	98,99,13,695	100.00%	89,20,87,609	100.00%

**Note 22: Other Equity**

Particular	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
Securities premium account <sup>1</sup>	2,168.22		1,134.51		782.79	
General reserve <sup>2</sup>	96.39		67.13		51.13	
Debenture redemption reserve <sup>3</sup>	314.06		297.47		288.49	
Reserve u/s 36 (1)(viii) of Income tax Act 1961 <sup>4</sup>	542.38		491.41		453.16	
Reserve u/s 45-IC of Reserve Bank of India Act, 1934 <sup>5</sup>	431.28		384.90		369.72	
Retained earnings	(658.68)		(806.75)		(748.44)	
Other comprehensive income						
-Remeasurements of the defined benefit liabilities/ (asset)	(0.46)		(0.24)		(0.13)	
-Fair value changes of financial instrument measured at fair value through other comprehensive income	(0.26)		0.05		-	
-Effective portion of cash flow hedge	-		-		0.03	
<b>Total</b>	<b>2,892.93</b>		<b>1,568.48</b>		<b>1,196.75</b>	

1. Securities premium account: The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. The account is utilised in accordance with the provisions of the Companies Act 2013.

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. Debenture redemption reserve: As the Subsidiaries 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.

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. Reserve u/s 45 IC of Reserve Bank of India Act, 1934: The Parent and Subsidiaries 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.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of consolidated financial statements**

**Note 23: Interest income**

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
On financial assets measured at:		
(i) Amortised cost		
Interest on loans	1,581.54	1,709.25
Interest on deposits with bank	8.51	3.71
Interest on deposits with bank	0.03	0.00
Interest income from investments	25.98	7.48
Interest on security deposit	0.60	0.56
Other interest income	0.01	-
(ii) Fair value through profit or loss		
Interest on loans	924.60	497.61
Interest income from investments	7.43	2.71
(iii) Fair value through other comprehensive income		
Income from other investments	2.75	21.62
<b>Total</b>	<b>2,551.45</b>	<b>2,242.94</b>

**Note 24: Dividend Income**

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend on equity shares	-	(0.00)
Dividend income from mutual funds	0.04	0.78
<b>Total</b>	<b>0.04</b>	<b>0.78</b>

**Note 25: Fees and commission Income**

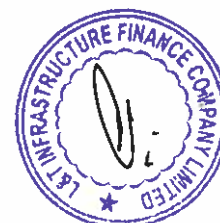
₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy and financial advisory fee	271.92	373.49
Arranger fees	-	0.08
<b>Total</b>	<b>271.92</b>	<b>373.57</b>

**Note 26: 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		
(i) On trading portfolio		
-Investments	(0.13)	47.67
Less: Provision held reversed on derecognition of financial instruments	-	-
(ii) On non-trading portfolio		
-Investments	-	-
<b>Total</b>	<b>(0.13)</b>	<b>47.67</b>
(B) Fair value changes:		
-Realised	(0.20)	47.58
-Unrealised	0.07	0.08
<b>Total</b>	<b>(0.13)</b>	<b>47.66</b>



L&T Infrastructure Finance Company Limited  
Notes forming part of consolidated financial statements

Note 27: Other income

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from cross sell	40.49	8.40
Management fees	-	0.67
Other income	0.61	15.44
<b>Total</b>	<b>41.10</b>	<b>24.51</b>

Note 28: Finance costs

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>On financial liabilities measured at Amortised Cost</b>		
Interest on borrowings	683.97	534.38
Interest on debt securities	1,075.64	1,012.94
Interest on subordinated liabilities	165.12	162.14
Interest cost on gratuity	(0.01)	0.02
Interest cost on leave encashment	0.13	0.13
Borrowing costs ancillary	15.97	21.95
<b>Total</b>	<b>1,940.82</b>	<b>1,731.56</b>

Note 29: Fees and commission expense

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Advisory fees	-	1.23
<b>Total</b>	<b>-</b>	<b>1.23</b>

Note 30: Net loss/(gain) on fair value changes

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>(A) Net loss on financial instruments classified at fair value through profit or loss</b>		
(i) On trading portfolio		
Fair value changes on investments	349.03	135.22
Fair value changes on loans	(0.49)	8.25
Gain on sale of investment	30.29	(125.42)
Gain on sale of loan assets	(0.11)	(6.30)
<b>(B) Net gain on disposal of financial instruments classified at fair value through other comprehensive income</b>		
Gain on sale of investment	(4.30)	20.89
<b>Total</b>	<b>374.42</b>	<b>32.64</b>
<b>Fair value changes:</b>		
-Realised	25.88	(110.83)
-Unrealised	348.54	143.47
<b>Total</b>	<b>374.42</b>	<b>32.64</b>

Note 31: Net loss/(gain) on derecognition of financial instruments under amortised cost category

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Bad debts and advances written off	554.11	356.37
Less: Provision towards bad debts	(545.31)	(205.91)
<b>Subtotal</b>	<b>8.80</b>	<b>150.46</b>
Gain on sell down of loan assets	(0.07)	(0.46)
Gain on sale of investment	(0.30)	(39.31)
<b>Total</b>	<b>8.43</b>	<b>110.69</b>

Note 32: Impairment on financial instruments

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>On financial instruments measured at Amortised cost:</b>		
Provision/(reversal) as per expected credit loss	(556.84)	325.79
Provision towards bad debts	3.42	-
Provision held reversed on derecognition of financial instruments	545.31	205.91
<b>Total</b>	<b>(8.11)</b>	<b>531.70</b>



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of consolidated financial statements**

**Note 33: Employee benefits expenses**

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries	39.59	32.99
Contribution provident, ESIC and superannuation fund (Refer note 38)	1.54	1.39
Contribution to gratuity fund (Refer note 38)	0.45	0.42
Share based payments to employees	8.11	5.49
Staff welfare expenses	0.82	1.00
<b>Total</b>	<b>50.51</b>	<b>41.29</b>

**Note 34: Depreciation, amortisation and impairment**

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation	0.31	0.53
Amortisation	0.81	0.60
<b>Total</b>	<b>1.12</b>	<b>1.13</b>

**Note 35: Other expenses**

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rent	14.20	13.57
Rates and taxes	0.55	0.21
Repairs and maintenance	1.87	2.36
Property maintenance	5.22	4.92
Communication expenses	0.55	0.88
Director's sitting fees	0.30	0.33
Non executive directors remuneration	0.30	0.63
Auditor's fees and expenses		
Statutory audit fees	0.21	0.22
Limited review fees	0.18	0.17
Tax audit fees	0.05	0.05
Certification fees	0.01	-
Expenses reimbursed	0.01	-
Others	0.08	0.11
Legal and professional charges	27.02	29.90
Travelling and conveyance	1.23	1.16
Printing and stationery	0.60	0.07
Filing fees	-	0.01
Brand license fee	12.65	4.41
Membership and subscription fees	0.13	0.12
Corporate support charges	4.45	2.13
Training and recruitment expenses	0.18	0.10
Donations	0.18	-
Corporate social responsibility expenses	2.99	4.68
Miscellaneous expenses	2.54	0.84
<b>Total</b>	<b>75.50</b>	<b>66.87</b>

**Note 36: Tax expense**

₹ in Crore

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	87.87	104.90
Deferred tax charge/(reversal)	100.47	(90.56)
<b>Total</b>	<b>188.34</b>	<b>14.34</b>



Note 37: The list of subsidiaries and associates included in the Consolidated financial statement are as under:

S No.	Name of subsidiaries/associates	Country of Incorporation	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
Subsidiaries								
1	L&T Infrastructure Finance Company Limited	India	100%	100%	100%	100%	100%	100%
2	L&T Infra Investment Partners Advisory Private Limited	India	100%	100%	100%	100%	100%	100%
3	L&T Infra Investment Partners Trustee Private Limited	India	100%	100%	100%	100%	100%	100%
4	L&T Infra Investment Partners	India	54.93%	54.93%	54.93%	54.93%	54.86%	54.86%
Associate								
1	L&T Infra Debt Fund Limited	India	48.36%	48.36%	48.36%	48.36%	48.36%	48.36%
2	Feedback infra private limited #	India	-	-	-	-	23.16%	23.16%

# With effect from March 14, 2018, Feedback Infra Private Limited ceased to be an associate of the Group.



**Note 38: Disclosure pursuant to Ind AS 19 "Employee benefits"****(i) Defined Contribution plans :**

The Company's state governed provident fund scheme are defined contribution plan for its employees 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 vests immediately on rendering of services by the

The Group recognised charges of ₹ 1.54 Crores (previous year ₹ 1.39 Crores) for provident fund contribution, Employee State Insurance Scheme and Superannuation fund in the Consolidated 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:**

		₹ 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		2.50	1.89	1.57
- Wholly unfunded			-	-
Less : Fair value of plan assets		2.50	1.89	1.57
Add : Amount not recognised as an asset (limit in para 64(b) of IndAS 19)		(2.01)	(2.02)	(1.30)
Amount to be recognised as liability or (asset)		0.49	(0.13)	0.27
B) Amounts reflected in Balance Sheet				
Liabilities		0.49	-	0.27
Assets		-	(0.13)	-
Net liability/(asset)		0.49	(0.13)	0.27

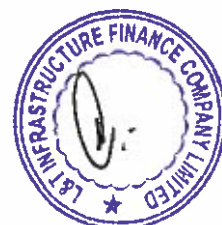
**(b) The amounts recognised in the Statement of Profit and Loss:**

		₹ in crore	
Particulars		Gratuity Plan	
		As at March 31, 2019	As at March 31, 2018
1 Current service cost		0.45	0.42
2 Interest cost (Net of interest income on plan asset)		(0.01)	0.02
3 Actuarial losses/(gains) - others		0.22	0.13
4 Actuarial losses/(gains) - difference between actuarial return on plan assets and interest income		0.11	(0.02)
<b>Total</b>		<b>0.77</b>	<b>0.55</b>
i Amount included in "employee benefits expenses"		0.45	0.42
ii Amount included in as part of "finance cost"		(0.01)	0.02
iii Amount included as part of "Other Comprehensive income"		0.33	0.11
<b>Total</b>		<b>0.77</b>	<b>0.55</b>

**(c) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balance:**

		₹ 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		1.89	1.57	1.45
Add : Current Service Cost		0.45	0.42	0.41
Add : Interest Cost		0.14	0.11	0.11
Add : Actuarial losses/(gains)				
i) Actuarial (gains)/losses arising from changes in financial assumptions		0.08	0.20	0.09
ii) Actuarial (gains)/losses arising from changes in demographic assumptions		0.00	(0.09)	-
ii) Actuarial (gains)/losses arising from changes in experience adjustments		0.14	0.01	0.03
Less : Benefits paid		(0.22)	(0.35)	(0.57)
Add : Liability assumed/(settled)*		0.02	0.00	0.04
Closing balance of the present value of defined benefit obligation		2.50	1.89	1.57

\*On account of inter group transfer during the year



**Note 38: Disclosure pursuant to Ind AS 19 "Employee benefits"****(d) Changes in the fair value of plan assets representing reconciliation of the opening and closing balances:**

₹ 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	2.02	1.30	1.31
Add : interest income of plan assets	0.15	0.10	0.11
Add/(less) : Actuarial gains/(losses)	(0.11)	0.02	(0.00)
Add : Contribution by the employer	0.17	0.95	0.46
Less : Benefits paid	(0.22)	(0.35)	(0.57)
Add: Assets acquired/(settled)*	-	-	-
Closing balance of plan assets	2.01	2.02	1.30

**(e) The fair value of major categories of plan assets:**

₹ in crore

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1 Government of India Securities			
2 Insurer Managed Funds (Unquoted)	2.01	2.02	1.30
3 Others (quoted)	-	-	-
4 Others (unquoted)	-	-	-
	2.01	2.02	1.30

**(f) Principal actuarial assumptions at the valuation date:**

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(i) Discount rate (per annum)	7.10%	7.60%	7.40%
(ii) Salary escalation rate (per annum)	9.00%	9.00%	7.00%

**(iii) Discount rate:**

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.

**(iv) Salary escalation rate:**

The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

**(v) Attrition Rate:**

The attrition rate varies from 5% to 20% (previous year: 5% to 20%) for various age groups.

**(vi) Mortality:**

Published rates under the Indian Assured Lives Mortality (2012-14) Ult table.

**(h) Sensitivity Analysis**

One percentage point change in actuarial assumption would have the following effects on the defined benefit obligation:

₹ in crore

Particulars	Gratuity Plan			
	Effect of 1% increase		Effect of 1% decrease	
	2018-19	2017-18	2018-19	2017-18
1 Impact of change in discount rate	(0.16)	(0.12)	0.18	0.13
2 Impact of change in salary escalation rate	0.17	0.13	(0.16)	(0.12)





**Note 39 : Disclosure pursuant to Ind AS 108 "Operating Segment"**

The Board of Directors and the Managing Director of the Company together constitute the Chief Operating Decision Makers ("CODM") which allocate resources to and assess the performance of the segments of the Company.

The Group has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Rural, Housing, Wholesale, Defocused and Other businesses. 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 others. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Tax assets and liabilities are disclosed as Unallocated and all other assets and liabilities are disclosed as others. The composition of the reportable segments is as follows:

- (i) Rural Business comprises of Farm Equipment Finance, Two Wheeler Finance and Micro Loans.
- (ii) Housing Business comprises of Home Loans, Loan against Property and Real Estate Finance.
- (iii) Wholesale Business comprises of Infrastructure Finance and Structured Corporate Loans.
- (iv) Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.
- (v) Others comprises of Asset Management, Wealth Management etc.
- (vi) Unallocated represents tax assets and tax liabilities

**(a) Information about reportable segment**

Sr. No.	Particulars	Year ended	
		As at March 31, 2019	As at March 31, 2018
		₹ in crore	
I	<b>Gross segment revenue from continuing operations</b>		
(a)	Rural business		
(b)	Housing business	452.78	260.51
(c)	Wholesale business	2,357.47	2,342.02
(d)	Defocused business		
(e)	Others	13.03	62.44
	Segment revenue from continuing operations	2,823.28	2,664.96
(f)	Less: Inter segment revenue	-	-
	<b>Revenue as per the Statement of Profit &amp; Loss</b>	<b>2,823.28</b>	<b>2,664.96</b>
II	<b>Segment results</b>		
(a)	Rural business		
(b)	Housing business	249.44	160.83
(c)	Wholesale business	165.62	(44.33)
(d)	Defocused business		
(e)	Others	6.62	55.86
	<b>Profit before tax</b>	<b>421.69</b>	<b>172.36</b>

Sr. No.	Particulars	Year ended		
		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
		₹ in crore		
III	<b>Segment assets</b>			
(a)	Rural business	-	-	-
(b)	Housing business	3,679.95	2,251.08	697.62
(c)	Wholesale business	23,364.09	21,365.12	21,629.94
(d)	Defocused business	-	-	-
(e)	Others	505.55	513.20	572.18
	<b>Sub Total</b>	<b>27,549.59</b>	<b>24,129.40</b>	<b>22,899.74</b>
(f)	Less: Inter segment assets	-	-	-
	<b>Segment assets</b>	<b>27,549.59</b>	<b>24,129.40</b>	<b>22,899.74</b>
(g)	Unallocated	1,302.46	1,342.54	1,201.54
	<b>Total assets</b>	<b>28,852.05</b>	<b>25,471.94</b>	<b>24,101.28</b>
IV	<b>Segment liabilities*</b>			
(a)	Rural business	-	-	-
(b)	Housing business	3,320.22	2,150.78	673.08
(c)	Wholesale business	21,158.18	20,537.39	21,085.77
(d)	Defocused business	-	-	-
(e)	Others	225.42	225.39	253.58
	<b>Sub Total</b>	<b>24,703.82</b>	<b>22,913.56</b>	<b>22,012.44</b>
(f)	Less: Inter segment liabilities	-	-	-
	<b>Segment liabilities</b>	<b>24,703.82</b>	<b>22,913.56</b>	<b>22,012.44</b>
(g)	Unallocated	-	-	-
	<b>Total liabilities</b>	<b>24,703.82</b>	<b>22,913.56</b>	<b>22,012.44</b>

\*Includes non-controlling interest

**(b) Geographical Information**

Revenues from external customers attributed to an individual foreign country are immaterial.

- (c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the group's total revenue.



L&T INFRASTRUCTURE FINANCE LIMITED

Note 40 : Related Party Disclosures: Ind AS -24 "Related Party Transaction"

(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. Subsidiary Companies

3. L & T Infra Investment Partners Advisory Private Limited  
4. L & T Infra Investment Partners

D. Fellow Subsidiary Companies

5. L&T Finance Limited  
6. L&T Infotech Limited  
7. L&T Capital Markets Limited  
8. L&T Housing Finance Limited  
9. L&T Investment Management Limited  
10. L&T Financial Consultants Limited  
11. L&T Electromech LLC  
12. L&T ENC Hydrocarbon Limited  
13. L&T Sargent & Lundy Limited

E. Associates

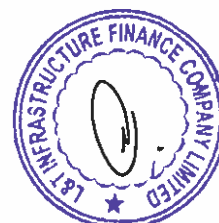
14. L&T Infra Debt Fund Limited  
15. Feedback Infra Private Limited (upto March 14, 2018)

F. Key Management Personnel

16. Mr. Virender Pankaj  
17. Mr. S.H.Bhojani (Ceased to be a Director with effect from May 23, 2018)  
18. Mr. A.K Jain (Ceased to be a Director with effect from April 01, 2019)  
19. Mr. Pradip Roy (Ceased to be a Director with effect from May 28, 2018)  
20. Mr. Pradeep Kumar Panja (Ceased to be a Director with effect from June 08, 2018)  
21. Mr. Thomas Mathew T.  
22. Mr. Pavinder Singh (Ceased to be a Director with effect from July 08, 2017)  
23. Mr. Rishi Mandawat (Appointed as Director with effect from July 08, 2017)  
24. Ms Falguni Nayar (Ceased to be a Director with effect from March 19, 2018)  
25. Ms Nishi Vasudeva (Appointed as Director with effect from April 06, 2018)

(b) Disclosure of related party transactions :

		₹ in crore	
Sr. No.	Nature of Transaction <sup>a</sup>	2018-19	2017-18
1	Inter corporate deposits borrowed		
	L&T Finance Holdings Limited	2,754.90	4,073.00
	L&T Finance Limited	75.00	100.00
	L&T Housing Finance Limited	-	112.00
	L&T Investment Management Limited	-	47.20
	L&T Capital Market Limited	-	7.15
2	Inter corporate deposits repaid (including interest)		
	L&T Finance Holdings Limited	2,759.26	4,079.71
	L&T Finance Limited	75.04	100.02
	L&T Housing Finance Limited	-	212.08
	L&T Investment Management Limited	-	47.24
	L&T Capital Market Limited	-	7.17
3	Interest expense on inter corporate deposits		
	L&T Finance Holdings Limited	4.36	6.71
	L&T Finance Limited	0.04	0.02
	L&T Housing Finance Limited	-	0.08
	L&T Investment Management Limited	-	0.04
	L&T Capital Market Limited	-	0.02
4	Inter corporate deposits given		
	L&T Finance Limited	471.26	1,529.95
	L&T Housing Finance Limited	10.00	338.00
	L&T Financial Consultants Limited	-	52.00
	L&T Finance Holdings Limited	469.00	-
5	Inter corporate deposits received back		
	L&T Finance Limited	471.89	1,567.07
	L&T Housing Finance Limited	10.01	338.32
	L&T Finance Holdings Limited	469.44	-
	L&T Financial Consultants Limited	52.14	-
6	Interest received on inter corporate deposits		
	L&T Finance Limited	0.35	2.12
	L&T Housing Finance Limited	0.01	0.32
	L&T Finance Holdings Limited	0.44	-
	L&T Financial Consultants Limited	0.13	0.01
7	Asset management fee/corporate support charges		
	L&T Infra Debt Fund Limited	-	0.27
8	Corporate support charges paid		
	L&T Finance Holdings Limited	4.09	1.96
9	Branch sharing cost paid to		
	L&T Finance Limited	0.23	0.17
	L&T Financial Consultants Limited	15.78	14.49



Sr. No.	Nature of Transaction*	2018-19	2017-18
10	Professional fees and other expenses paid		
	Larsen & Toubro Limited	0.47	0.67
	Larsen & Toubro Infotech Limited	0.27	0.50
	L&T Sargent & Lundry Limited	-	0.09
	L&T Finance Holdings Limited	-	0.08
11	Sale of loan portfolio		
	L&T Finance Limited	120.02	963.00
	L&T Infra Debt Fund Limited	337.16	907.06
	L&T Housing Finance Limited	-	529.42
12	Purchase of loan portfolio		
	L&T Finance Limited	1,514.86	667.12
	L&T Housing Finance Limited	303.32	-
13	Brand license fees		
	Larsen & Toubro Limited	11.93	4.41
14	Sale of investment		
	L&T Finance Limited	-	330.00
15	ESOP Cost		
	L&T Finance Holdings Limited	8.11	5.49
16	Dividend income received		
	Feedback Infra Private Limited	-	0.66
17	Sitting fees received		
	Feedback Infra Private Limited	-	0.03
18	Dividend paid		
	L&T Finance Holdings Limited	-	151.46
19	Security deposit received back		
	L&T Financial Consultants Limited	2.07	-
20	Interest on security deposit		
	L&T Financial Consultants Limited	0.60	-
21	Equity capital infused (including securities premium)		
	L&T Finance Holdings Limited	1,300.40	450.00
22	Security Deposit Paid		
	L&T Financial Consultants Limited	0.01	-
23	Investment in equity share		
	L&T Infra Debt Fund Limited	-	33.86

24 Compensation paid to key managerial personnel

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. Virender Panik	3.58	-	-	3.58	3.11	-	-	3.11
Mr. S.H.Bhojani	0.07	-	-	0.07	0.20	-	-	0.20
Mr. A.K Jain	0.15	-	-	0.15	0.14	-	-	0.14
Mr. Pradip Roy	0.04	-	-	0.04	0.17	-	-	0.17
Mr. Pradeep Kumar Panja	0.02	-	-	0.02	0.10	-	-	0.10
Mr. Thomas Mathew T.	0.15	-	-	0.15	0.08	-	-	0.08
Mr. Pavinder Singh	-	-	-	-	0.02	-	-	0.02
Mr. Rishi Mandawat	0.07	-	-	0.07	0.07	-	-	0.07
Ms Falguni Nayar	-	-	-	-	0.04	-	-	0.04
Ms Nishi Vasudeva	0.16	-	-	0.16	-	-	-	-

₹ in crore

(c) Amount due to/from related parties:

S. No.	Nature of transactions	As at March 31, 2019	As at March 31, 2018	As at 1st April, 2017
1	Inter corporate deposits			
	L&T Finance Limited	-	-	35.01
	L&T Financial Consultants Limited	-	52.01	-
2	Brand license fees payable			
	Larsen & Toubro Limited	12.65	4.38	2.40
3	Security deposit receivable			
	L&T Financial Consultants Limited	5.14	7.21	-
4	Account payable			
	Larsen & Toubro Limited	0.17	0.09	0.19
	L&T Electromech LLC	-	0.02	0.02
	Larsen & Toubro Infotech Limited	0.02	-	0.05
	L&T ENC Hydrocarbon Limited	0.02	0.02	0.02
	L & T Infra Debt Fund Limited	0.33	-	0.03
	L&T Finance Limited	0.03	0.67	-
	L&T Investment Management Limited	-	0.01	-
	L&T Finance Holdings Limited	1.02	8.17	2.68
	L&T Housing Finance Limited	0.03	-	0.02
	L&T Financial Consultants Limited	-	0.01	-
5	Account receivable			
	L & T Infra Debt Fund Limited	0.38	-	-
	L & T Finance Limited	0.04	0.14	0.44

\* 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.



**L&T Infrastructure Finance Company Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019**

**Note 41 : Disclosure pursuant to Ind AS 17 "Leases"**

**Operating lease:**

**Group as Lessee:**

The Company holds certain premises under operating leases. Rent includes net of expenses of ₹ 14.20 crores (previous year ₹ 13.57 crores). The committed lease rentals on non-cancellable operating lease in future are:

Particulars	₹ in crore		
	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Not later than 1 year	0.93	10.39	12.26
Later than 1 year and not later than 5 years	0.08	0.91	13.95
Later than 5 years	-	-	-
<b>Total</b>	<b>1.01</b>	<b>11.30</b>	<b>26.21</b>



**L&T Infrastructure Finance Company Limited**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

**Note 42: Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share":**

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Basic</b>			
Profit after tax (₹ crore)	A	297.00	226.05
Weighted average number of equity shares outstanding	B	1,09,63,42,679	89,50,35,792
Basic earning per share	A/B	2.71	2.53
<b>Diluted</b>			
Profit after tax (₹ crore)	A	297.00	226.05
Weighted average number of equity shares outstanding	B	1,09,63,42,679	89,50,35,792
Add: Weighted average number of potential equity shares on account of employee stock options	C	0	0
Weighted average number of shares outstanding for diluted EPS	D=B+C	1,09,63,42,679	89,50,35,792
Diluted earning per share (before and after extraordinary items) (₹)	A/D	2.71	2.53
Face value of shares (₹)		10.00	10.00



Note 43: Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income):

		₹ in crore	
Sr. No.	Particulars	2018-19	2017-18
	<b>Consolidated statement of Profit and Loss:</b>		
(a)	Profit and Loss section:		
	(i) Current income tax:		
	(A) Current income tax expense	87.87	104.90
	(B) Tax expense in respect of earlier years	-	-
		87.87	104.90
	(ii) Deferred Tax:		
	(A) Tax expense on origination and reversal of temporary differences	100.47	(86.39)
	(B) Effect of previously recognised tax losses and tax offsets on which deferred tax benefit is recognised	-	-
	(C) Effect on deferred tax balances due to the change in income tax rate	-	(4.16)
		100.47	(90.56)
	Income tax expense reported in the consolidated statement of profit or loss [(i)+(ii)]	188.34	14.35
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	(a) On re-measurement of defined benefit plans	(0.12)	-
		(0.12)	-
	(ii) Items to be reclassified to profit or loss in subsequent periods:		
	(A) Current tax expense/(income):	-	-
	(B) Deferred tax expense/(income):		
	(a) On gain/(loss) on fair value of debt securities	(0.03)	0.03
		(0.03)	0.03
	Income tax expense reported in the other comprehensive income [(i)+(ii)]	(0.15)	0.03
(c)	Balance sheet:		
	Current income tax	-	-
	Deferred tax	-	2.04
	Income tax expense reported in balance sheet	-	2.04

(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	421.69	172.36
(b)	Corporate tax rate as per Income tax Act, 1961	34.94%	34.61%
(c)	Tax on accounting profit	147.35	59.64
(d)	(i) Tax on Income exempt from tax:		
	(A) Deduction of special reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(17.81)	(13.22)
	(B) Exempt income	-	-
	(ii) Tax on Income which are taxed at different rates	0.42	(14.01)
	(iii) Tax on expense not tax deductible:		
	(A) Corporate social responsibility (CSR) expenses	0.52	0.83
	(B) Provision for diminution of investments	52.69	-
	(C) Other disallowances (Including section 14A)	0.06	2.12
	(iv) Impact of consolidation adjustments	(1.99)	(6.26)
	(v) Utilisation of brought forward losses in current year on which DTA not recognised in earlier years	-	-
	(vi) Tax effect of losses/timing differences of current year on which no deferred tax benefit is recognised	13.48	-
	(vii) Effect of previously recognised tax losses and tax offsets on which deferred tax benefit is recognised	-	-
	(viii) Effect on deferred tax due to change in Income tax rate	-	(4.16)
	(ix) Effect of tax for prior years	-	-
	(x) Tax effect on various other items	(6.38)	(10.60)
	Total effect of tax adjustments [(i) to (x)]	41.00	(45.30)
	Tax expense recognised during the year (e)=(c)-(d)	188.35	14.34
	Effective tax Rate (f)=(e)/(a)	44.67%	8.32%

(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	0.04	AY2021-28	0.04	AY2020-27	0.04	AY2019-26
- Amount of losses having no expiry	0.00		-		-	
Tax losses (Capital loss)	38.58	AY2027-28	-		-	
Total	38.61		0.04		0.04	

(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	150.79	-	(0.01)
(b)	Other items	-	-	-
	Total	150.79	-	(0.01)



Note 43: Disclosure pursuant to Ind AS 12 "Income Taxes"

(d) Major components of deferred tax assets and deferred tax liabilities:

₹ in crore					
Particulars	Deferred tax assets/(liabilities) as at April 1, 2018	Charge/(credit) to Statement of Profit and Loss	Recognised through Balance Sheet	Charge/(credit) to Other comprehensive income	Deferred tax assets/(liabilities) as at March 31, 2019
<b>Deferred tax assets:</b>					
Expected credit loss provision on Loans	1138.58	(182.05)	-	-	956.53
Amortisation of fee income	0.00	-	-	-	0.00
Unabsorbed depreciation	0.00	-	-	-	0.00
Carried forward tax losses	0.00	1.67	-	-	1.67
Unutilised MAT credit	0.50	0.00	-	-	0.50
Other items giving rise to temporary differences	(1.63)	69.34	-	0.14	67.86
<b>Deferred tax assets</b>	<b>1137.45</b>	<b>(111.05)</b>	<b>-</b>	<b>0.14</b>	<b>1026.55</b>
Offsetting of deferred tax assets with deferred tax liabilities	-	-	-	-	(102.88)
<b>Net deferred tax assets</b>	<b>1137.45</b>	<b>(111.05)</b>	<b>-</b>	<b>0.14</b>	<b>923.66</b>
<b>Deferred tax liabilities:</b>					
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	(0.22)	(0.36)	-	-	-0.57
Interest income recognised on Stage 3 Loans	(107.30)	9.98	-	-	(97.32)
Unamortised borrowing cost	(5.96)	0.97	-	-	(4.98)
Other items giving rise to temporary differences	0.00	-	-	-	-
<b>Deferred tax liabilities</b>	<b>(113.47)</b>	<b>10.59</b>	<b>-</b>	<b>-</b>	<b>(102.88)</b>
Offsetting of deferred tax liabilities with deferred tax assets	113.47	-	-	-	102.88
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>10.59</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>1,137.45</b>	<b>(100.46)</b>	<b>-</b>	<b>0.14</b>	<b>923.66</b>

₹ in crore					
Particulars	Deferred tax assets/(liabilities) as at April 1, 2017	Charge/(credit) to Statement of Profit and Loss	Recognised through Balance Sheet	Charge/(credit) to Other comprehensive income	Deferred tax assets/(liabilities) as at March 31, 2018
<b>Deferred tax assets:</b>					
Expected credit loss provision on Loans	1012.78	125.80	-	-	1138.58
Amortisation of fee income	0.00	-	-	-	0.00
Unabsorbed depreciation	0.00	-	-	-	0.00
Carried forward tax losses	0.00	0.00	-	-	0.00
Unutilised MAT credit	0.50	0.00	-	-	0.50
Other items giving rise to temporary differences	(3.99)	2.39	-	(0.03)	-1.63
<b>Deferred tax assets</b>	<b>1009.29</b>	<b>128.19</b>	<b>-</b>	<b>(0.03)</b>	<b>1137.45</b>
Offsetting of deferred tax assets with deferred tax liabilities	(73.80)	-	-	-	(113.47)
<b>Deferred tax assets:</b>	<b>935.49</b>	<b>128.19</b>	<b>-</b>	<b>(0.03)</b>	<b>1023.98</b>
<b>Deferred tax liabilities:</b>					
Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	(0.15)	(0.06)	-	-	(0.22)
Interest income recognised on stage 3 loans	(68.44)	(38.86)	-	-	(107.30)
Unamortised borrowing cost	(5.21)	1.29	(2.04)	-	(5.96)
Other items giving rise to temporary differences	0.00	-	-	-	-
<b>Deferred tax liabilities</b>	<b>(73.80)</b>	<b>(37.63)</b>	<b>(2.04)</b>	<b>-</b>	<b>(113.47)</b>
Offsetting of deferred tax liabilities with deferred tax assets	73.80	-	-	-	113.47
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>(37.63)</b>	<b>(2.04)</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>935.49</b>	<b>90.56</b>	<b>(2.04)</b>	<b>(0.03)</b>	<b>1023.98</b>



**L&T Infrastructure Finance Company Limited**

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019

**Note 44 : Contingent liabilities and commitments**

		₹ in crore		
	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	<b>Contingent liabilities</b>			
1	Claims against the Group not acknowledged as debt;*			
	(i) Income tax matter in dispute	7.95	7.95	7.95
	(ii) Service tax/Sales tax/VAT matters in dispute	4.65	4.65	4.65
	(iii) Legal matters in dispute	6.17	0.01	-
2	Bank guarantees	461.03	229.18	50.00
3	Other money for which the Group is contingently liable; Letter of Credit/Letter of Comfort	328.42	1,542.19	742.57
	<b>Total (a)</b>	<b>808.22</b>	<b>1,783.97</b>	<b>805.17</b>
	<b>Commitments</b>			
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	5.39	172.76	165.17
2	Other Undrawn/Undisbursed commitments** (standby facilities)	85.62	132.62	621.62
	<b>Total (b)</b>	<b>91.00</b>	<b>305.38</b>	<b>786.79</b>
	<b>Total (c)=(a)+(b)</b>	<b>899.22</b>	<b>2,089.35</b>	<b>1,591.96</b>

\*In respect of disputes, the Group is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

\*\*This disclosure is given pursuant to the notification no. DNBS.CC.PD.No. 252/03.10.01/2011-12 dated December 26, 2011 issued by Reserve Bank of India.





**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019**

**Note 45 : Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"**

**(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 \$ 5000000
Assets – Currency swap contracts	-	-	USD \$ 5000000

**(b) Interest rate risk :**

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Variable rate borrowings	9,105.57	8,398.79	9,447.54
Fixed rate borrowings	14,186.24	12,859.25	11,118.39
<b>Total borrowings*</b>	<b>23,291.81</b>	<b>21,258.04</b>	<b>20,565.93</b>

\*Excluding interest accrued and amortisation

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

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	8.49%	9,105.57	39.09%	8.46%	8,398.79	39.51%	9.56%	9,447.54	45.94%
<b>Net exposure to cash flow interest rate risk</b>	<b>8.49%</b>	<b>9,105.57</b>	<b>39.09%</b>	<b>8.46%</b>	<b>8,398.79</b>	<b>39.51%</b>	<b>9.56%</b>	<b>9,447.54</b>	<b>45.94%</b>

**(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.

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest rates – increase by 25 basis points *	(11.42)	(16.95)	(11.42)	(16.95)
Interest rates – decrease by 25 basis points*	11.42	16.95	11.42	16.95

\* Impact on P/L upto 1 year, holding all other variables constant



Note 46 : Disclosure pursuant to Ind AS 1 and Ind AS 107 "Maturity analysis of assets and liabilities"

₹ in crore									
Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS:</b>									
<b>(1) Financial assets</b>									
(a) Cash and cash equivalents	27.04	-	27.04	361.36	-	361.36	114.79	-	114.79
(b) Bank balance other than (a) above	14.42	-	14.42	14.24	-	14.24	11.59	-	11.59
(c) Derivative financial instruments	-	-	-	-	-	-	0.03	-	0.03
(d) Receivables									
(i) Trade receivables	59.12	-	59.12	49.52	-	49.52	41.49	-	41.49
(ii) Other receivables	0.64	-	0.64	0.14	-	0.14	0.44	-	0.44
(e) Loans	12,431.98	12,304.98	24,736.95	8,813.09	11,951.02	20,764.11	6,434.60	12,991.00	19,425.60
(f) Investments	571.20	1,943.42	2,514.61	769.15	1,975.54	2,744.69	1,302.21	1,806.53	3,108.74
(g) Other financial assets	0.16	5.12	5.28	0.18	6.65	6.83	10.18	5.94	16.12
<b>(2) Non-financial assets</b>									
(a) Current tax asset (net)	-	378.80	378.80	-	318.55	318.55	-	266.05	266.05
(b) Deferred tax assets (net)	-	923.66	923.66	-	1,023.99	1,023.99	-	935.49	935.49
(c) Investment property	-	-	-	-	-	-	-	-	-
(d) Property, plant and equipment	-	0.70	0.70	-	1.03	1.03	-	0.92	0.92
(e) Capital work-in-progress	-	-	-	-	-	-	-	-	-
(f) Intangible assets under development	-	10.10	10.10	-	4.05	4.05	-	-	-
(g) Goodwill on consolidation	-	-	-	-	-	-	-	-	-
(h) Other intangible assets	-	2.48	2.48	-	2.07	2.07	-	1.04	1.04
(i) Other non-financial assets	170.53	7.72	178.25	173.22	8.14	181.36	172.25	6.73	178.98
<b>Total Assets</b>	<b>13,275.09</b>	<b>15,576.97</b>	<b>28,852.05</b>	<b>10,180.90</b>	<b>15,291.04</b>	<b>25,471.94</b>	<b>8,087.58</b>	<b>16,013.70</b>	<b>24,101.28</b>
<b>LIABILITIES</b>									
<b>(1) Financial Liabilities</b>									
(a) Derivative financial instruments	-	-	-	-	-	-	-	-	-
(b) 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	13.65	-	13.65	12.61	-	12.61	5.42	-	5.42
(c) 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	0.40	-	0.40	0.78	-	0.78	0.21	-	0.21
(d) Debt securities	6,443.77	6,488.73	12,932.50	5,771.90	6,396.96	12,168.87	2,988.99	7,338.16	10,327.16
(e) Borrowings (Other than debt securities)	3,376.62	6,185.67	9,562.29	368.85	8,032.12	8,400.98	277.13	9,203.17	9,480.30
(f) Subordinated liabilities	89.88	1,838.74	1,928.61	88.26	1,791.58	1,879.84	81.91	1,729.66	1,811.56
(g) Other financial liabilities	35.02	-	35.02	179.50	-	179.50	110.09	-	110.09
<b>(2) Non-Financial Liabilities</b>									
(a) Current tax liability (net)	0.54	-	0.54	0.54	-	0.54	0.40	-	0.40
(b) Provisions	2.86	-	2.86	1.80	-	1.80	2.09	-	2.09
(c) Deferred tax liabilities (net)	-	-	-	-	-	-	-	-	-
(d) Other non-financial liabilities	5.69	-	5.69	45.16	-	45.16	23.30	-	23.30
<b>Total liabilities</b>	<b>9,968.44</b>	<b>14,513.13</b>	<b>24,481.56</b>	<b>6,469.41</b>	<b>16,220.67</b>	<b>22,690.08</b>	<b>3,489.54</b>	<b>18,270.99</b>	<b>21,760.53</b>



## **Note 47: Financial Risk Management and disclosures**

### **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 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 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.

**Wholesale (Infrastructure Finance and Structured Corporate Finance) and Housing (Real Estate)**

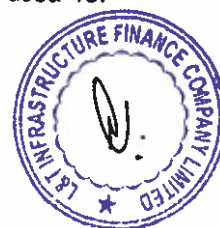
The Company uses internal credit risk grading (17 levels for loans which are not credit impaired and 1 level for loans considered to be credit impaired) that reflect its assessment of the PD of individual counterparties in respect of its "Wholesale" segment. The Company use internal rating models tailored 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.

**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 25% and 5% respectively while the Central Scenario has been assigned a probability of 70%. The Central scenario is based on the Company outlook of GDP growth, inflation 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 on account of policy reforms for infrastructure sector and resolution of stressed assets. The Downside scenario reflects potential slowdown in economic growth.

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 is considerations for portfolio held by the Company:

**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.

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).

As at 31 March 2019, the Company's net exposure to credit risk, after taking into account credit risk mitigation is disclosed in note 45 of notes to account of financials statements.

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 some companies (refer note 40 of notes to accounts of financial statement for detail), 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.

#### **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:**

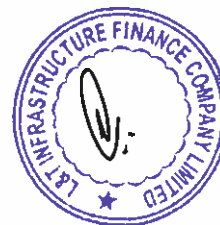
Interest rate risk is the risk where changes in market interest rates affect the Company's financial position due to change in its Net Interest Income (NII). Interest Rate Sensitivity Statement is prepared every month and placed before ALCO. The Statement captures the Rate Sensitive Gaps i.e. the mismatch 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 : Exposure to credit risk by class of financial asset

Particulars	As at March 31, 2019			As at March 31, 2018			As at March 31, 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
<b>Financial assets</b>									
Cash and cash equivalent and other bank balances	41.46	-		375.60	-		126.38	-	
Financial assets at amortised cost (including loans and equity investment in associates other than debt securities)	14,065.96	-		13,859.68	-		14,556.02	-	
Trade receivables	59.12	-		49.52	-		41.49	-	
Debt instruments	189.01	-		-	-		-	-	
Other receivables	0.64	-		0.14	-		0.44	-	
Other financial assets	5.28	-		6.83	-		16.12	-	
<b>Total financial assets at amortised cost</b>	<b>14,361.47</b>	<b>-</b>		<b>14,291.77</b>	<b>-</b>		<b>14,740.45</b>	<b>-</b>	
Derivative financial instruments	-	-		-	-		0.03	-	
Financial assets at fair value through profit or loss (including loans and investment other than debt securities)	12,166.59	-		8,788.60	-		7,047.71	-	
Debt securities designated at fair value through profit or loss	806.73	-		837.94	-		895.35	-	
<b>Total financial instruments at fair value through profit or loss</b>	<b>12,973.32</b>	<b>-</b>		<b>9,626.54</b>	<b>-</b>		<b>7,943.09</b>	<b>-</b>	
Debt instruments at fair value through Other Comprehensive Income	23.27	-		22.57	-		35.25	-	
<b>Total debt instruments at fair value through Other Comprehensive Income</b>	<b>23.27</b>	<b>-</b>		<b>22.57</b>	<b>-</b>		<b>35.25</b>	<b>-</b>	
<b>Total on-balance sheet</b>	<b>27,358.06</b>	<b>-</b>		<b>23,940.89</b>	<b>-</b>		<b>22,718.80</b>	<b>-</b>	
<b>Off balance sheet</b>									
Contingent liabilities	808.22	-		1,783.97	-		805.17	-	
Other commitments	91.00	-		305.38	-		786.79	-	
<b>Total off-balance sheet</b>	<b>899.22</b>	<b>-</b>		<b>2,089.35</b>	<b>-</b>		<b>1,591.96</b>	<b>-</b>	
<b>Total</b>	<b>28,257.28</b>	<b>-</b>		<b>26,030.23</b>	<b>-</b>		<b>24,310.76</b>	<b>-</b>	

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.



Note 49 : Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

(a) Category-wise classification for applicable financial assets and financial liabilities:

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total	FVTPL	FVTOCI	Amortised cost	Total
<b>Financial assets</b>												
1 Cash and cash equivalents	-	-	27.04	27.04	-	-	361.36	361.36	-	-	114.79	114.79
2 Bank balance other than (1) above	-	-	14.42	14.42	-	-	14.24	14.24	-	-	11.59	11.59
3 Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
4 Receivables	-	-	-	-	-	-	-	-	0.03	-	-	0.03
Trade receivables	-	-	59.12	59.12	-	-	49.52	49.52	-	-	41.49	41.49
Other receivable	-	-	0.64	0.64	-	-	0.14	0.14	-	-	0.44	0.44
5 Loans	-	-	13,552.75	24,736.95	-	-	13,410.12	20,764.11	-	-	14,164.09	19,425.60
6 Investments	11,184.20	-	-	-	7,353.99	-	-	-	5,261.50	-	-	-
Equity instruments (including investment in share application money)	477.31	-	513.21	990.52	676.65	-	449.56	1,126.21	681.58	-	391.93	1,073.51
Preference share	95.26	-	-	95.26	63.68	-	-	63.68	65.55	-	-	65.55
Mutual funds	8.26	-	-	8.26	13.71	-	-	13.71	601.72	-	-	601.72
Debentures	806.73	22.29	-	829.01	837.96	22.57	-	860.54	895.35	35.25	-	930.60
Security receipt	396.54	-	-	396.54	674.03	-	-	674.03	430.82	-	-	430.82
Units of fund	5.00	0.98	-	5.98	6.53	-	-	6.53	6.53	-	-	6.53
Government securities	-	-	189.01	189.01	-	-	-	-	-	-	-	-
Other financial assets	-	-	5.28	5.28	-	-	6.83	6.83	-	-	16.11	16.11
<b>Total financial assets</b>	<b>12,973.30</b>	<b>23.27</b>	<b>14,361.47</b>	<b>27,358.04</b>	<b>9,626.56</b>	<b>22.57</b>	<b>14,291.76</b>	<b>23,940.89</b>	<b>7,943.08</b>	<b>35.25</b>	<b>14,740.45</b>	<b>22,718.79</b>
<b>Financial liabilities</b>												
1 Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
2 Trade payables	-	-	13.65	13.65	-	-	12.61	12.61	-	-	5.42	5.42
3 Other payables	-	-	0.40	0.40	-	-	0.78	0.78	-	-	0.21	0.21
4 Debt securities	-	-	12,932.50	12,932.50	-	-	12,168.87	12,168.87	-	-	10,327.16	10,327.16
5 Borrowings (Other than debt securities)	-	-	9,562.29	9,562.29	-	-	8,400.98	8,400.98	-	-	9,480.30	9,480.30
6 Subordinated liabilities	-	-	1,928.61	1,928.61	-	-	1,879.84	1,879.84	-	-	1,811.56	1,811.56
7 Other financial liabilities	-	-	35.02	35.02	-	-	179.50	179.50	-	-	110.09	110.09
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>24,472.47</b>	<b>24,472.47</b>	<b>-</b>	<b>-</b>	<b>22,642.58</b>	<b>22,642.58</b>	<b>-</b>	<b>-</b>	<b>21,734.74</b>	<b>21,734.74</b>



## ₹ in crore

Particular	Equity share	Preference share	Debentures	Pass through certificates	Security receipts	Units of fund	Loans	Total
Balance as at April 1, 2017	659.49	65.55	895.35	-	430.82	6.53	5,261.50	7,319.26
Addition during the year	141.45	-	229.84	-	262.17	0.15	5,254.67	5,888.28
Disposal during the year	(155.61)	-	(263.69)	-	(5.12)	(0.27)	(3,162.18)	(3,586.87)
Gain/(Loss) recognised in Profit or Loss	8.85	(1.87)	(23.55)	-	(13.86)	0.11	-	(30.33)
Balance as at March 31, 2018	654.18	63.68	837.95	-	674.01	6.53	7,353.99	9,590.33
Addition during the year	565.76	-	9.62	-	-	-	6,651.29	7,228.57
Disposal during the year	(550.00)	-	(19.38)	-	(78.77)	1.90	(2,821.08)	(3,472.82)
Gain/(Loss) recognised in Profit or Loss	(195.31)	31.58	(21.46)	-	(198.70)	0.18	-	(383.71)
Balance as at March 31, 2019	474.64	95.26	806.73	-	396.54	5.02	11,184.20	12,962.38
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period								
As at March 31, 2018	(32.56)	(0.46)	100.05	-	(69.31)	(0.64)	-	(2.92)
As at March 31, 2019	(132.48)	(0.70)	68.95	-	(268.01)	-	-	(332.23)

(d) Sensitivity disclosure for level 3 fair value measurements:

Particular	Fair value as at			Sensitivity	Impact of change in rates on Total Comprehensive Income statement						₹ in crore
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017		31 March 2019		31 March 2018		31 March 2017		
					Favourable	Unfavourable	Favourable	Unfavourable	Favourable	Unfavourable	
Equity share	474.64	654.18	659.49	5.00%	23.73	(23.73)	32.71	(32.71)	32.97	(32.97)	
Preference share	95.26	63.68	65.55	5.00%	4.76	(4.76)	3.18	(3.18)	3.28	(3.28)	
Debt instruments	806.73	837.95	895.35	0.25%	2.02	(2.02)	2.09	(2.09)	2.24	(2.24)	
Pass through certificates	0.00	0.00	0.00	0.25%	-	-	-	-	-	-	
Security receipts	396.54	674.01	430.83	5.00%	19.83	(19.83)	33.70	(33.70)	21.54	(21.54)	
Units of fund	5.02	6.53	6.53	5.00%	0.25	(0.25)	0.33	(0.33)	0.33	(0.33)	
Loans	11,184.20	7,353.99	5,261.50	0.25%	27.96	(27.96)	18.38	(18.38)	13.15	(13.15)	
Total	12,962.38	9,590.35	7,319.26		78.55	(78.55)	90.40	(90.40)	73.51	(73.51)	

(e) Maturity profile of financial liabilities based on undiscounted cash flows:

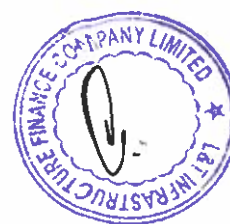
Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017			₹ in crore
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	
Non-derivative liabilities										
Borrowings *	10,522.02	16,028.11	26,550.13	5,812.14	19,643.26	25,455.41	3,023.90	22,782.68	25,806.59	
Trade Payables	13.67	-	13.67	12.62	-	12.62	5.42	-	5.42	
Other payable	0.40	-	0.40	0.79	-	0.79	0.20	-	0.20	
Other financial liabilities	35.02	-	35.02	179.46	-	179.46	110.11	-	110.11	
Total	10,571.10	16,028.11	26,599.21	6,005.00	19,643.26	25,648.28	3,139.63	22,782.68	25,922.32	
Derivative liabilities										
Forward contracts	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	

\* Borrowings include debt securities, borrowings (other than debt securities) and subordinated liabilities and are net off offsetting respective derivative gain/loss

(f) Fair value of financial assets and financial liabilities measured at amortised cost:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017		₹ in crore)
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	
Financial assets:							
Loans*	13,552.75	13,552.75	13,410.12	13,410.12	14,164.09	14,164.09	
Investment in government securities	188.64	188.64	-	-	-	-	
total	13,741.39	13,741.39	13,410.12	13,410.12	14,164.09	14,164.09	
Financial liabilities:							
Debt securities	12,932.50	13,041.09	12,168.87	12,297.27	10,327.16	10,566.61	
Borrowings	9,562.29	9,563.70	8,400.98	8,400.98	9,480.30	9,480.38	
Subordinated Liabilities	1,928.61	1,865.75	1,879.84	1,833.59	1,811.56	1,812.66	
total	24,423.40	24,470.54	22,449.69	22,531.84	21,619.02	21,859.64	

\* In the absence of an observable market for these loan assets, the fair values have been determined from the perspective of the group 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.





(g) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

As at March 31, 2019	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	13,552.75	13,552.75	Discounted cash flow approach
Government securities	-	188.64	-	188.64	Discounted cash flow approach
Total	-	188.64	13,552.75	13,741.40	
Financial liabilities:					
Debt securities	-	-	13,041.09	13,041.09	Discounted cash flow approach
Borrowings	-	-	9,563.70	9,563.70	Discounted cash flow approach
Subordinated Liabilities	-	-	1,865.75	1,865.75	Discounted cash flow approach
Total	-	-	24,470.54	24,470.54	

As at March 31, 2018	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	13,410.12	13,410.12	Discounted cash flow approach
Total	-	-	13,410.12	13,410.12	
Financial liabilities:					
Debt securities	-	-	12,297.27	12,297.27	Discounted cash flow approach
Borrowings	-	-	8,400.98	8,400.98	Discounted cash flow approach
Subordinated Liabilities	-	-	1,833.59	1,833.59	Discounted cash flow approach
Total	-	-	22,531.84	22,531.84	

As at April 1, 2017	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	14,164.09	14,164.09	Discounted cash flow approach
Total	-	-	14,164.09	14,164.09	
Financial liabilities:					
Debt securities	-	-	10,566.61	10,566.61	Discounted cash flow approach
Borrowings	-	-	9,480.38	9,480.38	Discounted cash flow approach
Subordinated Liabilities	-	-	1,812.66	1,812.66	Discounted cash flow approach
Total	-	-	21,859.64	21,859.64	

(a) Expected credit loss - Loans:

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
Loss allowance measured at 12 month expected credit losses: Financial assets for which credit risk has not increased significantly since initial recognition (Stage 1)	11,013.08	35.24	10,977.84	10,697.99	45.69	10,652.30
Loss allowance measured at life-time expected credit losses: Financial assets for which credit risk has increased significantly and not credit-impaired (Stage 2)	1,073.65	90.22	983.43	1,152.32	93.34	1,058.98
Financial assets for which credit risk has increased significantly and credit-impaired (Stage 3)	4,196.52	2,605.04	1,591.48	4,847.16	3,148.31	1,698.85
<b>Total</b>	<b>16,283.25</b>	<b>2,730.50</b>	<b>13,552.75</b>	<b>16,697.46</b>	<b>3,287.34</b>	<b>13,410.12</b>
						<b>17,125.64</b>
						<b>2,961.55</b>
						<b>14,164.09</b>

(b) Reconciliation of loss allowance provision - Loans:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Loss allowance as on April 1, 2017	56.52	4.83	2,961.55	29.09	4.98	2,961.55
New assets originated or purchased	23.59	5.49	2,900.20	(205.91)	4.98	2,900.20
Amount written off	0.00	(0.08)	(205.91)	0.00	(0.08)	(205.91)
Transfers to Stage 1	(23.85)	23.85	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-
Impact on year end ECL of Exposure transferred between stages during the year	-	39.64	-	-	39.64	-
Increase / (Decrease) in provision on existing financial assets (Net of recovery)	(10.66)	19.62	454.02	4.98	4.98	462.98
Loss allowance as on March 31, 2018	45.86	93.34	3,248.31	29.09	4.98	2,961.55
New assets originated or purchased	4.98	-	(545.31)	0.00	-	(545.31)
Amount written off	-	-	-	-	-	-
Transfers to Stage 1	(0.08)	0.08	-	-	-	-
Transfers to Stage 2	(1.52)	(0.13)	1.65	-	-	-
Transfers to Stage 3	-	-	-	-	-	-
Impact on year end ECL of Exposure transferred between stages during the year	-	0.30	18.10	-	18.10	-
Increase / (Decrease) in provision on existing financial assets (Net of recovery)	(13.83)	(3.37)	(17.71)	4.98	4.98	462.98
Loss allowance as on March 31, 2019	35.24	90.23	2,605.04	29.09	4.98	2,961.55
						<b>17,125.64</b>
						<b>2,961.55</b>
						<b>14,164.09</b>

(c) Reconciliation of Gross carrying amount - Loans:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 1, 2017	11,208.44	196.53	5,717.67	11,208.44	196.53	5,717.67
New assets originated or purchased	1,537.88	295.58	3,833.46	1,537.88	295.58	3,833.46
Amount written off	-	-	(356.37)	-	-	(356.37)
Transfers to Stage 1	260.89	(60.90)	(199.98)	260.89	(60.90)	(199.98)
Transfers to Stage 2	(705.38)	761.74	0.00	(705.38)	761.74	0.00
Transfers to Stage 3	-	-	-	-	-	-
Net recovery	(3,603.85)	(43.63)	(257.79)	(3,603.85)	(43.63)	(257.79)
Gross carrying amount as at March 31, 2018	10,697.98	1,152.32	4,847.16	10,697.98	1,152.32	4,847.16
New assets originated or purchased	2,383.47	-	2,383.47	2,383.47	-	2,383.47
Amount written off	-	-	(554.11)	-	-	(554.11)
Transfers to Stage 1	(14.59)	14.59	-	(14.59)	14.59	-
Transfers to Stage 2	(30.99)	(7.46)	38.45	(30.99)	(7.46)	38.45
Transfers to Stage 3	(2,022.79)	(65.80)	(134.99)	(2,022.79)	(65.80)	(134.99)
Net recovery	11,013.08	1,073.65	4,196.52	11,013.08	1,073.65	4,196.52
Gross carrying amount as at March 31, 2019						
						<b>16,283.25</b>
						<b>17,125.64</b>
						<b>2,961.55</b>
						<b>14,164.09</b>



Note 51: Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2019:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount
Parent								
L&T Infrastructure Finance Company Limited (A)	94.75%	3,930.36	79.61%	231.88	100.00%	-0.52	79.58%	231.36
Subsidiaries								
Indian								
L&T Infra Investment Partners	11.90%	493.74	4.30%	12.51	0.00%	0.00	4.30%	12.51
L&T Infra Investment Partners Advisory Private Limited	0.27%	11.21	-1.46%	-4.26	0.00%	0.00	-1.47%	-4.26
L&T Infra Investment Partners Trustee Private Limited	0.00%	0.05	0.00%	0.00	0.00%	0.00	0.00%	0.00
Total Subsidiaries (B)		505.00		8.26		-		8.26
Non-controlling interests in subsidiaries (C)	-5.36%	(222.25)	-1.96%	(5.72)	0.00%	0.00	-1.97%	(5.72)
CFS adjustment and elimination (D)	-1.56%	(64.88)	19.52%	56.84	0.00%	-	19.55%	56.84
Total (A+B+C+D)	100.00%	4,148.23	100.00%	291.26	100.00%	-0.52	100.00%	290.73



**L&T Infrastructure Finance Company Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2019**

**Note 52: Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:**

₹ in crore				
Particulars	April 1, 2018	Cash flows	Others	March 31, 2019
Debt securities	12,168.87	791.93	28.30	12,932.50
Borrowings (other than debt securities)	8,401.00	1,171.70	(5.02)	9,577.72
Subordinated liabilities	1,879.84	45.00	(3.78)	1,928.62
<b>Total</b>	<b>22,449.71</b>	<b>2,008.63</b>	<b>19.50</b>	<b>24,438.84</b>

₹ in crore				
Particulars	April 1, 2017	Cash flows	Others	March 31, 2018
Debt securities	10,327.16	1,679.07	(162.64)	12,168.87
Borrowings (other than debt securities)	9,480.29	(1,081.17)	(1.88)	8,401.00
Subordinated liabilities	1,811.56	60.59	(7.69)	1,879.84
<b>Total</b>	<b>21,619.01</b>	<b>658.48</b>	<b>(172.22)</b>	<b>22,449.71</b>





**Note 53 : Statement of reconciliation of equity under Ind AS and equity reported under I-GAAP**

(₹ in crore)

Particulars	Note	As at 31 March 2018	As at 01 April 2017
Equity as per I-GAAP		3,543.66	3,007.02
Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	B	(8.17)	(2.68)
Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	A	184.73	265.67
Interest income recognised on stage 3 loans	E	309.94	197.76
Incremental provision on application of expected credit loss model	C	(2,043.30)	(1,962.72)
Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	D		
		17.21	15.05
Impact of consolidation of a fund on evaluation of control as per Ind AS 110		(2.04)	0.17
Impact of Share in associate company		(37.23)	(32.05)
Others		2.97	0.60
Deferred tax impact on above adjustments	G	590.62	600.01
Equity as per Ind AS		2,558.39	2,088.88

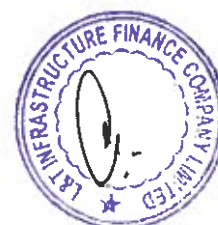
## (₹ in crore)

Particulars	Note	As at 31 March 2018
Net Profit after tax as per I-GAAP		145.15
Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	B	(5.49)
Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	A	(92.40)
Interest income recognised on stage 3 loans	E	112.28
Incremental provision on application of expected credit loss model	C	(80.57)
Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	D	(3.72)
Reversal of amortised loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings	H	139.45
Impact of consolidation of a fund on evaluation of control as per Ind AS 110		23.76
Impact of Share in associate company		(5.18)
Others		10.59
Deferred tax impact on above adjustments	G	(7.33)
<b>Net profit after tax as per Ind AS</b>		<b>236.53</b>
Other comprehensive income (net of tax)		(0.09)
<b>Total Comprehensive income as per Ind AS</b>		<b>236.45</b>

## (₹ in crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash from/(used in) operating activities	(1,237.62)	(10.34)	(1,227.28)
Net cash from/(used in) investing activities*	495.50	(33.07)	528.57
Net cash from/(used in) financing activities	998.05	52.77	945.28
Net increase/(decrease) in cash and cash equivalents*	255.92	9.35	246.57
Cash and cash equivalents at the beginning of the year*	118.36	3.57	114.79
Cash and cash equivalents at the end of the year*	374.28	12.92	361.36

All Investments except investments in associate companies have been fair valued in accordance with Ind AS 109. Investments in debt securities are fair valued. The cost of employee benefits under the Employee Stock Option Plan ("ESOP") is measured using fair value method. The portion of ESOP charge levied on employees is recognised as an expense in the Profit and Loss Statement. 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 based on incurred loss model. 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 capitalised to the cost of the asset. 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. Actuarial gains and losses pertaining to defined benefit obligations and re-measurement pertaining to return on plan assets are recognised in Other Comprehensive Income. 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, any shortfall of sale value over the net amortised value on sale of credit impaired assets to Reconstruction Company, the

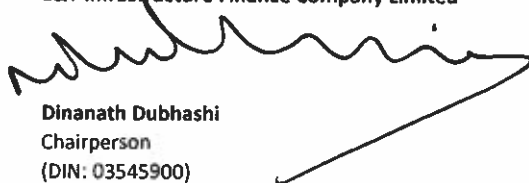


Note 54: There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2019.

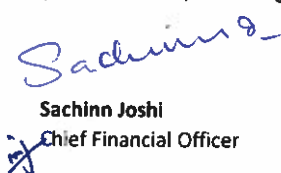
Note 55: Figures for the previous year have been regrouped/re-classified to conform to the figures of the current year.

Note 56: 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 the Board of Directors of  
L&T Infrastructure Finance Company Limited



Dinanath Dubhashi  
Chairperson  
(DIN: 03545900)



Sachinn Joshi  
Chief Financial Officer



Ankit Sheth  
Company Secretary

Place: Mumbai  
Date: April 28, 2019



**INDEPENDENT AUDITOR'S REPORT****To the Members of L&T Infrastructure Finance Company Limited****Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the Standalone Ind AS Financial Statements of **L&T Infrastructure Finance Company Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS 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 below to be the key audit matters to be communicated in our report.

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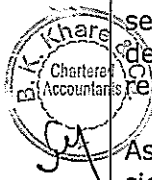
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Key audit matter	Response to Key audit matter
<p><b>Revenue recognition on loans and advances</b></p> <p>Revenue mainly comprises Interest income on term loans &amp; debentures &amp; fee-based income forming part of other operating income .</p> <p>Recognition of Interest income, which forms significant item of revenue, and fee-based Income is considered to be a key audit matter as there is a possibility that there could be misstatement or omission of amounts recorded in the system.</p> <p>There is a risk around the accuracy of the revenue recorded given the reliance on the Information Technology (IT) system and impact of the terms of loan / debenture agreements on the revenue recognition.</p> <p>Interest income: Interest income is recognised as per Effective Interest Rate (EIR) model in accordance with the requirements of Ind AS 109, which involves significant judgements for inclusion / exclusion of certain components from EIR methodology and also recognising Interest on performing &amp; underperforming assets (till the period of 90 days past due; Stage 1 &amp; 2) on gross carrying value of a loan asset and on non-performing assets (more than 90 days past due; Stage 3) on net carrying value of the asset</p> <p>Fee based income: Such revenues are recognised when certain criteria are met – these include persuasive evidence of existence of an arrangement, evidences of rendering of services, the fee or commission is fixed or determinable, and collectability is reasonably assured.</p> <p>As regards to the Fee based income, significant management judgement is involved in recognising certain component of fee received as upfront income and which is not included in the definition of EIR &amp; therefore accounted in accordance with Ind AS 115.</p>	<p>Principle audit procedures: Our audit procedures included assessing the appropriateness of Company's revenue recognition policies and compliance with such policies in terms of the applicable accounting standards.</p> <p>As regards to the Interest income:</p> <ul style="list-style-type: none"> <li>• Performed test of controls, (including the logic and controls of the IT systems wherever required), over revenue recognition with specific focus on whether interest income is recorded as per the terms of the contract based on EIR model.</li> <li>• We have performed tests of details, on a sample basis, to review the case contracts entered into with the customers to assess whether interest income recorded is as per the contract terms.</li> <li>• Reviewed the completeness of interest income recorded during the year by comparing the income as appearing in entity's loan management system with that of accounts.</li> <li>• We also performed detailed substantive analytical procedures for select periods and validated variations / corroboration with the results drawn as per the process.</li> </ul> <p>As regards to the Fee based income:</p> <ul style="list-style-type: none"> <li>• We have performed tests of details, on a sample basis, to review the underlying agreement / executed memo along with evidences of contractual services performed as stated per the agreed terms.</li> <li>• Reviewed the management assessment of compliance with the conditions put under Ind AS 109 for income recognition based on the principles of Ind AS 115 in respect of certain items which may not form a part of EIR</li> </ul>



<p>Refer note 22 &amp; 24 to the Financial Statements relating to revenue from operations and note 1 of significant accounting policies to the financial statements.</p>	
<p><b>Provision for Expected Credit Loss (ECL)</b></p> <p>Provision for ECL has been identified as a key audit matter considering material management judgements involved.</p> <p>Impairment provision in respect of loans &amp; advances is worked out per ECL methodology prescribed in Ind AS 109 which is based on the principle of providing for expected future losses, rather than incurred losses. The required provision is assessed using statistical modelling.</p> <p>The assessment of the Company's calculation of provision requires management to make significant judgements / estimates.</p> <p>There is further judgement involved in assessing whether the model and other adjustments considered by the management capture all relevant factors that have a significant influence on impairment.</p> <p>Refer note 28 Net loss on derecognition of financial instruments under amortised cost category and note 29 Impairment on financial instruments to the Financial Statements relating to provisions &amp; contingency and Note 1 of significant accounting policies to the financial statements.</p>	<p>Principle audit procedures:</p> <p>Our audit procedures primarily included testing the appropriateness of ECL methodology used by the Company. We also determined whether the method used complies with the principles laid down in applicable accounting standards / regulations.</p> <p>We also performed relevant control &amp; substantive procedures which included:</p> <ul style="list-style-type: none"> <li>• Controls: We tested the key controls over the acceptance, monitoring and reporting of credit risk;</li> <li>• Substantive procedures: Applying appropriate audit procedures on ECL model and underlying calculations</li> <li>• Understanding of significant estimates judgements: We assessed the significant assumptions / estimates used by the Company such as the level and timing of expected future cash flows from loans that have experienced a loss event, consideration of forward-looking information is built into Company's rating system, rating-wise Probability of Default (PD) is benchmarked to the Cumulative Default Rates (CDR) published annually by CRISIL for assigning PDs etc.</li> <li>• Benchmarking assumptions: We compared the Company's key assumptions on past payment behaviour and emergence period to comparable peer group organisations;</li> <li>• We validated the Group's key assumptions on impairment triggers wherever required based upon our knowledge of the Company and experience of the industry in which it operates wherever necessary;</li> <li>• Assessing adequacy: We assessed the adequacy of the Group's disclosures about the sensitivity of the impairment of loans and receivables to changes in key assumptions reflected in the risk.</li> </ul>

<p><b>Valuation of unquoted shares/debentures</b></p> <p>Company's investments mainly comprises of Investments in quoted instruments, Subsidiaries / associates, unquoted instruments including invoked equity shares of some delinquent borrowers, and subscription to Securities Receipts (SRs) issued by Asset Reconstruction Companies (ARCs) etc.</p> <p>Valuation of such investments has been identified as a key audit matter considering the possibility of over or undervaluation of such investments.</p> <p>As per the policy adopted by the Company, investments have been fair valued as at the reporting date which may result in recording upside or diminution in value of related investments</p> <p>The assessment of fair valuation is subjective and requires significant estimates and complex judgments to be made by management specially where such investments are unquoted and illiquid,</p> <p>There is a possibility the exit value determined by the market at the time of realisation may differ materially from the valuation at the year end date as a result of inaccurate judgments made in the assessment of fair value.</p> <p>Refer note 27 to the Financial Statements relating to Net loss on fair value changes, note 6 containing investment in unquoted equity shares/debentures and note 1 of significant accounting policies to the financial statements</p>	<p>Principle audit procedures:</p> <p>Our audit procedures primarily included reviewing the appropriateness of fair valuation methodology used by the Company and to determine whether they are as per the Company's policy and are also in line with applicable accounting standards / regulations. We also reviewed the related control &amp; substantive procedures.</p> <ul style="list-style-type: none"> <li>• Test of detail: Review of Investment specific information provided including underlying working/reports/methodology/assumptions provided by the Company for each type of investment.</li> <li>• We evaluated management's processes and controls for determining the fair valuation of unquoted investments. This included discussing with management the governance structure over the valuation process, protocols around their oversight of the valuation process and corroborated the same by applying independent assessments wherever possible.</li> <li>• Wherever feasible, we formed an independent range for the key assumptions used in the valuation of a sample of unquoted investments, with reference to the relevant industry and market valuation considerations and validated appropriateness of significant management assumptions/estimates.</li> </ul>
<p><b>Transition to Ind AS</b></p> <p>The company being an NBFC transitioned to Ind AS w.e.f. April 1, 2018 pursuant MCA circular dated January 18, 2016.</p> <p>Application of Ind AS requires an entity to make key changes in its significant accounting policy/practices and thereby</p>	<p>Principle audit procedures:</p> <p>Our audit procedures primarily involved ensuring the application of Ind AS framework per the requirements of Companies (Indian Accounting Standards) (Amendment) Rules, 2016 inter-alia including:</p>



<p>affecting recognition, measurement &amp; disclosure requirements. Hence, this has been identified as a key audit matter.</p> <p>Refer note 1 of significant accounting policies to the financial statements and Note 32 in respect disclosures on transition to Ind AS</p>	<ul style="list-style-type: none"><li>• Review of preparation &amp; presentation of Opening balance sheet - on the date of transition i.e. April 1, 2017 as per provisions of Ind AS 101 - First time adoption with a retrospective application of Ind AS principles after applying certain mandatory exceptions &amp; optional exemptions</li><li>• Ensuring application and alignment of significant accounting policies per the requirements of Ind AS.</li><li>• Ensuring the application of relevant Ind AS requirements in terms of recognition, measurement and disclosure.</li></ul>
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### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS 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 Ind AS 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.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial



Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, the Board of Directors 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 the Board of Directors 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 Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.





Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS 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 Ind AS 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 Ind AS 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.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 B**'. 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.

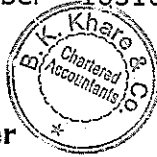
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 20 to the Standalone Ind AS Financial Statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For, B. K. Khare & Co.**

**Chartered Accountants**

Firm's Registration Number – 105102W



**Padmini Khare Kaicker**

Partner

Membership Number: 044784

Mumbai,

April 28, 2019

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 of our report of even date on the Standalone Ind AS Financial Statements of L&T Infrastructure Finance Company Limited for the year ended March 31, 2019

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.  
(ii) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which in our opinion provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
(iii) The Company does not have any immovable properties of freehold or leasehold land or building and hence reporting under clause 3(i)(c) of the Order is not applicable.
2. The Company does not hold any inventories and hence Clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of para 3(iii) of the Order are not applicable to the Company.
4. The provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the Company. Consequently, provisions of para 3(iv) of the Order is not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company. The clause 3(v), therefore is not applicable to the company.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods & service tax, and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of such statutory dues are in arrears, as on March 31, 2019 for a period of more than six months from the date they became payable.  
  
(b) There were no undisputed amounts payable in respect of income tax or goods & service or other material statutory dues in arrears as at March 31, 2019.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks & debenture holders.



9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence the reporting under para 3(ix) of the Order are not applicable.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. According to the information and explanations given to us, the Company is not a Nidhi Company and hence, the provisions of para 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, the related party transactions entered into by the Company are in accordance with the provisions of Section 177 and 188 of the Act and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
14. 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 3(xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of para 3(xv) of the Order are not applicable to the Company.
16. According to the information and explanations given to us 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, B. K. Khare & Co.**  
**Chartered Accountants**

Firm's Registration Number - 105102W

  
**Padmini Khare Kaicker**  
Partner

Membership Number: 044784

Mumbai,

April 28, 2019



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph of our report of even date on the Standalone Ind AS Financial Statements of L&T Infrastructure Finance Company Limited for the year ended March 31, 2019.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of L&T Infrastructure Finance Company 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.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 ("the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 Standalone Ind AS Financial Statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

**For, B. K. Khare & Co.**  
**Chartered Accountants**

Firm's Registration Number – 105102W

  
**Padmini Khare Kaicker**

Partner

Membership Number: 044784

Mumbai,

April 28, 2019



L&T Infrastructure Finance Company Limited  
Balance sheet as at March 31, 2019

(₹ in crore)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>ASSETS</b>				
<b>1 Financial assets</b>				
(a) Cash and cash equivalents	2	22.04	358.24	106.65
(b) Bank balance other than (a) above	3	14.42	14.24	11.59
(c) Derivative financial instruments		-	-	0.03
(d) Receivables	4			
(i) Trade receivables		59.12	49.52	41.49
(ii) Other receivables		1.75	0.14	0.44
(e) Loans	5	24,736.95	20,764.11	19,425.60
(f) Investments	6	2,080.54	2,364.98	2,769.98
(g) Other financial assets	7	5.12	6.65	16.13
<b>2 Non-financial assets</b>				
(a) Current tax assets (net)	8	377.24	318.39	265.90
(b) Deferred tax assets (net)	49(d)	921.51	1,023.48	934.98
(c) Property, plant and equipment	9	0.70	1.03	0.92
(d) Intangible assets under development		10.10	4.05	-
(e) Other intangible assets	9	2.48	2.07	1.04
(f) Other non-financial assets	10	176.80	181.16	178.65
<b>Total Assets</b>		<b>28,408.77</b>	<b>25,088.06</b>	<b>23,753.41</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial liabilities</b>				
(a) Payables - Trade payables	11			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		13.65	12.58	5.37
(b) Payables - Other payables	11			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.40	0.78	0.21
(c) Debt securities	12	12,932.50	12,168.87	10,327.16
(d) Borrowings (other than debt securities)	13	9,562.29	8,400.98	9,480.30
(e) Subordinated liabilities	14	1,928.61	1,879.84	1,811.56
(f) Other financial liabilities	15	33.81	178.74	109.48
<b>2 Non-financial liabilities</b>				
(a) Provisions	16	2.86	1.80	2.09
(b) Other non-financial liabilities	17	4.29	44.58	22.69
<b>3 Equity</b>				
(a) Equity share capital	18	1,255.30	989.91	892.09
(b) Other equity	19	2,675.06	1,409.98	1,102.46
<b>Total Liabilities and Equity</b>		<b>28,408.77</b>	<b>25,088.06</b>	<b>23,753.41</b>
Contingent liabilities	20			
Commitments	21			
See accompanying notes forming part of the financial statements				

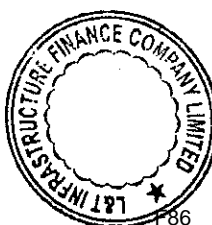
In terms of our report attached.  
For B.K.Khare & Co.  
Chartered Accountants

Padmini Khare Kaicker  
Partner  
Membership No : 044784  
Firm Registration No : 105102W

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Dinanath Dubhashi  
Chairperson  
(DIN 03545900)

Place: Mumbai  
Date : April 28, 2019



Sachinn Joshi  
Chief Financial Officer

Ankit Sheth  
Company Secretary

L&T Infrastructure Finance Company Limited  
Statement of Profit and Loss for the year ended March 31, 2019

		(₹ in crore)		
Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018	
Revenue from operations				
(i) Interest income	22			
(ii) Dividend income	23	2,545.26	2,267.97	
(iii) Fees and commission income	24		0.60	
(I) Total revenue from operations		271.92	373.49	
		2,817.18	2,642.12	
(II) Other income	25	46.83	24.71	
(III) Total income (I + II)		2,864.01	2,666.83	
Expenses				
(i) Finance costs	26	1,940.82	1,731.64	
(ii) Net loss on fair value changes	27	374.54	32.64	
(iii) Net loss on derecognition of financial instruments under amortised cost category	28	8.43	110.69	
(iv) Impairment on financial instruments	29	(8.11)	531.70	
(v) Employee benefits expenses	30	50.51	41.29	
(vi) Depreciation, amortization and impairment	9	1.12	1.13	
(vii) Other expenses	31	74.82	66.17	
(IV) Total expenses		2,442.13	2,515.26	
(V) Profit before tax (III - IV)		421.88	151.57	
(VI) Tax expense				
(1) Current tax		87.87	103.95	
(2) Deferred tax		102.12	(90.56)	
(VII) Profit after tax (V - VI)		231.89	138.18	
Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				
Remeasurements of the net defined benefit Plans		(0.33)	(0.11)	
Income tax relating to items that will not be reclassified to profit or loss		0.12		
(ii) Items that will be reclassified to profit or loss				
Effective portion of gain and losses on hedging instrument in cash flow hedge			(0.03)	
Change in fair value of debt instruments measured at fair value through other comprehensive income		(0.34)	0.08	
Income tax relating to items that will be reclassified to profit or loss		0.03	(0.03)	
(VIII) Other comprehensive income for the year [net of tax]		(0.52)	(0.09)	
(IX) Total comprehensive income for the year (VII + VIII)		231.37	138.09	
Basic earnings per equity share (₹)	37	2.12	1.54	
Diluted earnings per equity share (₹)	37	2.12	1.54	
See accompanying notes forming part of the financial statements				

In terms of our report attached.  
For B.K.Khare & Co.  
Chartered Accountants

Padmini Khare Kaicker  
Partner  
Membership No : 044784  
Firm Registration No : 105102W

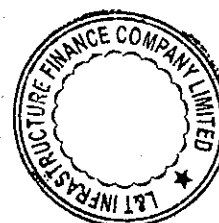
Place: Mumbai  
Date : April 28, 2019

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Dinanath Dubhashi  
Chairperson  
(DIN 03545900)

Sachinn Joshi  
Chief Financial Officer

Ankit Sheth  
Company Secretary





L&T Infrastructure Finance Company Limited  
Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

Particulars	2018-19		2017-18	
	Number of shares	₹ in crore	Number of shares	₹ in crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	98,99,13,695	989.91	89,20,87,609	892.09
Add: Shares issued during the year	26,53,86,914	265.39	9,78,26,086	97.82
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,25,53,00,609	1,255.30	98,99,13,695	989.90

B. Other Equity

Particulars	Reserves and Surplus						Item of other comprehensive income	Total
	Debt redemption reserve	Securities premium account	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	General reserve	Reserve u/s 36(1)(vi) of Income tax Act, 1961	Retained earnings		
Balance at April 1, 2017	288.49	782.79	369.72	51.13	453.16	(842.87)	-	1,102.46
Profit for the year	-	-	-	-	-	138.18	-	138.18
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.11)	0.05	(0.09)
Total comprehensive income for the year	-	-	-	-	-	138.07	0.05	138.09
Payment of dividends (₹ 1.53 per share)	-	-	-	-	-	(151.46)	-	(151.46)
Tax on dividend	-	-	-	-	-	(30.83)	-	(30.83)
Issue of equity shares	-	352.17 (0.45)	-	-	-	-	-	352.17 (0.45)
Share issue expenses	-	-	-	-	-	-	-	-
Transfer to reserve u/s 36(1) of Income tax Act, 1961	-	-	-	-	38.25	(38.25)	-	-
Transfer to debenture redemption reserve	24.97 (16.00)	-	-	16.00	-	(24.97)	-	-
Transfer to general reserve	-	-	-	-	-	(15.18)	-	-
Transfer to reserve u/s 45 IC of RBI Act 1934	-	-	15.18	-	-	-	-	-
Balance at March 31, 2018	297.47	1,134.51	384.90	67.13	491.41	(965.49)	0.05	1,409.98
Profit for the year	-	-	-	-	-	231.89	-	231.89
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(0.21)	(0.31)	(0.52)
Total comprehensive income for the year	-	-	-	-	-	231.68	(0.31)	231.37
Issue of equity shares	-	1,035.01 (1.30)	-	-	-	-	-	1,035.01 (1.30)
Share issue costs, net of income tax	-	-	-	-	-	-	-	-
Transfer from retained earnings	45.85 (29.26)	-	46.38	-	50.97	(143.20)	-	(29.26)
Transfer to general reserve	-	-	-	29.26	-	-	-	-
Transfer from debenture redemption reserve	-	-	-	-	-	-	-	-
Balance at March 31, 2019	314.06	2,168.22	431.28	96.39	542.38	(877.01)	(0.26)	2,675.06

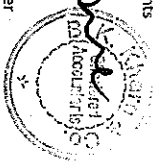
In terms of our report attached.  
For B.K.Khare & Co.  
Chartered Accountants

Padmini Khare Kaikar

Partner

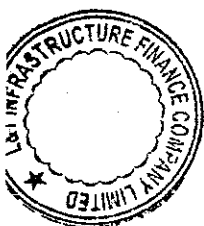
Membership No : 044784

Firm Registration No : 105102W



For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

*[Signature]*  
Dinanath Dubhakar  
Chairperson  
(DIN 03545900)



*[Signature]*  
Sachin Joshi  
Chief Financial Officer

*[Signature]*  
Ankit Sheth  
Company Secretary

Place: Mumbai  
Date : April 28, 2019

L&T Infrastructure Finance Company Limited  
Statement of Cash Flow as on March 31, 2019

		(₹ in crore)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018	
<b>A. Cash flows from operating activities</b>			
Profit before taxation	421.88	151.57	
Adjustments for:			
Provision for expected credit loss	(557.33)	334.04	
Provision for diminution in value of investments	349.15	135.22	
Bad debts and advances written off	554.11	356.37	
Dividend income on long term investment	-	(0.66)	
Interest accrued on borrowing	(22.26)	184.96	
Issue exp on borrowing	3.04	3.72	
Depreciation and amortisation	1.12	1.13	
(Gain) / loss on sale of investments	25.69	(144.41)	
Interest accrued/capitalised/unamort premium or discount on Investment	(9.27)	1.01	
	766.13	1,022.95	
Movements in working capital:			
(Increase)/decrease in trade and other receivables	(11.21)	(7.73)	
Increase/(decrease) in financial liabilities	37.36	(19.54)	
Increase/(decrease) in other non-financial liabilities	(40.29)	21.89	
(Increase)/decrease in other non-financial assets	4.36	(2.51)	
(Increase)/decrease in financial assets	1.53	9.48	
Increase/(decrease) in trade and other payables	0.69	7.78	
Increase/(decrease) in provisions	0.73	(0.40)	
(Increase)/decrease in loans and advances towards financing activities	(3,969.62)	(2,116.74)	
Increase/(decrease) in other liabilities			
Cash (used in)/generated from operations	(3,210.32)	(1,084.82)	
Direct taxes refund/(paid) (net)	(146.72)	(154.41)	
Net cash (used in)/from operating activities	(3,357.04)	(1,239.23)	
<b>B. Cash flows from investing activities</b>			
Payments to acquire financial assets	(7.25)	(6.32)	
Change in other bank balance not available for immediate use	(0.18)	(2.65)	
Current investments not considered as cash and cash equivalents :			
- Purchased			
- Proceeds from sale	(91,574.00)	(49,209.14)	
Dividend from long term investments	91,603.85	49,745.32	
Investment in equity shares of subsidiaries/associates	-	0.66	
Purchase of investments :		43.36	
- Units of funds			
- Equity shares	(56.02)	(39.27)	
- Security receipts	(15.76)	-	
- Bond/Debentures	-	(258.17)	
Redemption/sale of investment :	(1,054.62)	(9,959.86)	
- Units of funds	61.39	95.55	
- Security receipts	78.77	1.12	
- Bond/Debentures	874.91	10,082.16	
- Preference shares	-	-	
Net cash (used in)/from investing activities	(88.91)	492.77	
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of share capital (including share premium)	1,300.40	450.00	
Payment for share issue costs	(1.30)	(0.45)	
Payment for debt issue costs	(0.28)	(5.88)	
Proceeds from borrowings	6,842.17	4,317.23	
Repayment of borrowings	(4,848.95)	(3,659.35)	
Dividend paid on equity shares	(151.46)	(86.00)	
Dividend distribution tax	(30.83)	(17.51)	
Net cash (used in)/from financing activities	3,109.75	998.04	
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	(336.20)	251.58	
Cash and cash equivalents at the beginning of the year	358.24	106.66	
Cash and cash equivalents at the end of the year	22.04	358.24	

L&T Infrastructure Finance Company Limited  
Statement of Cash Flow as on 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. Non cash Items

Net cash used in investing activities excludes investment aggregating ₹ Nil (previous year ₹ 87.82 crore ) acquired against claims.

3. Net cash used in operating activity is determined after adjusting the following:

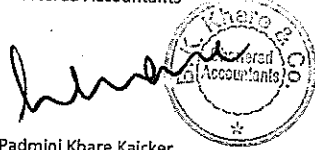
Interest received	2,290.67	2,154.47
Dividend received	-	0.66
Interest paid	1,946.99	1,524.58

4. Previous year's figures have been regrouped/reclassified wherever applicable.

In terms of our report attached.

For B.K.Khare & Co.

Chartered Accountants



Padmini Khare Kaicker

Partner

Membership No : 044784

Firm Registration No : 105102W

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Dinanath Dubhashi

Chairperson

(DIN 03545900)

Place: Mumbai

Date : April 28, 2019

Sachinn Joshi

Chief Financial Officer

Ankit Sheth

Company Secretary



# L&T Infrastructure Finance Company Limited

Notes forming part of the financial statements

## Corporate Information

L&T Infrastructure Finance Company Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 10th January 2007 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 7th July 2010.

### 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 where compliance with other statutory promulgations require a different treatment.

The financials for the year ended March 31, 2019 of the Company 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 1.31 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.



# L&T Infrastructure Finance Company Limited

## Notes forming part of the financial statements

### 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.

#### (i) Interest and dividend income

Interest income 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) are recognised in 'Interest income' in the profit or loss account using the effective interest method (EIR). The calculation of the EIR includes fee income 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.

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 this part of the Company's 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 on fair value change

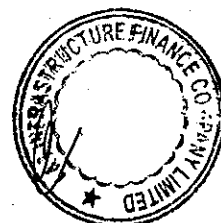
Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss in the statement of profit & loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "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. Guarantee fees is recognised on pro rata basis over the period of the guarantee.

### 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.



**1.6 Property, plant and equipment (PPE):**

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. 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.

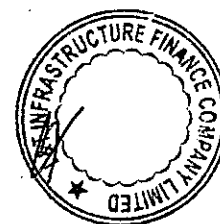
**1.7 Intangible assets:**

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, 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 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 been 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.



# L&T Infrastructure Finance Company Limited

Notes forming part of the financial statements

## 1.9 Employee benefits:

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:

Lease arrangements where the risk and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss as per contractual terms and conditions.

## 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.

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 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.





# L&T Infrastructure Finance Company Limited

Notes forming part of the financial statements

## 1.11 Financial instruments:

### (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 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.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

### (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.



# L&T Infrastructure Finance Company Limited

## Notes forming part of the financial statements

### 1.11 Financial instruments:

#### (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.

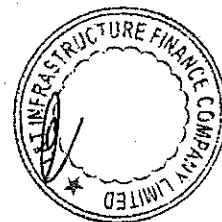
### 1.12 Write off:

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.



### 1.13 Impairment:

#### **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 unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

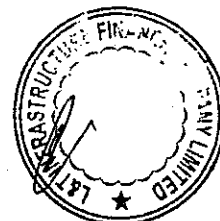
#### **Significant increase in credit risk:**

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.



### 1.13 Impairment:

#### **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.

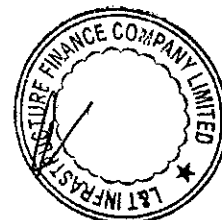
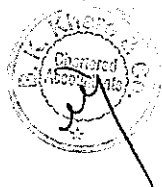
When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different 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.



**1.14 Modification and derecognition of financial assets**

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:**

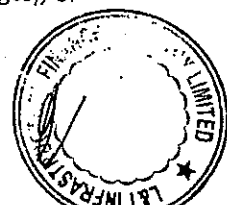
Loss allowances for ECL are presented in the statement of financial position as follows:

- 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 instrument 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).



# L&T Infrastructure Finance Company Limited

Notes forming part of the financial statements

## 1.16 Derivative financial instruments:

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 Company) 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 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.



# L&T Infrastructure Finance Company Limited

Notes forming part of the financial statements

## 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.





# L&T Infrastructure Finance Company Limited

## Notes forming part of the financial statements

### 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 Non-current assets held for sale:

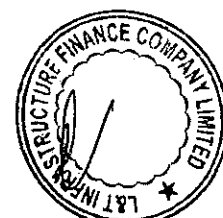
Non-current assets and disposal group are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal Company) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification except in some circumstances this period can be extended if it is beyond the control of management and there are sufficient evidence that the entity remains committed to its plan to sell the asset.

Non-current assets and disposal group classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

### 1.27 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.



# L&T Infrastructure Finance Company Limited

## Notes forming part of the financial statements

### 1.27 Statement of 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.

### 1.28 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.

### 1.29 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, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

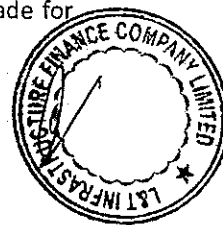
### 1.30 Operating cycle for current and non-current classification:

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.

### 1.31 First time adoption of Ind AS:

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.
- (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.



## L&T Infrastructure Finance Company Limited

Notes forming part of the financial statements

### 1.32 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 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	-	-	-
Balances with banks	22.04	358.24	106.66
<b>Total</b>	<b>22.04</b>	<b>358.24</b>	<b>106.66</b>

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			
- Unclaimed infrastructure bonds application money	14.47	17.61	10.97
- Unclaimed interest on infrastructure bonds*	0.00	0.63	0.72
Balance with banks in fixed deposit with maturity greater than 3 months	-	-	-
<b>Total</b>	<b>14.42</b>	<b>14.24</b>	<b>11.59</b>

\* Amount is less than ₹ 0.50 lacs

Note 4 : 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	-	-	-
(b) Receivables considered good - Unsecured	57.06	49.52	41.49
(c) Receivables which have significant increase in Credit Risk	-	-	-
(d) Receivables - credit impaired			
Receivables	8.63	1.46	1.22
Impairment loss allowance	(6.56)	(1.46)	(1.22)
<b>Total trade receivables</b>	<b>59.12</b>	<b>49.52</b>	<b>41.49</b>
Other receivables			
(a) Receivables considered good - Unsecured	0.22	-	-
(b) Receivable from related parties	1.53	0.14	0.44
<b>Total other receivables</b>	<b>1.75</b>	<b>0.14</b>	<b>0.44</b>
<b>Total receivables</b>	<b>60.87</b>	<b>49.66</b>	<b>41.93</b>

Note 5 : Loans

(₹ In crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>(A)</b>			
(i) At Amortised cost			
- Term loans	14,731.99	15,103.62	15,133.66
- Loans repayable on demand	88.56	68.36	86.61
- Debentures	1,462.70	1,473.48	1,870.37
- Inter corporate deposit	-	52.00	35.00
Less: Impairment loss allowance	(2,730.50)	(3,287.34)	(2,961.55)
<b>Total (i)</b>	<b>13,552.75</b>	<b>13,410.12</b>	<b>14,164.09</b>
(ii) At Fair value through profit or loss			
- Term loans	10,298.51	6,251.11	4,918.14
- Loans repayable on demand	41.46	-	-
- Debentures	865.62	1,124.76	356.99
Less: Impact on fair value changes	(21.39)	(21.88)	(13.63)
<b>Total (ii)</b>	<b>11,184.20</b>	<b>7,353.99</b>	<b>5,261.50</b>
<b>Total (A) = (i+ii)</b>	<b>24,736.95</b>	<b>20,764.11</b>	<b>19,425.60</b>
<b>(B)</b>			
(i) At Amortised Cost			
- Secured by tangible assets	15,843.10	16,332.13	16,787.84
- Unsecured	440.16	365.33	337.80
Less: Impairment loss allowance	(2,730.50)	(3,287.34)	(2,961.55)
<b>Total (i)</b>	<b>13,552.75</b>	<b>13,410.12</b>	<b>14,164.09</b>
(ii) At Fair value through profit or loss			
- Secured by tangible assets	11,205.59	7,375.87	5,275.14
- Unsecured	-	-	-
Less: Net fair value changes	(21.39)	(21.88)	(13.63)
<b>Total (ii)</b>	<b>11,184.20</b>	<b>7,353.99</b>	<b>5,261.50</b>
<b>Total (B) = (i+ii)</b>	<b>24,736.95</b>	<b>20,764.11</b>	<b>19,425.60</b>
<b>(C)</b>			
Loans in India			
(i) At Amortised Cost			
- Others	16,283.25	16,697.46	17,125.64
<b>Total (i) - Gross</b>	<b>16,283.25</b>	<b>16,697.46</b>	<b>17,125.64</b>
Less: Impairment loss allowance	(2,730.50)	(3,287.34)	(2,961.55)
<b>Total (i) - Net</b>	<b>13,552.75</b>	<b>13,410.12</b>	<b>14,164.09</b>
(ii) At Fair value through profit or loss			
- Others	11,205.59	7,375.87	5,275.14
<b>Total (ii) - Gross</b>	<b>11,205.59</b>	<b>7,375.87</b>	<b>5,275.14</b>
Less: Net fair value changes	(21.39)	(21.88)	(13.63)
<b>Total (ii) - Net</b>	<b>11,184.20</b>	<b>7,353.99</b>	<b>5,261.50</b>
<b>Total (C) = (i+ii)</b>	<b>24,736.95</b>	<b>20,764.11</b>	<b>19,425.60</b>



Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value per unit (₹)	Quantity	Net carrying value	Face value per unit (₹)	Quantity	Net carrying value	Face value per unit (₹)	Quantity	Net carrying value
<b>A. Investments in fully paid equity shares</b>									
<b>(a) Subsidiaries (at cost)</b>									
Unquoted									
L&T Infra Investment partners advisory private limited	10	50,00,000	5.00	10	50,00,000	5.00	10	50,00,000	5.00
L&T Infra Investment partners trustee private limited	10	1,00,000	0.10	10	1,00,000	0.10	10	1,00,000	0.10
<b>(b) Associates (at cost)</b>									
Unquoted									
Feedback Infra private limited	-	-	-	-	-	-	10	37,90,000	37.90
L&T Infra debt fund limited	10	23,70,36,157	301.76	10	23,70,36,157	301.76	10	22,76,00,000	267.90
<b>(c) Other equity shares</b>									
Quoted									
Investments carried at fair value through P & L									
Unity Infra project	2	6,94,370	0.05	2	6,94,370	0.29	2	6,94,370	0.54
Monnet Ispat & energy limited	10	5,93,420	1.66	10	17,98,245	2.72	10	17,98,245	6.13
Shiv vani oil gas and energy limited	10	14,96,658	-	10	14,96,658	0.33	10	14,96,658	0.34
Gol offshore limited	10	97,91,408	-	10	97,91,408	9.89	10	97,91,408	15.08
KSK energy ventures limited	10	1,06,88,253	0.96	10	1,06,88,253	9.23	-	-	-
Unquoted									
Investments carried at fair value through P & L									
Coastal projects limited	10	78,96,884	-	10	78,96,884	6.38	10	78,96,884	6.38
ICOMM tele limited	10	41,667	-	10	41,667	-	10	41,667	-
VMC systems limited	10	1,73,653	-	10	1,73,653	*0.00	10	1,73,653	*0.00
Hanjer biotech energies private limited	10	2,08,716	-	10	2,08,716	*0.00	10	2,08,716	*0.00
Soma enterprises limited	10	5,00,000	-	10	5,00,000	0.50	10	29,46,155	84.37
Mediciti healthcare services private limited	10	16,35,003	-	10	16,35,003	*0.00	10	16,35,003	1.07
Warasgaon lakeview hotels limited	-	-	-	-	-	-	10	63,849	5.72
Tikona infinet limited	10	4,25,912	0.17	10	605	0.17	10	605	0.17
Bhoruka power corporation limited	10	100	-	10	100	*0.00	10	100	*0.00
Bhoruka power india investments private limited	10	10	-	10	10	*0.00	10	10	*0.00
Soma tollways private limited	10	1,16,16,491	329.10	10	64,13,216	329.10	10	64,13,216	329.10
Mission holdings private limited	-	-	-	10	100	*0.00	10	100	*0.00
Indian highways management company limited	10	15,00,000	1.73	10	15,00,000	1.73	10	15,00,000	1.73
KSK mahanadi power co. ltd.	10	2,63,85,109	-	10	62,21,868	5.62	-	-	-
NSL tidong power generation private limited	-	-	-	10	6,27,72,331	62.77	-	-	-
NSL sugars limited	10	29,25,656	-	10	29,25,656	2.93	-	-	-
Athena chattisgarh power limited	10	6,93,00,000	-	10	6,93,00,000	68.72	-	-	-
Supreme best value kolhapur(shiroli) sangli tollways private limited	10	5,026	-	10	5,026	0.01	-	-	-
Investment in Share Application Money	-	-	-	-	-	-	-	-	-
NSL tidong power generation private limited	-	-	-	-	-	-	-	-	62.77
<b>B. Investments in debt securities</b>									
<b>(a) Carried at fair value through P &amp; L</b>									
Tikona infinet limited	2,840	5,79,772	149.58	2,840	5,79,772	164.66	2,840	5,79,772	170.54
Bhoruka power corporation limited	1,00,000	21,971	340.00	1,00,000	21,971	340.00	1,00,000	21,971	352.75
NSL sugars ltd.	100	21,32,310	14.74	100	21,32,310	16.24	-	-	-
Soma enterprises limited	10	6,61,58,871	31.58	10	6,61,58,871	51.00	-	-	-
Mission holdings private limited	-	-	-	-	-	-	1,00,000	5,500	113.18
NSL renewable power private limited	20,000	4,811	9.27	-	-	-	-	-	-
<b>(b) Carried at fair value through OCI</b>									
U. P. power corporation limited	10,00,000	221	22.29	10,00,000	221	22.57	-	-	-
Dewan housing finance limited	-	-	-	-	-	-	10,00,000	290	35.25
<b>C. Investments in mutual funds</b>									
<b>(a) Carried at fair value through P &amp; L</b>									
L&T liquid fund direct plan-growth	-	-	-	-	-	-	-	11,23,998	250.06
Reliance liquid fund	-	-	-	-	-	-	-	3,41,530	135.04
UTI-money market fund	-	-	-	-	-	-	-	7,43,282	135.04
<b>D. Investments in fully paid preference shares (Unquoted)</b>									
<b>(a) Carried at fair value through P &amp; L</b>									
Sew vizag coal terminal private limited	10	7,03,833	-	10	7,03,833	0.24	10	7,03,833	0.70
SKS ispat power limited	10	97,73,621	9.77	10	97,73,621	9.77	10	97,73,621	9.77



Note 6 : Investments

(₹ in crore)

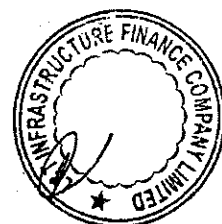
Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face value per unit (₹)	Quantity	Net carrying value	Face value per unit (₹)	Quantity	Net carrying value	Face value per unit (₹)	Quantity	Net carrying value
<b>A. Investments in government securities</b>									
(a) Carried at amortised cost									
Government of India securities	100	1,90,00,000	189.01	-	-	-	-	-	-
<b>F. Security receipts</b>									
(a) Carried at fair value through P & L									
Phoenix trust FY 14-9	1,000	11,08,935	27.72	1,000	11,08,935	41.59	1,000	11,08,935	55.45
EARC trust - SC 105 trust	1,000	11,90,000	63.50	1,000	11,90,000	116.18	1,000	11,90,000	116.18
EARC trust - SC 132 trust	1,000	8,500	0.77	1,000	8,500	0.85	1,000	8,500	0.85
EARC trust - SC 258 trust	1,000	25,83,490	108.45	1,000	25,83,490	257.23	1,000	25,83,490	258.35
JM financial (JMFARC) trust	1,000	26,21,651	195.70	1,000	26,21,651	258.17	-	-	-
<b>G. Investments in Units of fund</b>									
(a) Carried at fair value through P & L									
LICHFL urban development fund	10,000	10,000	3.86	10,000	10,000	6.53	10,000	10,000	6.53
L&T Infra investments partners (Subsidiaries)									
Class B	100	2,04,31,630	266.22	100	2,03,76,473	267.69	100	2,31,42,361	299.90
Class C	100	5,00,000	5.00	100	5,00,000	5.00	100	5,00,000	6.07
Class D	10	10,000	0.01	10	10,000	0.01	10	10,000	0.01
LICHFL housing and infrastructure trust	100	1,16,000	1.16	-	-	-	-	-	-
(b) Carried at fair value through OCI									
Indinfravit trust	100	1,00,000	0.98	-	-	-	-	-	-
<b>Total (A)</b>			<b>2,080.54</b>			<b>2,364.97</b>			<b>2,769.98</b>
(i) Investments outside India			-			-			-
(ii) Investments in India			<b>2,080.54</b>			<b>2,364.97</b>			<b>2,769.98</b>
<b>Total (B)</b>			<b>2,080.54</b>			<b>2,364.97</b>			<b>2,769.98</b>
*Amount less than ₹ 0.50 lakh									



L&T Infrastructure Finance Company Limited  
Notes forming part of financial statements

Note 7 : Other financial assets				(₹ In crore)
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Forward contract receivable	-	-	10.02	
Accrual of fee income	-	0.14	0.16	
Security deposit	5.12	6.51	5.94	
<b>Total</b>	<b>5.12</b>	<b>6.65</b>	<b>16.12</b>	

Note 8 : Current tax assets (Net)				(₹ In crore)
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Advance payment of income tax (net of provision for tax)	377.24	318.39	265.90	
<b>Total</b>	<b>377.24</b>	<b>318.39</b>	<b>265.90</b>	



Note 9 : Property, plant and equipment and other intangible assets

Description	Gross Block				Depreciation & Amortisation			Net Book Value		
	As at April 1, 2017	Additions during the year		As at March 31, 2018	As at April 1, 2017	Charge during the year	Deductions during the year	As at March 31, 2018	As at	
									March 31, 2018	April 1, 2017
<b>Tangible</b>										
Computers	0.70	-	0.29	0.41	-	0.34	0.16	0.18	0.23	0.70
Furniture & fittings	0.13	-	0.05	0.08	-	0.02	0.01	0.01	0.07	0.13
Office equipment	0.09	0.01	-	0.10	-	0.03	-	0.03	0.07	0.09
Vehicles	-	0.80	-	0.80	-	0.14	-	0.14	0.66	-
<b>Total tangible assets (A)</b>	<b>0.92</b>	<b>0.81</b>	<b>0.34</b>	<b>1.39</b>	<b>-</b>	<b>0.53</b>	<b>0.17</b>	<b>0.36</b>	<b>1.03</b>	<b>0.92</b>
<b>Intangible</b>										
Computer software	7.24	1.62	-	8.86	6.19	0.60	-	6.79	2.07	1.05
<b>Total intangible assets (B)</b>	<b>7.24</b>	<b>1.62</b>	<b>0.00</b>	<b>8.86</b>	<b>6.19</b>	<b>0.60</b>	<b>0.00</b>	<b>6.79</b>	<b>2.07</b>	<b>1.05</b>
<b>Total (A+B)</b>	<b>8.16</b>	<b>2.43</b>	<b>0.34</b>	<b>10.25</b>	<b>6.19</b>	<b>1.13</b>	<b>0.17</b>	<b>7.15</b>	<b>3.10</b>	<b>1.97</b>

Description	Gross Block				Depreciation & Amortisation			Net Book Value		
	Opening as at April 1, 2018	Additions during the year		Closing as at March 31, 2019	Up to April 1, 2018	Charge during the year	Deductions during the year	Up to March 31, 2019	As at	
									March 3, 2019	March 31, 2018
<b>Tangible</b>										
Computers	0.41	-	0.03	0.37	0.17	0.09	0.02	0.24	0.13	0.23
Furniture & fittings	0.08	-	-	0.08	0.01	0.01	-	0.03	0.05	0.08
Office equipment	0.10	-	-	0.10	0.03	0.02	-	0.05	0.05	0.07
Vehicles	0.80	-	-	0.80	0.14	0.19	-	0.33	0.47	0.66
<b>Total tangible assets (A)</b>	<b>1.39</b>	<b>-</b>	<b>0.03</b>	<b>1.35</b>	<b>0.35</b>	<b>0.31</b>	<b>0.02</b>	<b>0.65</b>	<b>0.70</b>	<b>1.04</b>
<b>Intangible</b>										
Computer software	8.86	1.24	0.02	10.08	6.79	0.81	-	7.60	2.48	2.07
<b>Total intangible assets (B)</b>	<b>8.86</b>	<b>1.24</b>	<b>0.02</b>	<b>10.08</b>	<b>6.79</b>	<b>0.81</b>	<b>0.00</b>	<b>7.60</b>	<b>2.48</b>	<b>2.07</b>
<b>Total (A+B)</b>	<b>10.24</b>	<b>1.24</b>	<b>0.05</b>	<b>11.44</b>	<b>7.14</b>	<b>1.12</b>	<b>0.02</b>	<b>8.26</b>	<b>3.18</b>	<b>3.10</b>





**Note 10 : Other non-financials Assets**

Note 10 : Other non-financials Assets		(₹ in crore)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
Prepaid expenses	6.24	6.05	3.24	
Advance payment of service tax (under protest)	4.55	4.55	4.55	
Assets acquired in settlement of claims	164.75	169.65	169.65	
Gratuity (net assets)	-	0.13	-	
Other advances	1.26	0.78	1.21	
Total	176.80	181.16	178.65	

**Note 11: Payables**

Note 11: 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 (see note below)	-	-	-	-
Other than micro and small enterprises	(0.03)	0.02	-	0.29
Payable to related parties	13.68	12.56	-	5.08
Total trade payables	13.65	12.58	-	5.37
Other payables				
Micro enterprises and small enterprises (see note below)	-	-	-	-
Other than micro and small enterprises	-	-	-	-
Payable to related parties	0.40	0.78	-	0.21
Total other payables	0.40	0.78	-	0.21
Total payables	14.05	13.36	-	5.58

Note: Based on the information received by the Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the balance sheet date and hence, disclosures relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

**Note 12: Debt securities**

Note 12: Debt securities		(₹ in crore)		
Particulars		As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A)				
Debt securities at amortised cost				
(i) Commercial paper (refer note 12 (A) (i))		4,594.87	2,350.42	935.15
(Net of unexpired discount ₹ 105.13 crore (previous year as on March 31, 2018 ₹ 64.58 crore and April 1, 2017 ₹ 30.35 crore))				
(ii) Non convertible debenture (refer note 12 (A) (ii))		8,337.63	9,818.45	9,392.01
Total (A)		12,932.50	12,168.87	10,327.16
(B)				
Debt securities in India				
At amortised cost		12,932.50	12,168.87	10,327.16
Total (B)		12,932.50	12,168.87	10,327.16



Note 12 (A) (i)

Commercial Paper (net) as on March 31, 2019

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2019 (₹ in crore)
Bullet	Up to 1 Year	7.01%-8.00%	3,773.94
		8.01%-9.00%	820.93
Total			4,594.87

Note 12 (A) (ii)

Secured, Redeemable, Non Convertible Debentures (privately placed) as at March 31, 2019

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2019 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series "A" of 2011-12	10,00,000.00	18-10-11	509.70	9.70%	18-10-28	Redeemable at the end of 6210 days from the date of allotment
Series "E" of 2012-13	10,00,000.00	11-01-13	458.81	9.00%	11-01-23	Redeemable at the end of 2557 days from the date of allotment
Series C FY 2013-14	10,00,000.00	29-05-13	117.73	8.35%	29-05-23	Redeemable at the end of 3652 days from the date of allotment
Series C OF FY 2014-15 OPT I	25,00,000.00	13-06-14	82.43	9.25%	13-06-19	Redeemable at the end of 1826 days from the date of allotment
Series D FY 14-15 OPT III	25,00,000.00	18-06-14	20.92	9.25%	18-06-19	Redeemable at the end of 1826 days from the date of allotment
Series E FY 14-15 OPT IV	25,00,000.00	26-06-14	5.09	9.30%	26-06-19	Redeemable at the end of 1826 days from the date of allotment
Series F FY 2014-15	25,00,000.00	04-07-14	16.04	9.30%	04-07-19	Redeemable at the end of 1826 days from the date of allotment
Series I FY 14-15 OPT I	25,00,000.00	10-09-14	63.41	9.50%	11-09-19	Redeemable at the end of 1827 days from the date of allotment
Series I FY 14-15 OPT I	25,00,000.00	11-09-14	42.63	9.50%	11-09-19	Redeemable at the end of 1826 days from the date of allotment
Series J FY 14-15 OPT III	25,00,000.00	19-09-14	5.25	9.50%	19-09-19	Redeemable at the end of 1826 days from the date of allotment
Series K FY 14-15 OPT III	25,00,000.00	26-09-14	16.78	9.50%	26-09-19	Redeemable at the end of 1826 days from the date of allotment
Series L FY 14-15	25,00,000.00	21-10-14	10.92	9.15%	21-10-19	Redeemable at the end of 1826 days from the date of allotment
Series T FY 14-15 OPT II	25,00,000.00	21-01-15	147.37	8.65%	21-01-20	Redeemable at the end of 1826 days from the date of allotment
Series B FY 15-16	25,00,000.00	20-04-15	109.85	8.70%	20-04-20	Redeemable at the end of 1827 days from the date of allotment
Series E FY 15-16	25,00,000.00	27-04-15	35.93	8.70%	27-04-20	Redeemable at the end of 1827 days from the date of allotment
Series J FY 15-16 OPT III	25,00,000.00	19-05-15	47.87	8.84%	19-05-25	Redeemable at the end of 3653 days from the date of allotment
Series J FY 15-16 OPT I	25,00,000.00	19-05-15	33.35	8.84%	19-05-20	Redeemable at the end of 1827 days from the date of allotment
Series K FY 15-16 OPT II	25,00,000.00	22-05-15	11.83	8.81%	20-05-22	Redeemable at the end of 2555 days from the date of allotment
Series K FY 15-16 OPT I	25,00,000.00	22-05-15	16.13	8.81%	22-05-20	Redeemable at the end of 1827 days from the date of allotment
Series L FY 15-16 OPT I	25,00,000.00	25-05-15	10.75	8.81%	25-05-20	Redeemable at the end of 1827 days from the date of allotment
Series M FY 15-16 OPT II	25,00,000.00	26-05-15	21.49	8.85%	26-05-25	Redeemable at the end of 3653 days from the date of allotment
Series M FY 15-16 OPT I	25,00,000.00	26-05-15	16.10	8.81%	26-05-22	Redeemable at the end of 2557 days from the date of allotment
Series N FY 15-16 OPT II	25,00,000.00	29-05-15	11.81	8.81%	27-05-22	Redeemable at the end of 2555 days from the date of allotment
Series N FY 15-16 OPT I	25,00,000.00	29-05-15	42.95	8.81%	29-05-20	Redeemable at the end of 1827 days from the date of allotment
Series R FY 15-16	25,00,000.00	05-06-15	53.60	8.84%	05-06-25	Redeemable at the end of 3653 days from the date of allotment
Series U FY 15-16 OPT VI	25,00,000.00	17-07-15	7.44	8.87%	17-07-20	Redeemable at the end of 1827 days from the date of allotment
Series W FY 15-16 OPT VI	25,00,000.00	07-08-15	10.57	8.82%	05-08-22	Redeemable at the end of 2555 days from the date of allotment
Series W FY 15-16 OPT V	25,00,000.00	07-08-15	21.14	8.82%	07-08-20	Redeemable at the end of 1827 days from the date of allotment
Series Y FY 15-16 OPT II	25,00,000.00	04-09-15	21.01	8.82%	04-09-20	Redeemable at the end of 1827 days from the date of allotment
Series AE OF FY 15-16 OPT II	25,00,000.00	16-10-15	53.53	8.62%	16-10-20	Redeemable at the end of 1827 days from the date of allotment
Series AG OF FY 15-16	25,00,000.00	13-11-15	18.59	8.60%	11-11-22	Redeemable at the end of 2555 days from the date of allotment
Series AI OF FY 15-16 OPT II	25,00,000.00	16-12-15	27.67	8.65%	16-12-20	Redeemable at the end of 1827 days from the date of allotment
Series AJ OF FY 15-16 OPT II	25,00,000.00	08-02-16	52.59	8.75%	06-02-26	Redeemable at the end of 3651 days from the date of allotment
Series AK OF FY 15-16	25,00,000.00	16-03-16	10.03	8.80%	16-03-23	Redeemable at the end of 2556 days from the date of allotment
Series AN OF FY 15-16 OPT II	25,00,000.00	29-03-16	25.01	8.80%	29-03-21	Redeemable at the end of 1826 days from the date of allotment
Series AN OF FY 15-16 OPT I	25,00,000.00	29-03-16	100.07	8.85%	29-04-19	Redeemable at the end of 1126 days from the date of allotment
Series A FY 16-17 OPT II	25,00,000.00	13-04-16	130.13	8.75%	13-04-21	Redeemable at the end of 1826 days from the date of allotment
Series A FY 16-17 OPT I	25,00,000.00	13-04-16	48.81	8.75%	12-04-19	Redeemable at the end of 1094 days from the date of allotment
Series B FY 16-17 OPT 3	25,00,000.00	21-04-16	48.94	8.70%	21-04-21	Redeemable at the end of 1826 days from the date of allotment
Series B FY 16-17 OPT 2	25,00,000.00	21-04-16	77.89	8.70%	19-04-19	Redeemable at the end of 1093 days from the date of allotment
Series C FY 2016-17 OPT 1	25,00,000.00	11-05-16	10.77	8.70%	10-05-19	Redeemable at the end of 1094 days from the date of allotment
Series D OF FY 2016-17 OPT 1	25,00,000.00	06-06-16	16.07	8.70%	06-06-19	Redeemable at the end of 1095 days from the date of allotment
Series E OF FY 2016-17 OPT 1	25,00,000.00	16-06-16	16.03	8.70%	14-06-19	Redeemable at the end of 1093 days from the date of allotment
Series E OF FY 2016-17 OPT 2	25,00,000.00	16-06-16	4.74	8.70%	25-06-19	Redeemable at the end of 1104 days from the date of allotment
Series G FY 16-17 OPT III	25,00,000.00	15-07-16	69.03	8.75%	15-07-19	Redeemable at the end of 1095 days from the date of allotment
Series G FY 16-17 OPT V	25,00,000.00	15-07-16	6.90	8.72%	07-01-20	Redeemable at the end of 1271 days from the date of allotment
Series G FY 16-17 OPT IV	25,00,000.00	15-07-16	4.08	8.75%	23-07-19	Redeemable at the end of 1103 days from the date of allotment
Series M FY 16-17 OPT I	25,00,000.00	16-08-16	242.06	8.40%	16-08-19	Redeemable at the end of 1095 days from the date of allotment
Series M FY 16-17 OPT II	25,00,000.00	16-08-16	14.53	8.39%	30-09-19	Redeemable at the end of 1140 days from the date of allotment
Series N OF FY 16-17 OPT II	25,00,000.00	25-08-16	104.92	8.30%	26-06-20	Redeemable at the end of 1401 days from the date of allotment
Series N OF FY 16-17 OPT I	25,00,000.00	25-08-16	52.46	8.30%	27-03-20	Redeemable at the end of 1310 days from the date of allotment
Series O FY 16-17	25,00,000.00	02-09-16	104.76	8.30%	02-09-20	Redeemable at the end of 1461 days from the date of allotment
Series Q FY 16-17	25,00,000.00	15-09-16	156.63	8.26%	14-12-20	Redeemable at the end of 1551 days from the date of allotment
Series R FY 16-17	25,00,000.00	16-09-16	104.35	8.10%	27-09-19	Redeemable at the end of 1106 days from the date of allotment
Series S FY 16-17	25,00,000.00	24-10-16	25.84	7.80%	22-10-21	Redeemable at the end of 1824 days from the date of allotment
Series T OF FY 16-17	25,00,000.00	16-11-16	48.35	7.95%	16-11-26	Redeemable at the end of 3652 days from the date of allotment
Series W FY 16-17	25,00,000.00	03-03-17	20.11	7.95%	03-03-22	Redeemable at the end of 1826 days from the date of allotment
Series X FY 16-17	25,00,000.00	21-03-17	200.47	7.90%	20-03-20	Redeemable at the end of 1095 days from the date of allotment
Series A FY 17-18	10,00,000.00	29-06-17	680.60	7.59%	18-11-24	Redeemable at the end of 2699 days from the date of allotment
Series C FY 17-18	25,00,000.00	21-07-17	231.84	7.75%	21-07-20	Redeemable at the end of 1096 days from the date of allotment
Series D FY 17-18 OPT 2	25,00,000.00	25-07-17	215.89	7.80%	16-08-22	Redeemable at the end of 1848 days from the date of allotment
Series D FY 17-18 OPT 1	25,00,000.00	25-07-17	101.98	7.67%	20-08-20	Redeemable at the end of 1122 days from the date of allotment
Series E FY 2017-18	25,00,000.00	30-08-17	52.24	7.65%	30-08-22	Redeemable at the end of 1826 days from the date of allotment
Series F FY 2017-18	25,00,000.00	13-09-17	218.60	7.50%	21-09-20	Redeemable at the end of 1104 days from the date of allotment
Series A 2018-19	10,00,000.00	19-07-18	317.52	8.34%	27-12-19	Redeemable at the end of 526 days from the date of allotment
Total (a)			5,582.94			

Note 12 (A) (iii)

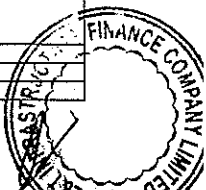
Secured, Redeemable, Non Convertible Debentures (public issue) as at March 31, 2019

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2019 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series 2010A - Scheme 4	1,000.00	02-12-10	198.49	7.50%	02-12-20	Redeemable at the end of 3653 days from the date of allotment
Series 2010A - Scheme 2	1,000.00	02-12-10	73.43	7.75%	02-12-20	Redeemable at the end of 3653 days from the date of allotment
Series 2011A - Scheme 2	1,000.00	23-03-11	445.91	8.30%	23-03-21	Redeemable at the end of 3653 days from the date of allotment
Series 2011B - Scheme 1	1,000.00	10-01-12	125.52	9.00%	10-01-22	Redeemable at the end of 3653 days from the date of allotment
Series 2011B - Scheme 2	1,000.00	10-01-12	571.81	9.00%	10-01-22	Redeemable at the end of 3653 days from the date of allotment
Series 2011A - Scheme 1	1,000.00	23-03-12	69.33	8.20%	23-03-21	Redeemable at the end of 3287 days from the date of allotment
Series 2012A - Scheme 1	1,000.00	24-03-12	101.12	8.70%	24-03-22	Redeemable at the end of 3652 days from the date of allotment
Series 2012A - Scheme 2	1,000.00	24-03-12	512.63	8.70%	24-03-22	Redeemable at the end of 3652 days from the date of allotment
Series 2010A - Scheme 1	1,000.00	02-12-12	17.77	7.75%	02-12-20	Redeemable at the end of 2922 days from the date of allotment
Series 2010A - Scheme 3	1,000.00	02-12-12	52.30	7.50%	02-12-20	Redeemable at the end of 2922 days from the date of allotment
Total (b)			2,169.32			

Note 12 (A) (iv)

Unsecured, Redeemable, Non Convertible Debentures (privately placed) as at March 31, 2019

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2019 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series Y FY 16-17	25,00,000.00	30-03-17	585.38	8.19%	25-05-20	Redeemable at the end of 1152 days from the date of allotment
Total (c)			585.38			
Total (a+b+c)			8,337.63			



Note 12 (A) (i)

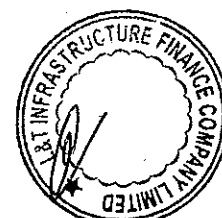
Commercial Paper as on March 31, 2018

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2018 (₹ in crore)
Bullet	Up to 1 Year	7.01%-8.00%	2,350.42
Total			2,350.42

Note 12 (A) (ii)

Secured, Redeemable, Non Convertible Debentures (privately placed) as at March 31, 2018

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2018 (₹ in crore)	Interest Rate % p.a.	Date of redemption	Redeemable Terms
Series G FY 2010-11	10,00,000.00	18-04-10	81.44	8.91%	16-04-18	Redeemable at the end of 2922 days from the date of allotment
Series A FY 2011-12	10,00,000.00	18-10-11	509.70	9.70%	18-10-28	Redeemable at the end of 6210 days from the date of allotment
Series E of 2012-13	10,00,000.00	11-01-13	458.79	9.00%	11-01-23	Redeemable at the end of 2557 days from the date of allotment
Series C FY 2013-14	10,00,000.00	24-05-13	117.73	8.35%	29-05-23	Redeemable at the end of 1653 days from the date of allotment
Series D OF 2013-14	10,00,000.00	30-05-13	53.50	8.35%	30-05-18	Redeemable at the end of 1826 days from the date of allotment
Series F FY 2013-14	25,00,000.00	12-11-13	52.79	9.70%	12-11-18	Redeemable at the end of 1826 days from the date of allotment
Series H OF FY 13-14 OPT II	25,00,000.00	09-01-14	51.00	9.80%	16-01-19	Redeemable at the end of 1833 days from the date of allotment
Series C OF FY 2014-15 OPT I	25,00,000.00	13-06-14	82.42	9.25%	13-06-19	Redeemable at the end of 1826 days from the date of allotment
Series D FY 14-15 OPT III	25,00,000.00	18-06-14	20.91	9.25%	18-06-19	Redeemable at the end of 1826 days from the date of allotment
Series E FY 14-15 OPT IV	25,00,000.00	26-06-14	5.09	9.30%	26-06-19	Redeemable at the end of 1826 days from the date of allotment
Series F FY 2014-15	25,00,000.00	04-07-14	16.03	9.30%	04-07-19	Redeemable at the end of 1826 days from the date of allotment
Series I FY 14-15 OPT I	25,00,000.00	10-09-14	106.03	9.50%	11-09-19	Redeemable at the end of 1827 days from the date of allotment
Series J FY 14-15 OPT III	25,00,000.00	19-09-14	5.25	9.50%	19-09-19	Redeemable at the end of 1826 days from the date of allotment
Series K FY 14-15 OPT III	25,00,000.00	26-09-14	16.78	9.50%	26-09-19	Redeemable at the end of 1826 days from the date of allotment
Series L FY 14-15	25,00,000.00	21-10-14	10.92	9.15%	21-10-19	Redeemable at the end of 1826 days from the date of allotment
Series T FY 14-15 OPT II	25,00,000.00	21-01-15	147.29	8.65%	21-01-20	Redeemable at the end of 1826 days from the date of allotment
Series B FY 15-16	25,00,000.00	20-04-15	109.86	8.70%	20-04-20	Redeemable at the end of 1827 days from the date of allotment
Series E FY 15-16	25,00,000.00	27-04-15	35.93	8.70%	27-04-20	Redeemable at the end of 1827 days from the date of allotment
Series H FY 15-16	25,00,000.00	06-05-15	383.37	8.80%	04-05-18	Redeemable at the end of 1094 days from the date of allotment
Series J FY 15-16 OPT III	25,00,000.00	19-05-15	47.88	8.84%	19-05-25	Redeemable at the end of 3653 days from the date of allotment
Series K FY 15-16 OPT I	25,00,000.00	19-05-15	33.37	8.84%	19-05-20	Redeemable at the end of 1827 days from the date of allotment
Series K FY 15-16 OPT II	25,00,000.00	22-05-15	11.82	8.81%	20-05-22	Redeemable at the end of 2555 days from the date of allotment
Series K FY 15-16 OPT I	25,00,000.00	22-05-15	16.13	8.81%	22-05-20	Redeemable at the end of 1827 days from the date of allotment
Series L FY 15-16 OPT I	25,00,000.00	25-05-15	10.74	8.81%	25-05-20	Redeemable at the end of 1827 days from the date of allotment
Series M FY 15-16 OPT II	25,00,000.00	26-05-15	21.50	8.85%	26-05-25	Redeemable at the end of 3653 days from the date of allotment
Series M FY 15-16 OPT I	25,00,000.00	26-05-15	16.11	8.81%	26-05-22	Redeemable at the end of 2557 days from the date of allotment
Series N FY 15-16 OPT II	25,00,000.00	29-05-15	11.80	8.81%	27-05-22	Redeemable at the end of 2555 days from the date of allotment
Series N FY 15-16 OPT I	25,00,000.00	29-05-15	42.94	8.81%	29-05-20	Redeemable at the end of 1827 days from the date of allotment
Series R FY 15-16	25,00,000.00	05-06-15	53.59	8.84%	05-06-25	Redeemable at the end of 3653 days from the date of allotment
Series S FY 2015-16 - OPT IV	25,00,000.00	24-06-15	16.03	8.90%	25-06-18	Redeemable at the end of 1097 days from the date of allotment
Series T FY 15-16 OPT IV	25,00,000.00	03-07-15	10.66	8.90%	03-07-18	Redeemable at the end of 1096 days from the date of allotment
Series U FY 15-16 OPT VI	25,00,000.00	17-07-15	7.44	8.87%	17-07-20	Redeemable at the end of 1827 days from the date of allotment
Series U FY 15-16 OPT V	25,00,000.00	17-07-15	8.20	8.93%	14-01-19	Redeemable at the end of 1277 days from the date of allotment
Series W FY 15-16 OPT VI	25,00,000.00	07-08-15	10.57	8.82%	05-08-22	Redeemable at the end of 2555 days from the date of allotment
Series W FY 15-16 OPT V	25,00,000.00	07-08-15	21.14	8.82%	07-08-20	Redeemable at the end of 1827 days from the date of allotment
Series W FY 15-16 OPT I	25,00,000.00	07-08-15	238.99	8.85%	07-08-18	Redeemable at the end of 1096 days from the date of allotment
Series W FY 15-16 OPT IV	25,00,000.00	07-08-15	5.01	8.86%	19-09-18	Redeemable at the end of 1138 days from the date of allotment
Series W FY 15-16 OPT III	25,00,000.00	07-08-15	12.53	8.86%	21-08-18	Redeemable at the end of 1110 days from the date of allotment
Series W FY 15-16 OPT II	25,00,000.00	07-08-15	12.53	8.87%	16-08-18	Redeemable at the end of 1105 days from the date of allotment
Series Y FY 15-16 OPT II	25,00,000.00	04-09-15	21.01	8.82%	04-09-20	Redeemable at the end of 1827 days from the date of allotment
Series Y FY 15-16 OPT I	25,00,000.00	04-09-15	31.51	8.82%	04-09-18	Redeemable at the end of 1096 days from the date of allotment
Series Z FY 15-16	25,00,000.00	10-09-15	104.90	8.86%	08-03-19	Redeemable at the end of 1275 days from the date of allotment
Series AD FY 15-16 OPT II	25,00,000.00	06-10-15	9.88	8.84%	04-10-18	Redeemable at the end of 1094 days from the date of allotment
Series AD FY 15-16 OPT I	25,00,000.00	06-10-15	24.70	8.83%	11-09-18	Redeemable at the end of 1071 days from the date of allotment
Series AE OF FY 15-16 OPT I	25,00,000.00	16-10-15	5.20	8.62%	16-10-18	Redeemable at the end of 1096 days from the date of allotment
Series AE OF FY 15-16 OPT II	25,00,000.00	16-10-15	53.52	8.62%	16-10-20	Redeemable at the end of 1827 days from the date of allotment
Series AF OF FY 15-16 OPT III	25,00,000.00	05-11-15	31.03	8.60%	05-11-18	Redeemable at the end of 1096 days from the date of allotment
Series AF OF FY 15-16 OPT II	25,00,000.00	05-11-15	26.85	8.61%	29-10-18	Redeemable at the end of 1089 days from the date of allotment
Series AF OF FY 15-16 OPT I	25,00,000.00	05-11-15	3.66	8.60%	22-10-18	Redeemable at the end of 1082 days from the date of allotment
Series AG OF FY 15-16	25,00,000.00	13-11-15	18.59	8.60%	11-11-22	Redeemable at the end of 2555 days from the date of allotment
Series AH OF FY 15-16	25,00,000.00	30-11-15	61.73	8.65%	30-11-18	Redeemable at the end of 1096 days from the date of allotment
Series AI OF FY 15-16 OPT II	25,00,000.00	16-12-15	27.66	8.65%	16-12-20	Redeemable at the end of 1827 days from the date of allotment
Series AJ OF FY 15-16 OPT II	25,00,000.00	08-02-16	52.58	8.75%	06-02-26	Redeemable at the end of 3651 days from the date of allotment
Series AK OF FY 15-16	25,00,000.00	16-03-16	10.03	8.80%	16-03-23	Redeemable at the end of 2556 days from the date of allotment
Series AM OF FY 15-16 OPT I	25,00,000.00	23-03-16	65.14	8.85%	26-03-19	Redeemable at the end of 1098 days from the date of allotment
Series AN OF FY 15-16 OPT II	25,00,000.00	29-03-16	27.21	8.80%	29-03-21	Redeemable at the end of 1826 days from the date of allotment
Series AN OF FY 15-16 OPT I	25,00,000.00	29-03-16	108.92	8.85%	29-04-19	Redeemable at the end of 1126 days from the date of allotment
Series A FY 16-17 OPT II	25,00,000.00	13-04-16	130.15	8.75%	13-04-21	Redeemable at the end of 1826 days from the date of allotment
Series A FY 16-17 OPT I	25,00,000.00	13-04-16	48.77	8.75%	12-04-19	Redeemable at the end of 1094 days from the date of allotment
Series B FY 16-17 OPT 3	25,00,000.00	21-04-16	48.96	8.70%	21-04-21	Redeemable at the end of 1826 days from the date of allotment
Series B FY 16-17 OPT 2	25,00,000.00	21-04-16	77.92	8.70%	19-04-19	Redeemable at the end of 1093 days from the date of allotment
Series B FY 16-17 OPT 1	25,00,000.00	21-04-16	10.82	8.68%	21-03-19	Redeemable at the end of 1064 days from the date of allotment
Series C FY 2016-17 OPT 1	25,00,000.00	11-05-16	10.77	8.70%	10-05-19	Redeemable at the end of 1094 days from the date of allotment
Series D OF FY 2016-17 OPT 1	25,00,000.00	06-06-16	16.06	8.70%	06-06-19	Redeemable at the end of 1095 days from the date of allotment
Series E OF FY 2016-17 OPT 1	25,00,000.00	16-06-16	16.03	8.70%	14-06-19	Redeemable at the end of 1093 days from the date of allotment
Series E OF FY 2016-17 OPT 2	25,00,000.00	16-06-16	4.35	8.70%	25-06-19	Redeemable at the end of 1104 days from the date of allotment
Series G FY 16-17 OPT III	25,00,000.00	15-07-16	69.01	8.75%	15-07-19	Redeemable at the end of 1095 days from the date of allotment
Series G FY 16-17 OPT II	25,00,000.00	15-07-16	132.63	8.64%	28-06-18	Redeemable at the end of 713 days from the date of allotment
Series G FY 16-17 OPT I	25,00,000.00	15-07-16	132.63	8.64%	26-06-18	Redeemable at the end of 711 days from the date of allotment
Series G FY 16-17 OPT V	25,00,000.00	15-07-16	6.35	8.72%	07-01-20	Redeemable at the end of 1271 days from the date of allotment
Series G FY 16-17 OPT IV	25,00,000.00	15-07-16	3.75	8.75%	23-07-19	Redeemable at the end of 1103 days from the date of allotment
Series I FY 16-17	25,00,000.00	03-08-16	105.60	8.48%	27-06-18	Redeemable at the end of 693 days from the date of allotment
Series J FY 16-17 OPT II	25,00,000.00	05-08-16	26.38	8.50%	03-08-18	Redeemable at the end of 728 days from the date of allotment
Series J FY 16-17 OPT I	25,00,000.00	05-08-16	105.51	8.48%	27-06-18	Redeemable at the end of 691 days from the date of allotment
Series M FY 16-17 OPT I	25,00,000.00	16-08-16	242.03	8.40%	16-08-19	Redeemable at the end of 1095 days from the date of allotment
Series M FY 16-17 OPT II	25,00,000.00	16-08-16	13.40	8.39%	30-09-19	Redeemable at the end of 1140 days from the date of allotment
Series N OF FY 16-17 OPT II	25,00,000.00	25-08-16	104.95	8.30%	26-06-20	Redeemable at the end of 1401 days from the date of allotment
Series N OF FY 16-17 OPT I	25,00,000.00	25-08-16	52.48	8.30%	27-03-20	Redeemable at the end of 1310 days from the date of allotment
Series O FY 16-17	25,00,000.00	02-09-16	104.72	8.30%	02-09-20	Redeemable at the end of 1461 days from the date of allotment
Series Q FY 16-17	25,00,000.00	15-09-16	156.68	8.26%	14-12-20	Redeemable at the end of 1551 days from the date of allotment
Series R FY 16-17	25,00,000.00	16-09-16	104.32	8.10%	27-09-19	Redeemable at the end of 1106 days from the date of allotment
Series S FY 16-17	25,00,000.00	24-10-16	25.83	7.80%	22-10-21	Redeemable at the end of 1824 days from the date of allotment
Series T OF FY 16-17	25,00,000.00	16-11-16	48.34	7.95%	16-11-26	Redeemable at the end of 3652 days from the date of allotment
Series W FY 16-17	25,00,000.00	03-03-17	20.11	7.95%	03-03-22	Redeemable at the end of 1826 days from the date of allotment



Notes forming part of financial statements as at March 31, 2018

Series X FY 16-17	25,00,000.00	21-03-17	200.47	7.90%	20-03-20	Redeemable at the end of 1095 days from the date of allotment
Series A FY 17-18	10,00,000.00	29-06-17	680.48	7.59%	18-11-24	Redeemable at the end of 2699 days from the date of allotment
Series C FY 17-18	25,00,000.00	21-07-17	231.83	7.75%	21-07-20	Redeemable at the end of 1096 days from the date of allotment
Series D FY 17-18 OPT II	25,00,000.00	25-07-17	215.87	7.80%	16-08-22	Redeemable at the end of 1848 days from the date of allotment
Series D FY 17-18 OPT I	25,00,000.00	25-07-17	94.71	7.67%	20-08-20	Redeemable at the end of 1122 days from the date of allotment
Series E FY 2017-18	25,00,000.00	30-08-17	52.24	7.65%	30-08-22	Redeemable at the end of 1826 days from the date of allotment
Series F FY 2017-18	25,00,000.00	13-09-17	218.58	7.50%	21-09-20	Redeemable at the end of 1104 days from the date of allotment
Total (a)			7,070.72			

Note 12 (A) (ii)

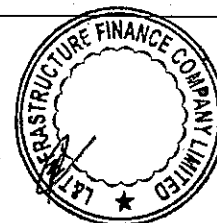
Secured, Redeemable, Non Convertible Debentures (public issue) as at March 31, 2018

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2018 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series 2010A - Scheme 1	1,000.00	02-12-10	17.77	7.75%	02-12-20	Redeemable at the end of 3653 days from the date of allotment
Series 2010A - Scheme 3	1,000.00	02-12-10	52.30	7.50%	02-12-20	Redeemable at the end of 3653 days from the date of allotment
Series 2010A - Scheme 4	1,000.00	02-12-10	184.65	7.50%	02-12-20	Redeemable at the end of 3653 days from the date of allotment
Series 2010A - Scheme 2	1,000.00	02-12-10	68.15	7.75%	02-12-20	Redeemable at the end of 3653 days from the date of allotment
Series 2011A - Scheme 1	1,000.00	23-03-11	69.33	8.20%	23-03-21	Redeemable at the end of 3653 days from the date of allotment
Series 2011A - Scheme 2	1,000.00	23-03-11	411.71	8.30%	23-03-21	Redeemable at the end of 3653 days from the date of allotment
Series 2011B - Scheme 1	1,000.00	10-01-12	141.06	9.00%	10-01-22	Redeemable at the end of 3653 days from the date of allotment
Series 2011B - Scheme 2	1,000.00	10-01-12	567.09	9.00%	10-01-22	Redeemable at the end of 3653 days from the date of allotment
Series 2012A - Scheme 1	1,000.00	24-03-12	113.10	8.70%	24-03-22	Redeemable at the end of 3652 days from the date of allotment
Series 2012A - Scheme 2	1,000.00	24-03-12	581.69	8.70%	24-03-22	Redeemable at the end of 3652 days from the date of allotment
Total (b)			2,206.84			

Note 12 (A) (ii)

Unsecured, Redeemable, Non Convertible Debentures (privately placed) as at March 31, 2018

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2018 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series V FY 16-17	25,00,000.00	30-03-17	540.89	8.15%	25-05-20	Redeemable at the end of 1152 days from the date of allotment
Total (c)			540.89			
Total (a+b+c)			9,818.45			

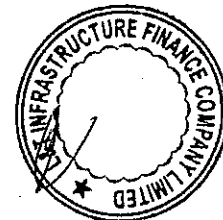


Note 12 (A) (i)  
Commercial Paper

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2017 (₹ in crore)
Bullet	Up to 1 years	7.01%-8.00%	491.85
		8.01%-9.00%	443.29
Total			935.15

Note 12 (A) (iii)  
Unsecured, Redeemable, Non Convertible Debentures (privately placed) as on March 31, 2017

Series	Face Value per debenture (₹)	Date of allotment	Balance as at 31.03.2017 (₹ in crore)	Interest Rate (%) p.a.	Date of redemption	Redeemable term
Series "F" of 2010-11	10,00,000	16-Apr-10	81.40	8.91%	15-Apr-17	Redeemable at the end of 2556 days from the date of allotment
Series "G" of 2010-11	10,00,000	16-Apr-10	81.43	8.91%	16-Apr-18	Redeemable at the end of 2922 days from the date of allotment
Series "A" of 2011-12	10,00,000	18-Oct-11	509.70	9.70%	18-Oct-28	Redeemable at the end of 6210 days from the date of allotment
Series "E" of 2012-13	10,00,000	11-Jan-13	458.77	9.00%	11-Jan-23	Redeemable at the end of 3652 days from the date of allotment
Series "C" of 2013-14	10,00,000	29-May-13	117.78	8.35%	29-May-23	Redeemable at the end of 3652 days from the date of allotment
Series "D" of 2013-14	10,00,000	30-May-13	53.50	8.35%	30-May-18	Redeemable at the end of 1826 days from the date of allotment
Series "F" of 2013-14	25,00,000	17-Nov-13	52.85	9.70%	17-Nov-18	Redeemable at the end of 1826 days from the date of allotment
Series "H" of 2013-14 - OPT II	25,00,000	16-Jan-14	50.98	9.80%	16-Jan-19	Redeemable at the end of 1826 days from the date of allotment
Series "B" of 2014-15	25,00,000	06-Jun-14	107.76	9.50%	6-Jun-17	Redeemable at the end of 1096 days from the date of allotment
Series "C" of 2014-15 - OPT I	25,00,000	13-Jun-14	82.40	9.25%	13-Jun-19	Redeemable at the end of 1826 days from the date of allotment
Series "D" of 2014-15 - OPT III	25,00,000	18-Jun-14	20.90	9.25%	18-Jun-19	Redeemable at the end of 1826 days from the date of allotment
Series "E" of 2014-15 - OPT IV	25,00,000	26-Jun-14	5.08	9.30%	26-Jun-19	Redeemable at the end of 1826 days from the date of allotment
Series "F" of 2014-15	25,00,000	04-Jul-14	16.03	9.30%	4-Jul-19	Redeemable at the end of 1826 days from the date of allotment
Series "G" of 2014-15 - OPT II	25,00,000	31-Jul-14	10.63	9.45%	31-Jul-17	Redeemable at the end of 1096 days from the date of allotment
Series "I" of 2014-15 - OPT I	25,00,000	11-Sep-14	105.98	9.50%	11-Sep-19	Redeemable at the end of 1826 days from the date of allotment
Series "I" of 2014-15 - OPT II	25,00,000	11-Sep-14	17.63	9.55%	11-Sep-17	Redeemable at the end of 1096 days from the date of allotment
Series "J" of 2014-15 - OPT II	25,00,000	19-Sep-14	11.56	9.55%	19-Sep-17	Redeemable at the end of 1096 days from the date of allotment
Series "J" of 2014-15 - OPT III	25,00,000	19-Sep-14	5.25	9.50%	19-Sep-19	Redeemable at the end of 1826 days from the date of allotment
Series "K" of 2014-15 - OPT II	25,00,000	26-Sep-14	15.73	9.55%	26-Sep-17	Redeemable at the end of 1096 days from the date of allotment
Series "K" of 2014-15 - OPT III	25,00,000	26-Sep-14	16.77	9.50%	26-Sep-19	Redeemable at the end of 1826 days from the date of allotment
Series "L" of 2014-15	25,00,000	21-Oct-14	10.92	9.15%	21-Oct-19	Redeemable at the end of 1826 days from the date of allotment
Series "T" of 2014-15 - OPT I	25,00,000	21-Jan-15	5.08	8.60%	19-Jan-18	Redeemable at the end of 1094 days from the date of allotment
Series "T" of 2014-15 - OPT II	25,00,000	21-Jan-15	147.16	8.65%	21-Jan-20	Redeemable at the end of 1826 days from the date of allotment
Series "V" of 2014-15 - OPT III	25,00,000	02-Mar-15	44.32	9.04%	17-Apr-17	Redeemable at the end of 777 days from the date of allotment
Series "V" of 2014-15 - OPT IV	25,00,000	02-Mar-15	5.04	9.02%	17-Aug-17	Redeemable at the end of 899 days from the date of allotment
Series "V" of 2014-15 - OPT V	25,00,000	02-Mar-15	10.07	9.02%	4-Sep-17	Redeemable at the end of 917 days from the date of allotment
Series "V" of 2014-15 - OPT VI	25,00,000	02-Mar-15	59.90	9.06%	5-Mar-18	Redeemable at the end of 1099 days from the date of allotment
Series "W" of 2014-15 - OPT I	25,00,000	20-Mar-15	8.34	8.99%	2-May-17	Redeemable at the end of 774 days from the date of allotment
Series "W" of 2014-15 - OPT II	25,00,000	20-Mar-15	20.06	8.99%	2-May-17	Redeemable at the end of 774 days from the date of allotment
Series "W" of 2014-15 - OPT III	25,00,000	20-Mar-15	30.08	8.97%	20-Sep-17	Redeemable at the end of 915 days from the date of allotment
Series "W" of 2014-15 - OPT IV	25,00,000	20-Mar-15	70.20	8.98%	29-Sep-17	Redeemable at the end of 924 days from the date of allotment
Series "X" of 2014-15	25,00,000	24-Mar-15	75.13	9.00%	26-Feb-18	Redeemable at the end of 1070 days from the date of allotment
Series B FY 15-16	25,00,000	20-Apr-15	109.85	8.70%	20-Apr-20	Redeemable at the end of 1827 days from the date of allotment
Series E FY 15-16	25,00,000	27-Apr-15	35.93	8.70%	27-Apr-20	Redeemable at the end of 1827 days from the date of allotment
Series H FY 15-16	25,00,000	06-May-15	352.37	8.80%	4-May-18	Redeemable at the end of 1094 days from the date of allotment
Series J FY 15-16 OPT I	25,00,000	19-May-15	33.37	8.84%	19-May-20	Redeemable at the end of 1827 days from the date of allotment
Series J FY 15-16 OPT III	25,00,000	19-May-15	47.88	8.84%	19-May-25	Redeemable at the end of 3653 days from the date of allotment
Series K FY 15-16 OPT I	25,00,000	22-May-15	16.12	8.81%	22-May-20	Redeemable at the end of 1827 days from the date of allotment
Series K FY 15-16 OPT II	25,00,000	22-May-15	11.82	8.81%	20-May-22	Redeemable at the end of 2555 days from the date of allotment
Series L FY 15-16 OPT I	25,00,000	25-May-15	10.74	8.81%	25-May-20	Redeemable at the end of 1827 days from the date of allotment
Series M FY 15-16 OPT I	25,00,000	26-May-15	16.10	8.81%	26-May-22	Redeemable at the end of 2557 days from the date of allotment
Series M FY 15-16 OPT II	25,00,000	26-May-15	21.50	8.85%	26-May-25	Redeemable at the end of 3653 days from the date of allotment
Series N FY 15-16 OPT I	25,00,000	29-May-15	42.91	8.81%	29-May-20	Redeemable at the end of 1827 days from the date of allotment
Series N FY 15-16 OPT II	25,00,000	29-May-15	11.80	8.81%	27-May-22	Redeemable at the end of 2555 days from the date of allotment
Series R FY 15-16	25,00,000	05-Jun-15	53.58	8.84%	5-Jun-25	Redeemable at the end of 3653 days from the date of allotment
Series S FY 2015-16 - OPT I	25,00,000	24-Jun-15	32.05	8.90%	23-Jun-17	Redeemable at the end of 730 days from the date of allotment
Series S FY 2015-16 - OPT II	25,00,000	24-Jun-15	6.40	8.91%	19-Jun-17	Redeemable at the end of 726 days from the date of allotment
Series S FY 2015-16 - OPT III	25,00,000	24-Jun-15	12.22	8.90%	24-Jul-17	Redeemable at the end of 761 days from the date of allotment
Series S FY 2015-16 - OPT IV	25,00,000	24-Jun-15	16.03	8.90%	25-Jun-18	Redeemable at the end of 1097 days from the date of allotment
Series T FY 15-16 OPT I	25,00,000	03-Jul-15	34.26	8.91%	28-Jun-17	Redeemable at the end of 726 days from the date of allotment
Series T FY 15-16 OPT II	25,00,000	03-Jul-15	15.99	8.90%	3-Jul-17	Redeemable at the end of 731 days from the date of allotment
Series T FY 15-16 OPT III	25,00,000	03-Jul-15	17.42	8.90%	24-Jul-17	Redeemable at the end of 752 days from the date of allotment
Series T FY 15-16 OPT IV	25,00,000	03-Jul-15	10.66	8.90%	3-Jul-18	Redeemable at the end of 1096 days from the date of allotment
Series U FY 15-16 OPT I	25,00,000	17-Jul-15	196.65	8.95%	17-Jul-17	Redeemable at the end of 731 days from the date of allotment
Series U FY 15-16 OPT II	25,00,000	17-Jul-15	106.30	8.95%	14-Jun-17	Redeemable at the end of 698 days from the date of allotment
Series U FY 15-16 OPT III	25,00,000	17-Jul-15	37.07	8.96%	6-Jul-17	Redeemable at the end of 720 days from the date of allotment
Series U FY 15-16 OPT IV	25,00,000	17-Jul-15	17.38	8.95%	7-Aug-17	Redeemable at the end of 752 days from the date of allotment
Series U FY 15-16 OPT V	25,00,000	17-Jul-15	7.53	8.93%	14-Jan-19	Redeemable at the end of 1277 days from the date of allotment
Series U FY 15-16 OPT VI	25,00,000	17-Jul-15	7.44	8.87%	17-Jul-20	Redeemable at the end of 1827 days from the date of allotment
Series W FY 15-16 OPT I	25,00,000	07-Aug-15	238.91	8.86%	7-Aug-18	Redeemable at the end of 1096 days from the date of allotment
Series W FY 15-16 OPT II	25,00,000	07-Aug-15	11.51	8.87%	16-Aug-18	Redeemable at the end of 1105 days from the date of allotment
Series W FY 15-16 OPT III	25,00,000	07-Aug-15	11.51	8.86%	21-Aug-18	Redeemable at the end of 1110 days from the date of allotment
Series W FY 15-16 OPT IV	25,00,000	07-Aug-15	4.60	8.86%	18-Sep-18	Redeemable at the end of 1138 days from the date of allotment
Series W FY 15-16 OPT V	25,00,000	07-Aug-15	21.14	8.82%	7-Aug-20	Redeemable at the end of 1827 days from the date of allotment
Series W FY 15-16 OPT VI	25,00,000	07-Aug-15	10.57	8.82%	5-Aug-22	Redeemable at the end of 2555 days from the date of allotment
Series Y FY 15-16 OPT I	25,00,000	04-Sep-15	31.50	8.82%	4-Sep-18	Redeemable at the end of 1096 days from the date of allotment
Series Y FY 15-16 OPT II	25,00,000	04-Sep-15	21.00	8.82%	4-Sep-20	Redeemable at the end of 1827 days from the date of allotment
Series Z FY 15-16	25,00,000	10-Sep-15	104.65	8.86%	8-Mar-19	Redeemable at the end of 1275 days from the date of allotment
Series AD FY 15-16 OPT I	25,00,000	06-Oct-15	22.70	8.83%	11-Sep-18	Redeemable at the end of 1071 days from the date of allotment
Series AD FY 15-16 OPT II	25,00,000	06-Oct-15	9.08	8.84%	4-Oct-18	Redeemable at the end of 1094 days from the date of allotment
Series AE OF FY 15-16 OPT I	25,00,000	16-Oct-15	5.20	8.62%	16-Oct-18	Redeemable at the end of 1096 days from the date of allotment
Series AE OF FY 15-16 OPT II	25,00,000	16-Oct-15	53.51	8.62%	16-Oct-20	Redeemable at the end of 1827 days from the date of allotment
Series AF OF FY 15-16 OPT I	25,00,000	05-Nov-15	3.37	8.60%	22-Oct-18	Redeemable at the end of 1082 days from the date of allotment



## Notes forming part of financial statements as at March 31, 2017

Series AF OF FY 15-16 OPT II	25,00,000	05-Nov-15	24.72	8.61%	29-Oct-18	Redeemable at the end of 1089 days from the date of allotment
Series AF OF FY 15-16 OPT III	25,00,000	05-Nov-15	31.02	8.60%	5-Nov-18	Redeemable at the end of 1096 days from the date of allotment
Series AG OF FY 15-16	25,00,000	13-Nov-15	18.58	8.60%	11-Nov-22	Redeemable at the end of 2555 days from the date of allotment
Series AH OF FY 15-16	25,00,000	30-Nov-15	61.73	8.65%	30-Nov-18	Redeemable at the end of 1096 days from the date of allotment
Series AI OF FY 15-16 OPT II	25,00,000	16-Dec-15	27.68	8.65%	16-Dec-20	Redeemable at the end of 1827 days from the date of allotment
Series AJ OF FY 15-16 OPT II	25,00,000	08-Feb-16	52.57	8.75%	6-Feb-25	Redeemable at the end of 3651 days from the date of allotment
Series AK OF FY 15-16	25,00,000	16-Mar-16	10.03	8.80%	16-Mar-23	Redeemable at the end of 2556 days from the date of allotment
Series AM OF FY 15-16 OPT I	25,00,000	23-Mar-16	65.14	8.85%	26-Mar-19	Redeemable at the end of 1098 days from the date of allotment
Series AN OF FY 15-16 OPT I	25,00,000	29-Mar-16	100.07	8.85%	29-Apr-19	Redeemable at the end of 1126 days from the date of allotment
Series AN OF FY 15-16 OPT II	25,00,000	29-Mar-16	25.01	8.80%	29-Mar-21	Redeemable at the end of 1826 days from the date of allotment
Series A FY 16-17 OPT I	25,00,000	13-Apr-16	48.80	8.75%	12-Apr-19	Redeemable at the end of 1094 days from the date of allotment
Series A FY 16-17 OPT II	25,00,000	13-Apr-16	130.10	8.75%	13-Apr-21	Redeemable at the end of 1826 days from the date of allotment
Series B FY 16-17 OPT I	25,00,000	21-Apr-16	10.82	8.68%	21-Mar-19	Redeemable at the end of 1064 days from the date of allotment
Series B FY 16-17 OPT II	25,00,000	21-Apr-16	77.91	8.70%	19-Apr-19	Redeemable at the end of 1093 days from the date of allotment
Series B FY 16-17 OPT III	25,00,000	21-Apr-16	48.95	8.70%	21-Apr-21	Redeemable at the end of 1826 days from the date of allotment
Series C FY 16-17 OPT I	25,00,000	11-May-16	10.77	8.70%	10-May-19	Redeemable at the end of 1094 days from the date of allotment
Series D FY 16-17 OPT I	25,00,000	06-Jun-16	16.06	8.70%	6-Jun-19	Redeemable at the end of 1095 days from the date of allotment
Series E FY 16-17 OPT I	25,00,000	16-Jun-16	16.03	8.70%	14-Jun-19	Redeemable at the end of 1093 days from the date of allotment
Series E FY 16-17 OPT II	25,00,000	16-Jun-16	4.00	8.70%	25-Jun-19	Redeemable at the end of 1104 days from the date of allotment
Series F OF FY 16-17	25,00,000	04-Jul-16	159.64	8.66%	4-Sep-17	Redeemable at the end of 427 days from the date of allotment
Series G FY 16-17 OPT I	25,00,000	15-Jul-16	132.68	8.64%	26-Jun-18	Redeemable at the end of 711 days from the date of allotment
Series G FY 16-17 OPT II	25,00,000	15-Jul-16	132.68	8.64%	28-Jun-18	Redeemable at the end of 713 days from the date of allotment
Series G FY 16-17 OPT III	25,00,000	15-Jul-16	69.04	8.75%	15-Jul-19	Redeemable at the end of 1095 days from the date of allotment
Series G FY 16-17 OPT IV	25,00,000	15-Jul-16	3.45	8.75%	23-Jul-19	Redeemable at the end of 1103 days from the date of allotment
Series G FY 16-17 OPT V	25,00,000	15-Jul-16	5.84	8.72%	7-Jan-20	Redeemable at the end of 1271 days from the date of allotment
Series I FY 16-17	25,00,000	03-Aug-16	105.58	8.48%	27-Jun-18	Redeemable at the end of 693 days from the date of allotment
Series J FY 16-17 OPT I	25,00,000	03-Aug-16	105.54	8.48%	27-Jun-18	Redeemable at the end of 693 days from the date of allotment
Series J FY 16-17 OPT II	25,00,000	03-Aug-16	26.38	8.50%	3-Aug-18	Redeemable at the end of 730 days from the date of allotment
Series M FY 16-17 OPT I	25,00,000	16-Aug-16	242.01	8.40%	16-Aug-19	Redeemable at the end of 1095 days from the date of allotment
Series M FY 16-17 OPT II	25,00,000	16-Aug-16	12.36	8.39%	30-Sep-19	Redeemable at the end of 1140 days from the date of allotment
Series N OF FY 16-17 OPT I	25,00,000	25-Aug-16	52.47	8.30%	27-Mar-20	Redeemable at the end of 1310 days from the date of allotment
Series N OF FY 16-17 OPT II	25,00,000	25-Aug-16	104.94	8.30%	26-Jun-20	Redeemable at the end of 1401 days from the date of allotment
Series O FY 16-17	25,00,000	02-Sep-16	104.75	8.30%	2-Sep-20	Redeemable at the end of 1461 days from the date of allotment
Series Q FY 16-17	25,00,000	15-Sep-16	156.67	8.26%	14-Dec-20	Redeemable at the end of 1551 days from the date of allotment
Series R FY 16-17	25,00,000	16-Sep-16	104.36	8.10%	27-Sep-19	Redeemable at the end of 1106 days from the date of allotment
Series S FY 16-17	25,00,000	24-Oct-16	25.83	7.80%	22-Oct-21	Redeemable at the end of 1824 days from the date of allotment
Series T OF FY 16-17	25,00,000	16-Nov-16	48.33	7.95%	16-Nov-26	Redeemable at the end of 3652 days from the date of allotment
Series W FY 16-17	25,00,000	03-Mar-17	20.11	7.95%	3-Mar-22	Redeemable at the end of 1826 days from the date of allotment
Series X FY 16-17	25,00,000	21-Mar-17	200.47	7.90%	20-Mar-20	Redeemable at the end of 1095 days from the date of allotment
Total (a)			6,732.16			

## Note 12 (A) (ii)

## Secured, Redeemable, Non Convertible Debentures (public issue) as on March 31, 2017

Series	Face Value per debenture (₹)	Date of allotment	Balance as at 31.03.2017 (₹ in crore)	Interest Rate (%) p.a.	Date of redemption	Redeemable term
Series 2010A - 1	1,000	02-Dec-10	19.57	7.75%	2-Dec-20	Redeemable at the end of 3653 days from the date of allotment
Series 2010A - 2	1,000	02-Dec-10	75.70	7.75%	2-Dec-20	Redeemable at the end of 3653 days from the date of allotment
Series 2010A - 3	1,000	02-Dec-10	52.30	7.50%	2-Dec-20	Redeemable at the end of 3653 days from the date of allotment
Series 2010A - 4	1,000	02-Dec-10	171.76	7.50%	2-Dec-20	Redeemable at the end of 3653 days from the date of allotment
Series 2011A - 1	1,000	23-Mar-11	79.66	8.20%	23-Mar-21	Redeemable at the end of 3653 days from the date of allotment
Series 2011A - 2	1,000	23-Mar-11	451.63	8.30%	23-Mar-21	Redeemable at the end of 3653 days from the date of allotment
Series 2011 B - 1	1,000	10-Jan-12	141.05	9.00%	10-Jan-22	Redeemable at the end of 3653 days from the date of allotment
Series 2011 B - 2	1,000	10-Jan-12	548.50	9.00%	10-Jan-22	Redeemable at the end of 3653 days from the date of allotment
Series 2012 A - 1	1,000	24-Mar-12	113.10	8.70%	24-Mar-22	Redeemable at the end of 3653 days from the date of allotment
Series 2012 A - 2	1,000	24-Mar-12	506.83	8.70%	24-Mar-22	Redeemable at the end of 3653 days from the date of allotment
Total (b)			2,160.10			

## Note 12 (A) (iii)

## Secured, Redeemable, Non Convertible Debentures (privately placed) as on March 31, 2017

Series	Face Value per debenture (₹)	Date of allotment	Balance as at 31.03.2017 (₹ in crore)	Interest Rate (%) p.a.	Date of redemption	Redeemable term
Series Y FY 16-17	25,00,000	30-Mar-17	499.75	8.19%	25-May-20	Redeemable at the end of 1152 days from the date of allotment
Total (c)			499.75			
Total (a+b+c)			9,392.01			



Note 13: Borrowings (other than Debt Securities)

(₹ in crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(A) At amortised Cost			
(a) Term loans			
(i) Term loan from banks (refer note 13 (a) (i))	3,833.33	3,850.02	4,093.38
(ii) Term loan from financial institution (refer note 13 (a) (ii))	750.00	-	-
Subtotal (a)	4,583.33	3,850.02	4,093.38
(b) Loans repayable on demand from banks			
(i) Line of credit from bank (refer note 13 (b) (i))	4,410.00	4,550.92	5,550.00
(ii) Bank overdraft/ Cash credit (refer note 13 (b) (ii))	106.40	0.04	4.24
Subtotal (b)	4,522.40	4,550.96	5,354.24
(c) Other loans			
(i) External commercial borrowings (refer note 13 (c) (i))	-	-	32.68
(ii) Repo borrowing (refer note 13 (c) (ii))	456.56	-	-
Subtotal (c)	456.56	-	32.68
Total (A) = (a+b+c)	9,562.29	8,400.98	9,480.30
(B)			
(a) Borrowings in India			
At amortised Cost	9,562.29	8,400.98	9,480.30
Subtotal (a)	9,562.29	8,400.98	9,480.30
(b) Borrowings outside India			
At amortised Cost	-	-	-
Subtotal (b)	-	-	-
Total (B) = (a+b)	9,562.29	8,400.98	9,480.30



Note 13 (a) (i)

Term loan from Bank as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2019 (₹ in crore)
Bullet	Upto 5 Years	8.01%-9.00%	2,650.00
	Upto 5 Years	9.01% 10.00%	400.00
Half Yearly	Upto 5 Years	8.01%-9.00%	583.33
Quartely	Upto 5 Years	8.01% 9.00%	200.00
Total (a)			3,833.33

Note 13 (a) (iii)

Term loan from financial institutions as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2019 (₹ in crore)
Annually	Upto 5 Years	9.01%-10.00%	750.00
Total (b)			750.00
Total (a+b)			4,583.33

Note 13 (b) (i)

Line of credit from Bank as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2019 (₹ in crore)
Bullet	Up to 5 Years	8.01%-9.00%	799.00
Total (a)			799.00

Note 13 (b) (i)

Line of credit from Bank as on March 31, 2019 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2019 (₹ in crore)
Bullet	Up to 5 Years	8.01%-9.00%	3,141.98
		9.01%-11.00%	475.02
Total (b)			3,617.00
Total (a+b)			4,416.00

Note 13 (b) (ii)

Cash Credit from Bank as on March 31, 2019 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2019 (₹ in crore)
Bullet	Up to 1 Years	9.01%-11.00%	106.38
		8.01%-9.00%	0.02
Total (c)			106.40

Note 13 (c) (ii)

Corporate bond repo as on March 31, 2019 : Secured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2019 (₹ in crore)
Bullet	Up to 1 Month	7.01%-8.00%	228.15
	Above 1 Month	9.01%-10.00%	228.41
Total			456.56





Note 13 (a) (i)

Term loan from Bank as on March 31, 2018 : Secured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2018 (₹ in crore)
Bullet	Upto 5 Years	7.01%-8.00%	400.00
	Upto 5 Years	8.01%-9.00%	2,300.00
Half Yearly	Upto 5 Years	8.01%-9.00%	750.02
Quartely	Upto 5 Years	8.01%-9.00%	400.00
Total (a)			3,850.02

Note 13 (b) (i)

Line of credit from Bank as on March 31, 2018 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2018 (₹ in crore)
Bullet	Up to 5 Years	8.01%-9.00%	3,850.92
Total (a)			3,850.92

Note 13 (b) (i)

Line of credit from Bank as on March 31, 2018 : Secured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2018 (₹ in crore)
Bullet	Up to 5 Years	8.01%-9.00%	700.00
Total (b)			700.00
Total (a+b)			4,550.92

Note 13 (b) (ii)

Cash Credit from Bank as on March 31, 2018 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2018 (₹ in crore)
Bullet	Up to 5 Years	8.01%-9.00%	0.01
	Up to 5 Years	10.00%-11.00%	0.03
Total (b)			0.04



Note 13 (a) (i)

Term loan from Bank as on March 31, 2017 : Secured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2018 (₹ in crore)
Bullet	Up to 5 Years	8.01%-9.00%	2,600.00
	Up to 5 Years	9.01%-10.00%	100.00
Half Yearly	Up to 5 Years	8.01%-9.00%	751.67
	Up to 5 Years	9.01%-10.00%	41.71
Quarterly	Up to 5 Years	8.01%-9.00%	600.00
Total			4,093.38

Note 13 (b) (i)

Line of credit from Bank as on March 31, 2017 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2018 (₹ in crore)
Bullet	Up to 5 Years	8.01%-9.00%	3,050.00
	Up to 5 Years	9.01%-10.00%	700.00
Total (a)			3,750.00

Note 13 (b) (i)

Line of credit from Bank as on March 31, 2017 : Secured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2018 (₹ in crore)
Bullet	Up to 5 Years	7.01%-8.00%	100.00
	Up to 5 Years	8.01%-9.00%	1,500.00
Total (b)			1,600.00
Total (a+b)			5,350.00

Note 13 (b) (ii)

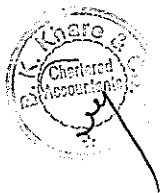
Cash Credit from Bank as on March 31, 2017 : Unsecured

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2017 (₹ in crore)
Bullet	Up to 1 years	9.01%-10.00%	3.21
	Up to 1 years	8.01%-9.00%	0.98
	Up to 1 years	9.01%-10.00%	0.05
Total			4.24

Note 13 (c) (i)

External Commercial Borrowing as on March 31, 2017

Repayment Term	Tenure	Interest Range	Balance as at 31.03.2017 (₹ in crore)
Half Yearly	Up to 5 Years	8.01%-9.00%	32.68
Total			32.68



Note 14 : Subordinated Liabilities		(₹ in crore)		
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
(A)				
At amortised cost				
(a) Perpetual debt Instruments to the extent that do not qualify as equity				
Perpetual debt Instruments (refer note 14 (a))	289.71	289.18	285.78	
Subtotal (a)	289.71	289.18	285.78	
(b) Others				
Debentures (Tier II) (refer note 14 (b))	1,638.90	1,590.66	1,525.78	
Subtotal (b)	1,638.90	1,590.66	1,525.78	
Total (A) = (a+b)	1,928.61	1,879.84	1,811.56	
(B)				
Subordinated liabilities in India				
At amortised cost	1,928.61	1,879.84	1,811.56	
Total (B)	1,928.61	1,879.84	1,811.56	



Note 14 (a) (i)

Unsecured Secured Redeemable Non Convertible Debentures : Perpetual debt instruments

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2019 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series I OF FY 13-14 Tier I	10,00,000.00	29-01-14	50.52	10.35%	29-01-24	Redeemable at the end of 3652 days from the date of allotment
Series X OF FY 15-16 Tier I	10,00,000.00	27-08-15	157.41	9.90%	27-08-25	Redeemable at the end of 3653 days from the date of allotment
Series AL OF FY 15-16 Tier I	10,00,000.00	18-03-16	49.39	9.50%	18-03-26	Redeemable at the end of 3652 days from the date of allotment
Series AO OF FY 15-16 Tier I	10,00,000.00	30-03-16	32.39	9.50%	30-03-26	Redeemable at the end of 3652 days from the date of allotment
Total (a)			289.71			

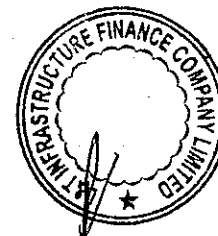
Note 14 (b) (ii)

Unsecured Secured Redeemable Non Convertible Debentures : Subordinate debt instruments

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2019 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series A OF FY 12-13 Tier II	5,00,000.00	30-04-12	217.30	9.90%	29-04-22	Redeemable at the end of 3651 days from the date of allotment
Series J OF FY 13-14 Tier II	10,00,000.00	30-01-14	4.90	9.73%	31-01-24	Redeemable at the end of 3653 days from the date of allotment
Series J OF FY 13-14 Tier II	10,00,000.00	31-01-14	20.32	9.73%	31-01-24	Redeemable at the end of 3652 days from the date of allotment
Series K OF FY 13-14 Tier II	10,00,000.00	08-02-14	4.92	9.73%	09-02-24	Redeemable at the end of 3653 days from the date of allotment
Series K OF FY 13-14 Tier II	10,00,000.00	10-02-14	15.20	9.73%	09-02-24	Redeemable at the end of 3651 days from the date of allotment
Series L OF FY 13-14 Tier II	10,00,000.00	12-02-14	1.88	9.73%	16-02-24	Redeemable at the end of 3655 days from the date of allotment
Series L OF FY 13-14 Tier II	10,00,000.00	13-02-14	11.12	9.73%	16-02-24	Redeemable at the end of 3655 days from the date of allotment
Series L OF FY 13-14 Tier II	10,00,000.00	14-02-14	2.02	9.73%	16-02-24	Redeemable at the end of 3654 days from the date of allotment
Series L OF FY 13-14 Tier II	10,00,000.00	18-02-14	5.06	9.73%	16-02-24	Redeemable at the end of 3650 days from the date of allotment
Series M OF FY 13-14 Tier II	10,00,000.00	28-02-14	0.08	9.73%	14-03-24	Redeemable at the end of 3667 days from the date of allotment
Series O OF FY 13-14 Tier II	10,00,000.00	04-03-14	5.00	9.73%	04-03-24	Redeemable at the end of 3653 days from the date of allotment
Series M OF FY 13-14 Tier II	10,00,000.00	06-03-14	5.02	9.73%	14-03-24	Redeemable at the end of 3661 days from the date of allotment
Series M OF FY 13-14 Tier II	10,00,000.00	07-03-14	0.30	9.73%	14-03-24	Redeemable at the end of 3660 days from the date of allotment
Series M OF FY 13-14 Tier II	10,00,000.00	10-03-14	0.30	9.73%	14-03-24	Redeemable at the end of 3657 days from the date of allotment
Series M OF FY 13-14 Tier II	10,00,000.00	11-03-14	3.01	9.73%	14-03-24	Redeemable at the end of 3656 days from the date of allotment
Series M OF FY 13-14 Tier II	10,00,000.00	12-03-14	0.30	9.73%	14-03-24	Redeemable at the end of 3655 days from the date of allotment
Series M OF FY 13-14 Tier II	10,00,000.00	14-03-14	20.90	9.73%	14-03-24	Redeemable at the end of 3653 days from the date of allotment
Series N FY 2014-15 - Tier II	10,00,000.00	13-11-14	102.90	9.10%	13-11-24	Redeemable at the end of 3653 days from the date of allotment
Series S FY 14-15 Tier II	10,00,000.00	15-01-15	13.32	8.75%	17-01-25	Redeemable at the end of 3655 days from the date of allotment
Series S FY 14-15 Tier II	10,00,000.00	16-01-15	20.34	8.75%	17-01-25	Redeemable at the end of 3654 days from the date of allotment
Series S FY 14-15 Tier II	10,00,000.00	19-01-15	92.92	8.75%	17-01-25	Redeemable at the end of 3651 days from the date of allotment
Series U FY 14-15 Tier II	10,00,000.00	18-02-15	226.52	8.75%	18-02-25	Redeemable at the end of 3653 days from the date of allotment
Series A FY 2015-16 - Tier II	10,00,000.00	16-04-15	47.53	8.90%	17-04-25	Redeemable at the end of 3654 days from the date of allotment
Series A FY 2015-16 - Tier II	10,00,000.00	17-04-15	60.77	8.90%	17-04-25	Redeemable at the end of 3653 days from the date of allotment
Series C FY 2015-16 - Tier II	10,00,000.00	21-04-15	85.98	8.90%	21-04-25	Redeemable at the end of 3653 days from the date of allotment
Series D FY 2015-16 - Tier II	10,00,000.00	22-04-15	48.67	8.90%	22-04-25	Redeemable at the end of 3653 days from the date of allotment
Series G FY 2015-16 - Tier II	10,00,000.00	29-04-15	80.98	8.90%	29-04-25	Redeemable at the end of 3653 days from the date of allotment
Series I FY 2015-16 - Tier II	10,00,000.00	15-05-15	45.27	8.90%	15-05-25	Redeemable at the end of 3653 days from the date of allotment
Series P FY 2015-16 - Tier II	10,00,000.00	03-06-15	64.22	8.87%	03-06-25	Redeemable at the end of 3653 days from the date of allotment
Series AB OF FY 15-16 Tier II	10,00,000.00	15-09-15	20.91	8.90%	15-09-25	Redeemable at the end of 3653 days from the date of allotment
Series H FY 2016-17 - Tier II	10,00,000.00	21-07-16	84.64	8.78%	21-07-26	Redeemable at the end of 3652 days from the date of allotment
Series K FY 2016-17 - Tier II	10,00,000.00	09-08-16	26.31	8.65%	08-08-31	Redeemable at the end of 5477 days from the date of allotment
Series L FY 2016-17 - Tier II	10,00,000.00	12-08-16	26.28	8.63%	12-08-31	Redeemable at the end of 5478 days from the date of allotment
Series P FY 2016-17 - Tier II	10,00,000.00	07-09-16	20.91	8.55%	05-09-31	Redeemable at the end of 5476 days from the date of allotment
Series U OF FY 16-17 Tier II	10,00,000.00	04-01-17	127.04	8.05%	04-01-27	Redeemable at the end of 3652 days from the date of allotment
Series V OF FY 16-17 Tier II	10,00,000.00	30-01-17	15.16	8.05%	29-01-27	Redeemable at the end of 3651 days from the date of allotment
Series B FY 17-18	10,00,000.00	14-07-17	63.13	7.80%	13-07-29	Redeemable at the end of 4382 days from the date of allotment
Series B 18-19	10,00,000.00	31-10-18	46.48	9.10%	31-10-28	Redeemable at the end of 3653 days from the date of allotment
Total (b)			1,638.90			
Total (a+b)			1,928.61			

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 14 (a)**

**Unsecured Secured Redeemable Non Convertible Debentures : Perpetual debt instruments**

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2018 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series I OF FY 13-14 Tier I	10,00,000.00	29-01-14	50.44	10.35%	29-01-24	Redeemable at the end of 3652 days from the date of allotment
Series X OF FY 15-16 Tier I	10,00,000.00	27-08-15	157.15	9.90%	27-08-25	Redeemable at the end of 3653 days from the date of allotment
Series AL OF FY 15-16 Tier I	10,00,000.00	18-03-16	49.26	9.50%	18-03-26	Redeemable at the end of 3652 days from the date of allotment
Series AO OF FY 15-16 Tier I	10,00,000.00	30-03-16	32.32	9.50%	30-03-26	Redeemable at the end of 3652 days from the date of allotment
<b>Total (a)</b>			<b>289.18</b>			

**Note 14 (b)**

**Unsecured Secured Redeemable Non Convertible Debentures : Subordinate debt instruments**

Series Details	Face Value per debenture (₹)	Date of Allotment	Balance as at 31.03.2018 (₹ in crore)	Interest Rate %p.a.	Date of redemption	Redeemable Terms
Series A OF FY 12-13 Tier II	5,00,000.00	30-04-12	217.11	9.90%	29-04-22	Redeemable at the end of 3651 days from the date of allotment
Series K OF FY 13-14 Tier II	10,00,000.00	31-01-14	25.18	9.73%	31-01-24	Redeemable at the end of 3652 days from the date of allotment
Series K OF FY 13-14 Tier II	10,00,000.00	08-02-14	20.08	9.73%	09-02-24	Redeemable at the end of 3653 days from the date of allotment
Series L OF FY 13-14 Tier II	10,00,000.00	12-02-14	20.04	9.73%	16-02-24	Redeemable at the end of 3656 days from the date of allotment
Series O OF FY 13-14 Tier II	10,00,000.00	04-03-14	4.99	9.73%	04-03-24	Redeemable at the end of 3653 days from the date of allotment
Series M OF FY 13-14 Tier II	10,00,000.00	12-03-14	29.88	9.73%	14-03-24	Redeemable at the end of 3655 days from the date of allotment
Series N FY 2014-15 - Tier II	10,00,000.00	13-11-14	102.80	9.10%	13-11-24	Redeemable at the end of 3653 days from the date of allotment
Series S FY 14-15 Tier II	10,00,000.00	19-01-15	126.54	8.75%	17-01-25	Redeemable at the end of 3651 days from the date of allotment
Series U FY 14-15 Tier II	10,00,000.00	18-02-15	225.48	8.75%	18-02-25	Redeemable at the end of 3653 days from the date of allotment
Series A FY 2015-16 - Tier II	10,00,000.00	16-04-15	108.26	8.90%	17-04-25	Redeemable at the end of 3654 days from the date of allotment
Series C FY 2015-16 - Tier II	10,00,000.00	21-04-15	85.99	8.90%	21-04-25	Redeemable at the end of 3653 days from the date of allotment
Series D FY 2015-16 - Tier II	10,00,000.00	22-04-15	48.64	8.90%	22-04-25	Redeemable at the end of 3653 days from the date of allotment
Series G FY 2015-16 - Tier II	10,00,000.00	29-04-15	80.94	8.90%	29-04-25	Redeemable at the end of 3653 days from the date of allotment
Series I FY 2015-16 - Tier II	10,00,000.00	15-05-15	46.26	8.90%	15-05-25	Redeemable at the end of 3653 days from the date of allotment
Series P FY 2015-16 - Tier II	10,00,000.00	03-06-15	64.17	8.87%	03-06-25	Redeemable at the end of 3653 days from the date of allotment
Series AB OF FY 15-16 Tier II	10,00,000.00	15-09-15	20.91	8.90%	15-09-25	Redeemable at the end of 3653 days from the date of allotment
Series H FY 2016-17 - Tier II	10,00,000.00	21-07-16	84.65	8.78%	21-07-26	Redeemable at the end of 3652 days from the date of allotment
Series K FY 2016-17 - Tier II	10,00,000.00	09-08-16	26.30	8.65%	08-08-31	Redeemable at the end of 5477 days from the date of allotment
Series L FY 2016-17 - Tier II	10,00,000.00	12-08-16	26.27	8.63%	12-08-31	Redeemable at the end of 5478 days from the date of allotment
Series P FY 2016-17 - Tier II	10,00,000.00	07-09-16	20.91	8.55%	05-09-31	Redeemable at the end of 5476 days from the date of allotment
Series U OF FY 16-17 Tier II	10,00,000.00	04-01-17	126.99	8.05%	04-01-27	Redeemable at the end of 3652 days from the date of allotment
Series V OF FY 16-17 Tier II	10,00,000.00	30-01-17	15.15	8.05%	29-01-27	Redeemable at the end of 3651 days from the date of allotment
Series B OF FY 17-18 Tier II	10,00,000.00	14-07-17	63.12	7.80%	13-07-29	Redeemable at the end of 4382 days from the date of allotment
<b>Total (a)</b>			<b>1,590.66</b>			
<b>Total (a+b)</b>			<b>3,879.84</b>			

**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 14 (a)

Unsecured, Redeemable, Non Convertible Debentures : Perpetual debt instruments

Series	Face Value per debenture (₹)	Date of allotment	Balance as at 31.03.2017 (₹ in crore)	Interest Rate (%) p.a.	Date of redemption	Redeemable term
Series "I" 2013-14	1,00,00,000	29-Jan-14	50.35	10.35%	29-Jan-24	Redeemable at the end of 3652 days from the date of allotment
Series X OF FY 15-16	10,00,000	27-Aug-15	156.89	9.90%	27-Aug-25	Redeemable at the end of 3653 days from the date of allotment
Series AL OF FY 15-16	10,00,000	18-Mar-16	49.14	9.50%	18-Mar-26	Redeemable at the end of 3652 days from the date of allotment
Series AO OF FY 15-16	10,00,000	30-Mar-16	29.40	9.50%	30-Mar-26	Redeemable at the end of 3652 days from the date of allotment
Total (a)			285.78			

Note 14 (b)

Unsecured, Redeemable, Non Convertible Debentures : Subordinate debt instruments

Series	Face Value per debenture (₹)	Date of allotment	Balance as at 31.03.2017 (₹ in crore)	Interest Rate (%) p.a.	Date of redemption	Redeemable term
Series "A" 2012-13	1,00,00,000	30-Apr-12	216.76	9.90%	29-Apr-22	Redeemable at the end of 3651 days from the date of allotment
Series "J" 2013-14	1,00,00,000	31-Jan-14	25.14	9.73%	31-Jan-24	Redeemable at the end of 3652 days from the date of allotment
Series "K" 2013-14	1,00,00,000	10-Feb-14	20.06	9.73%	9-Feb-24	Redeemable at the end of 3651 days from the date of allotment
Series "L" 2013-14	1,00,00,000	18-Feb-14	20.01	9.73%	16-Feb-24	Redeemable at the end of 3650 days from the date of allotment
Series "O" 2013-14	1,00,00,000	04-Mar-14	4.98	9.73%	4-Mar-24	Redeemable at the end of 3653 days from the date of allotment
Series "M" 2013-14	1,00,00,000	14-Mar-14	29.83	9.73%	14-Mar-24	Redeemable at the end of 3653 days from the date of allotment
Series "N" 2014-15	10,00,000	13-Nov-14	102.52	9.10%	13-Nov-24	Redeemable at the end of 3653 days from the date of allotment
Series "S" 2014-15	10,00,000	19-Jan-15	126.34	8.75%	17-Jan-25	Redeemable at the end of 3651 days from the date of allotment
Series "U" 2014-15	10,00,000	18-Feb-15	224.89	8.75%	18-Feb-25	Redeemable at the end of 3653 days from the date of allotment
Series A FY 2015-16	10,00,000	17-Apr-15	108.20	8.90%	17-Apr-25	Redeemable at the end of 3653 days from the date of allotment
Series C FY 2015-16	10,00,000	21-Apr-15	85.96	8.90%	21-Apr-25	Redeemable at the end of 3653 days from the date of allotment
Series D FY 2015-16	10,00,000	22-Apr-15	48.65	8.90%	22-Apr-25	Redeemable at the end of 3653 days from the date of allotment
Series G FY 2015-16	10,00,000	29-Apr-15	80.95	8.90%	29-Apr-25	Redeemable at the end of 3653 days from the date of allotment
Series I FY 2015-16	10,00,000	15-May-15	46.23	8.90%	15-May-25	Redeemable at the end of 3653 days from the date of allotment
Series P FY 2015-16	10,00,000	03-Jun-15	64.18	8.87%	3-Jun-25	Redeemable at the end of 3653 days from the date of allotment
Series AB OF FY 15-16	10,00,000	15-Sep-15	20.91	8.90%	15-Sep-25	Redeemable at the end of 3653 days from the date of allotment
Series H FY 2016-17	10,00,000	21-Jul-16	84.62	8.78%	21-Jul-26	Redeemable at the end of 3652 days from the date of allotment
Series K FY 2016-17	10,00,000	09-Aug-16	26.29	8.65%	8-Aug-31	Redeemable at the end of 5477 days from the date of allotment
Series L FY 2016-17	10,00,000	12-Aug-16	26.27	8.63%	12-Aug-31	Redeemable at the end of 5478 days from the date of allotment
Series P FY 2016-17	10,00,000	07-Sep-16	20.90	8.55%	5-Sep-31	Redeemable at the end of 5476 days from the date of allotment
Series U OF FY 16-17	10,00,000	04-Jan-17	126.95	8.05%	4-Jan-27	Redeemable at the end of 3652 days from the date of allotment
Series V OF FY 16-17	10,00,000	30-Jan-17	15.15	8.05%	29-Jan-27	Redeemable at the end of 3651 days from the date of allotment
Total (b)			1,525.78			
Total (a+b)			1,811.56			

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



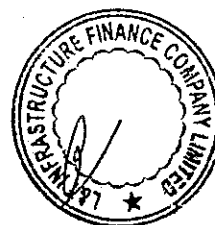
L&T Infrastructure Finance Company Limited  
Notes forming part of financial statements

Note 15 : Other financial liabilities			
(₹ in crore)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Other payables			
Unclaimed infrastructure bonds application money	14.42	13.61	10.87
Unclaimed interest on infrastructure bonds*	0.00	0.63	0.72
Dividend payable	-	151.46	86.00
Liabilities for expenses	19.30	13.04	11.89
Other payables	0.09	-	-
<b>Total</b>	<b>33.81</b>	<b>178.74</b>	<b>109.48</b>

\* Amount is less than ₹ 0.50 lacs

Note 16 : 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	2.37	1.80	1.82
Gratuity (net liability)	0.49	-	0.27
<b>Total</b>	<b>2.86</b>	<b>1.80</b>	<b>2.09</b>

Note 17 : Other non-financial liabilities			
(₹ in crore)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Others			
Dividend distribution tax payable	-	30.83	17.51
Statutory liabilities	4.29	13.75	5.19
<b>Total</b>	<b>4.29</b>	<b>44.58</b>	<b>22.69</b>



Particulars	As at 31-03-2019		As at 31-03-2018		As at 01-04-2017	
	Number	₹ in crore	Number	₹ in crore	Number	₹ in crore
<b>Authorised</b>						
Equity shares of ₹ 10 each	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
<b>Issued, Subscribed &amp; Paid up shares</b>						
Equity shares of ₹ 10 each	1,25,53,00,609	1,255.30	98,99,13,695	989.91	89,20,87,609	892.09
<b>Total Issued, Subscribed &amp; Paid up shares capital</b>	<b>1,25,53,00,609</b>	<b>1,255.30</b>	<b>98,99,13,695</b>	<b>989.91</b>	<b>89,20,87,609</b>	<b>892.09</b>

## (b) Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	2018-19		2017-18	
	Number	₹ in crore	Number	₹ in crore
Shares outstanding at the beginning of the year	98,99,13,695	989.91	89,20,87,609	892.09
Shares issued during the year	26,53,86,914	265.39	9,78,26,086	97.82
Shares outstanding at the end of the year	<b>1,25,53,00,609</b>	<b>1,255.30</b>	<b>98,99,13,695</b>	<b>989.91</b>

## (c) 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, during the year, the Company has declared interim dividend of ₹ Nil per equity share in FY 18-19 (previous year: ₹1.53 per equity share in 17-18, ₹0.964 per equity share in 16-17).

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.

## (d) Equity shares in the Company held by the holding company

Particulars	As at 31-03-2019		As at 31-03-2018		As at 01-04-2017	
	Number	₹ in crore	Number	₹ in crore	Number	₹ in crore
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its nominees.	1,25,53,00,609	1,255.30	98,99,13,695	989.91	89,20,87,609	892.09

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

Particulars	As at 31-03-2019		As at 31-03-2018		As at 01-04-2017	
	Number	% Holding	Number	% Holding	Number	% Holding
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its nominees.	1,25,53,00,609	100%	98,99,13,695	100%	89,20,87,609	100%





**Note 19 : Other equity**

(₹ in crore)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Debenture redemption reserve <sup>1</sup>	314.06	297.47	288.49
Securities premium account	2,168.22	1,134.51	782.79
General reserves <sup>2</sup>	96.39	67.13	51.13
Reserve u/s 45-IC of Reserve Bank of India Act, 1934 <sup>3</sup>	431.28	484.90	369.72
Reserve u/s 36(1)(viii) of Income tax Act, 1961 <sup>4</sup>	542.38	491.41	453.16
Retained earnings	(876.68)	(965.38)	(842.73)
Debt instruments through other comprehensive income	(0.26)	0.05	-
Remeasurements of the net defined benefit plans	(0.33)	(0.11)	(0.13)
Hedging reserve	-	-	0.03
<b>Total</b>	<b>2,675.06</b>	<b>1,409.98</b>	<b>1,102.46</b>

1. Debenture redemption reserve: As the Company has issued redeemable non-convertible debentures, it has created Debenture Redemption Reserve out of the profits available for payment of dividend in accordance with the provision 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.

**Note 20 : Contingent liabilities**

(₹ in crore)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
(a) Claims against the Company not acknowledged as debt:			
1. Income Tax matter in dispute*	7.95	7.95	7.95
2. Service Tax matter in dispute*	4.65	4.65	4.65
3. Legal matter in dispute	6.17	0.01	0.00
(b) Bank and Other Guarantees	461.03	229.18	50.00
(c) Other money for which the Company is contingently liable:			
1. Liability towards Letter of Comfort	299.85	333.79	500.82
2. Liability towards Letter of Credit	28.58	1,208.40	241.76
<b>Total</b>	<b>808.22</b>	<b>1,783.97</b>	<b>805.17</b>

\*In respect of disputes, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

**Note 21 : Commitments**

(₹ in crore)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Undisbursed commitment	85.62	132.62	621.62
Capital commitment	5.39	172.76	165.17
<b>Total</b>	<b>91.00</b>	<b>305.38</b>	<b>786.79</b>



Note 22 : Interest income

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>On financial assets measured at:</b>		
<b>Amortised cost</b>		
Interest on loans	1,580.94	1,708.50
Interest income from investments	13.16	-
Interest on deposits with banks	8.51	3.71
Other interest income	0.01	-
Interest on security deposit	0.60	0.56
<b>Fair value through profit or loss</b>		
Interest on loans	924.60	530.87
Interest income from investments	14.69	2.71
<b>Fair value through OCI</b>		
Interest income from investments	2.75	21.62
<b>Total</b>	<b>2,545.26</b>	<b>2,267.97</b>

Note 23 : Dividend income

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend income on equity shares	-	0.66
Dividend on preference shares*	-	0.00
<b>Total</b>	<b>0.00</b>	<b>0.66</b>

\* Amount is less than ₹ 0.50 lacs

Note 24 : Fees and commission income

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consultancy fees and financial advisory fee	271.92	373.49
<b>Total</b>	<b>271.92</b>	<b>373.49</b>



**Note 25 : Other income**

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Corporate support charges/hold period fee	5.75	5.44
Cross sale Income	40.49	8.40
Other Income	0.59	10.87
<b>Total</b>	<b>46.83</b>	<b>24.71</b>

**Note 26 : Finance costs**

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>On Financial liabilities measured at amortised cost</b>		
Interest on debt securities	1,075.64	1,012.94
Interest on borrowings	683.97	534.46
Interest on subordinated liabilities	165.12	162.14
Ancillary borrowing costs	15.97	21.95
Interest cost on gratuity	(0.01)	0.02
Interest cost on leave encashment	0.13	0.13
<b>Total</b>	<b>1,940.82</b>	<b>1,731.64</b>

**Note 27 : Net loss on fair value changes**

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(A) Net loss on financial instruments at fair value</b>		
(i) On trading portfolio through profit or loss		
(Gain)/loss on sale/other income on Investment	30.29	(125.42)
Fair value changes on Investments	349.15	135.22
(Gain)/loss on sell down on loan assets	(0.11)	(6.30)
Fair value changes on loans assets	(0.49)	8.25
<b>Subtotal (i)</b>	<b>378.84</b>	<b>11.75</b>
(ii) On fair value through OCI portfolio		
(Gain)/loss on sale/other income on Investment	(4.30)	20.89
<b>Subtotal (ii)</b>	<b>(4.30)</b>	<b>20.89</b>
<b>Total (A) = (i+ii)</b>	<b>374.54</b>	<b>32.64</b>
<b>(B) Fair value changes:</b>		
-Realised	25.88	(110.83)
-Unrealised	348.66	143.47
<b>Total Net loss on fair value changes (B)</b>	<b>374.54</b>	<b>32.64</b>

**Note 28 : Net loss on derecognition of financial instruments under amortised cost category**

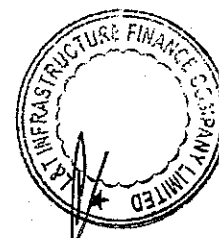
(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bad debts and advances written off	554.11	356.37
Less: Provision held reversed on derecognition of financial instruments	(545.31)	(205.91)
(Gain)/loss on sell down on loan assets	(0.07)	(0.46)
(Gain)/loss on sale/other income on Investment	(0.30)	(39.31)
<b>Total</b>	<b>8.43</b>	<b>110.69</b>

**Note 29 : Impairment on financial instruments**

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Loans</b>		
On Financial instruments measured at:		
<b>Amortised cost</b>		
Provision for bad and doubtful debts	3.42	-
Allowance for expected credit losses	(556.84)	325.79
Add: Provision held reversed on derecognition of financial instruments	545.31	205.91
<b>Total</b>	<b>(8.11)</b>	<b>531.70</b>



**Note 30 : Employee benefits expenses**

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries	39.59	32.99
Contribution to provident and other funds	1.54	1.39
Share based payments to employees	8.11	5.49
Staff welfare expenses	0.82	1.00
Gratuity expense	0.45	0.42
<b>Total</b>	<b>50.51</b>	<b>41.29</b>

**Note 31 : Other Expenses**

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	14.20	13.57
Property maintenance and other charges	5.22	4.92
Telephone and communication	0.55	0.88
Printing and stationery	0.60	0.07
Membership and subscription	0.13	0.12
Training and conference	0.18	0.10
Travelling and conveyance	1.23	1.16
Professional fees	26.47	29.58
Auditors' remuneration (refer note a below)	0.44	0.45
Directors' fees	0.29	0.30
Commission to non-executive directors	0.30	0.63
Rates and taxes	0.55	0.15
Brand license fee	12.65	4.38
Management fees	4.45	2.13
Repairs and maintenance - IT assets	1.87	2.36
Corporate social responsibility expenses	2.99	4.53
Miscellaneous expenses	2.52	0.84
Donation	0.18	-
<b>Total</b>	<b>74.82</b>	<b>66.17</b>

**Note: Auditors' remuneration comprises the following (net of service tax/ GST set off):**

(₹ in crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory audit fees	0.16	0.15
Limited review fees	0.16	0.15
Tax audit fees	0.04	0.04
Other services	0.08	0.11
<b>Total</b>	<b>0.44</b>	<b>0.45</b>

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 audit fees	0.16
Limited review fees	0.16
Tax audit fees	0.04
Other services	0.08
<b>Total</b>	<b>0.44</b>



Disclosure pursuant to Ind AS 101 "First time adoption of Indian Accounting Standards"

Note 32 : Statement of reconciliation of equity under Ind AS and equity reported under I-GAAP

(₹ in crore)

Particulars	Note	As at 31 March 2018	As at 01 April 2017
Equity as per I-GAAP		3,348.22	2,880.84
Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	B	(0.17)	(1.68)
Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	A	184.71	265.67
Interest Income recognised on stage 3 loans	E	309.94	197.76
Incremental provision on application of expected credit loss model	C	(2,043.30)	(1,962.72)
Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	D	17.21	15.05
Others		0.65	0.62
Deferred tax impact on above adjustments	G	590.62	600.01
Equity as per Ind AS		2,399.89	1,994.55

Statement of reconciliation of total comprehensive income for the period ended March 31, 2018:

(₹ in crore)

Particulars	Note	As at 31 March 2018
Net Profit after tax as per I-GAAP		75.89
Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value	B	(5.49)
Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution	A	(92.41)
Interest Income recognised on stage 3 loans	E	112.17
Incremental provision on application of expected credit loss model	C	(80.57)
Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account	D	(3.72)
Reversal of amortised loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings	H	139.45
Others		0.19
Deferred tax impact on above adjustments	G	(7.33)
		138.18

Statement of reconciliation of cash flows for the period ended March 31, 2018:

(₹ in crore)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash from/(used in) operating activities	(1,239.23)	2.13	(1,241.36)
Net cash from/(used in) investing activities*	495.43	2.66	492.77
Net cash from/(used in) financing activities	998.04	(0.00)	998.04
Net increase/(decrease) in cash and cash equivalents*	254.23	4.79	249.45
Cash and cash equivalents at the beginning of the year*	118.25	11.59	106.66
Cash and cash equivalents at the end of the year*	372.48	16.37	356.11

Notes:

- 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.
- A. 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. 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.
- 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.
- D. 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).
- E. 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.
- F. 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.
- G. Under the Previous GAAP, any shortfall of sale value over the net amortised value on sale of credit impaired assets to Reconstruction Company, the Company has 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. However under Ind AS same has been recognised on sale date.



Note 33 Disclosure pursuant to Ind AS 19 "Employee Benefits" :

(i) Defined Contribution plans :

The Company's state governed provident fund scheme are defined contribution plan for its employees 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 vests immediately on rendering of services by the employee.

The Company recognise charges of ₹ 1.54 Crores (previous year ₹ 1.39 Crores) for provident fund contribution 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:

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	2.50	1.89	1.57
- Wholly unfunded	-	-	-
	2.50	1.89	1.57
Less : Fair Value of plan assets	(2.01)	(2.02)	(1.30)
Add : Amount not recognised as an asset	-	-	-
Amount to be recognised as liability or (asset)	0.49	(0.13)	0.27
B) Amounts reflected in Balance Sheet			
Liabilities	0.49	-	0.27
Assets	-	(0.13)	-
Net liability/(asset)	0.49	(0.13)	0.27
Net liability/(asset) - current	-	-	-
Net liability/(asset) - non-current	0.49	(0.13)	0.27

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

Particulars	Gratuity Plan	
	As at March 31, 2019	As at March 31, 2018
1 Current Service Cost	0.45	0.42
2 Interest Cost	(0.01)	0.02
3 Interest Income on Plan Assets	-	-
4 Actuarial losses/(gains) - others	0.22	0.13
5 Actuarial losses/(gains) - difference between actuarial return on plan assets and interest income	0.11	(0.02)
Total (1 to 5)	0.77	0.55
i Amount included in "employee benefits expenses"	0.45	0.42
ii Amount included in as part of "finance cost"	(0.01)	0.02
iii Amount included as part of "Other Comprehensive income"	0.33	0.11
Total (i + ii + iii)	0.77	0.55

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

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	1.89	1.57	1.45
Add : Current Service Cost	0.45	0.42	0.41
Add : Interest Cost	0.14	0.11	0.11
Add : Actuarial losses/(gains)			
i) Actuarial (gains)/losses arising from changes in financial assumptions	0.08	0.20	0.09
ii) Actuarial (gains)/losses arising from changes in demographic assumptions	0.00	(0.09)	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	0.14	0.01	0.03
Less : Benefits paid	(0.22)	(0.35)	(0.57)
Add : Past service cost	-	-	-
Add : Liability assumed/(settled)*	0.02	(0.00)	0.04
Add/(less) : Translation adjustments	-	-	-
Closing balance of the present value of defined benefit obligation	2.50	1.89	1.57

\*On account of inter group transfer during the year



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

(₹ in Crores)

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	2.02	1.30	1.31
Add : Interest Income of plan assets	0.15	0.10	0.11
Add/(less) : Actuarial gains/(losses) (Difference between actual return on plan assets and interest income)	(0.11)	0.02	(0.00)
Add : Contribution by the employer	0.17	0.95	0.46
Add/(less) : Contribution by plan participants	-	-	-
Less : Benefits paid	(0.22)	(0.35)	(0.57)
Closing balance of plan assets	2.01	2.02	1.30

- (e) The fair value of major categories of plan assets are as follows:

(₹ in Crores)

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1 Insurer Managed Funds (Unquoted)	2.01	2.02	1.30
2 Others	-	-	-

- (f) Principal actuarial assumptions at the valuation date:

Particulars	Gratuity Plan		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1 Discount rate (per annum)	7.10%	7.60%	7.40%
2 Salary escalation rate (per annum)	9.00%	9.00%	7.00%

- (A) Discount rate:

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 5% to 20% (previous year: 5% to 20%) 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 Crores)

Particulars	Gratuity Plan			
	Effect of 1% increase		Effect of 1% decrease	
	2018-19	2017-18	2018-19	2017-18
1 Discount rate (per annum)	(0.16)	(0.12)	0.18	0.13
2 Salary escalation rate (per annum)	0.17	0.13	(0.16)	(0.12)



Note 34 Disclosure of related parties/related party transactions 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. Subsidiary Companies

3. L&T Infra Investment Partners Advisory Private Limited
4. L&T Infra Investment Partners

D. Fellow Subsidiary Companies

5. L&T Finance Limited
6. L&T Infotech Limited
7. L&T Capital Markets Limited
8. L&T Housing Finance Limited
9. L&T Investment Management Limited
10. L&T Financial Consultants Limited
11. L&T Electromech LLC
12. L&T ENC Hydrocarbon Limited
13. L&T Sargent & Lundy Limited

E. Associates

14. L&T Infra Debt Fund Limited
15. Feedback Infra Private Limited (upto March 14, 2018)

F. Key Management Personnel

16. Mr. Virender Pankaj
17. Mr. S.H.Bhojani *(Ceased to be a Director with effect from May 23, 2018)*
18. Mr. A.K Jain *(Ceased to be a Director with effect from April 01, 2019)*
19. Mr. Pradip Roy *(Ceased to be a Director with effect from May 28, 2018)*
20. Mr. Pradeep Kumar Panja *(Ceased to be a Director with effect from June 08, 2018)*
21. Mr. Thomas Mathew T.
22. Mr. Pavinder Singh *(Ceased to be a Director with effect from July 08, 2017)*
23. Mr. Rishi Mandawat *(Appointed as Director with effect from July 08, 2017)*
24. Ms Falguni Nayar *(Ceased to be a Director with effect from March 19, 2018)*
25. Ms Nishi Vasudeva *(Appointed as Director with effect from April 06, 2018)*

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No.	Nature of Transaction*	2018-19	2017-18
1	Inter corporate deposits borrowed		
	L&T Finance Holdings Limited	2,754.75	4,073.00
	L&T Finance Limited	75.00	100.00
	L&T Housing Finance Limited	-	212.00
	L&T Investment Management Limited	-	47.20
	L&T Capital Markets Limited	-	7.15
	L&T Infra Investment Partners Advisory Private Limited	-	16.40
2	Inter corporate deposits repaid (including interest)		
	L&T Finance Holdings Limited	2,759.11	4,079.71
	L&T Finance Limited	75.04	100.02
	L&T Housing Finance Limited	-	212.08
	L&T Investment Management Limited	-	47.24
	L&T Capital Markets Limited	-	7.17
	L&T Infra Investment Partners Advisory Private Limited	-	16.48
3	Interest expense on inter corporate deposits		
	L&T Finance Holdings Limited	4.36	6.71
	L&T Finance Limited	0.04	0.02
	L&T Housing Finance Limited	-	0.08
	L&T Investment Management Limited	-	0.04
	L&T Capital Markets Limited	-	0.02
	L&T Infra Investment Partners Advisory Private Limited	-	0.08
4	Inter corporate deposits given		
	L&T Finance Limited	410.00	1,370.00
	L&T Housing Finance Limited	10.00	338.00
	L&T Financial Consultants Limited	-	52.00
	L&T Finance Holdings Limited	469.00	-





Note 34 Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

(₹ in crore)

Sr. No.	Nature of Transaction*	2018-19	2017-18
5	Inter corporate deposits received back		
	L&T Finance Limited	410.35	1,407.12
	L&T Housing Finance Limited	10.01	338.32
	L&T Finance Holdings Limited	469.44	-
	L&T Financial Consultants Limited	52.14	-
6	Interest received on inter corporate deposits		
	L&T Finance Limited	0.35	2.12
	L&T Housing Finance Limited	0.01	0.32
	L&T Finance Holdings Limited	0.44	-
	L&T Financial Consultants Limited	0.13	0.01
7	Distribution towards Interest		
	L&T Infra Investment Partners	6.93	-
8	Asset management fee/corporate support charges		
	L&T Infra Debt Fund Limited	-	0.27
	L&T Infra Investment Partners Advisory Private Limited	5.75	5.18
9	Corporate support charges paid		
	L&T Finance Holdings Limited	4.09	1.96
10	Branch sharing cost paid to		
	L&T Finance Limited	0.23	0.17
	L&T Financial Consultants Limited	15.78	14.49
11	Professional fees and other expenses paid		
	Larsen & Toubro Limited	0.46	0.66
	L&T Infotech Limited	0.27	0.50
	L&T Finance Holdings Limited	-	0.08
	L&T Sargent & Lundy Limited	-	0.09
12	Sale of loan portfolio		
	L&T Finance Limited	120.02	963.00
	L&T Infra Debt Fund Limited	337.16	903.06
	L&T Housing Finance Limited	-	529.42
13	Purchase of loan portfolio		
	L&T Finance Limited	1,514.86	662.12
	L&T Housing Finance Limited	303.32	-
14	Brand license fees		
	Larsen & Toubro Limited	11.93	4.13
15	Sale of Investment		
	L&T Finance Limited	-	330.00
16	ESOP Cost		
	L&T Finance Holdings Limited	8.11	5.49
17	Dividend income received		
	Feedback Infra Private Limited	-	0.66
18	Sitting fees received		
	Feedback Infra Private Limited	-	0.03
19	Dividend paid		
	L&T Finance Holdings Limited	-	151.46
20	Redemption in fund		
	L&T Infra Investment Partners	1.35	-
21	Security deposit received back		
	L&T Financial Consultants Limited	2.07	-
22	Interest on security deposit		
	L&T Financial Consultants Limited	0.60	-
23	Equity capital infused (including securities premium)		
	L&T Finance Holdings Limited	1,300.40	450.00
24	Investment in equity share		
	L&T Infra Debt Fund Limited	-	33.86



Note 34 Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

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. Virender Pankaj	3.58	-	-	3.58	3.11	-	-	3.11
Mr. S.H. Bhojani	0.07	-	-	0.07	0.20	-	-	0.20
Mr. A.K. Jain	0.15	-	-	0.15	0.14	-	-	0.14
Mr. Pradip Roy	0.04	-	-	0.04	0.17	-	-	0.17
Mr. Pradeep Kumar Panja	0.02	-	-	0.02	0.10	-	-	0.10
Mr. Thomas Mathew T.	0.15	-	-	0.15	0.08	-	-	0.08
Mr. Pavinder Singh	-	-	-	-	0.02	-	-	0.02
Mr. Rishi Mandawat	0.07	-	-	0.07	0.07	-	-	0.07
Ms. Falguni Nayar	-	-	-	-	0.04	-	-	0.04
Ms. Nishi Vasudeva	0.16	-	-	0.16	-	-	-	-

(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 1st April, 2017
1	Inter corporate deposit			
	L&T Finance Limited	-	-	35.01
	L&T Financial Consultants Limited	-	52.01	-
2	Brand license fees payable			
	Larsen & Toubro Limited	12.65	4.38	2.40
3	Account payable			
	Larsen & Toubro Limited	0.17	0.07	0.15
	L&T Electromech LLC	-	0.02	0.02
	L&T Infotech Limited	0.02	-	0.05
	L&T ENC Hydrocarbon Limited	0.02	0.02	0.02
	L&T Infra Debt Fund Limited	0.33	-	0.03
	L&T Finance Limited	0.03	0.67	-
	L&T Investment Management Limited	-	0.01	-
	L&T Finance Holdings Limited	1.02	8.17	2.68
	L&T Housing Finance Limited	0.03	-	0.02
	L&T Financial Consultants Limited	-	0.01	-
4	Account receivable			
	L & T Infra Debt Fund Limited	0.38	-	-
	L&T Financial Consultants Limited	5.14	-	-
	L&T Infra Investment Partners	1.08	-	-
	L&T Infra Investment Partners Advisory Private Limited	0.03	-	-
	L & T Finance Limited	0.04	0.14	0.44

\* 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.

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)

Financial Year	Total cost incurred by Holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged to statement of profit and loss for the year	Expenses charged to retained earning on transition date April 1, 2017	Remaining expenses to be recovered in future periods
(A)	(B)	(C)	(D)	(E)	(F) = (B-C)
March 31, 2019	31.64	18.03	8.11	-	13.62
March 31, 2018	17.38	9.92	5.49	-	7.46
April 1, 2017	7.66	4.43	-	2.68	3.23



Note 35a Disclosure pursuant to Ind AS 108 "Operating Segment"

(i) The company has identified operating segments is 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 :

Housing Business comprises of loan against property and real estate finance.

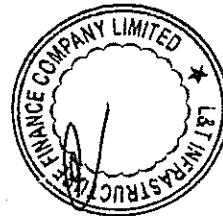
Wholesale Business comprises of Infrastructure finance and structured corporate loans.

Unallocated represents tax assets and tax liabilities

Sr. No.	Particulars	Housing Business		Wholesale Business		TOTAL	
		For the year ended / As at 31st March, 2019	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2019	For the year ended / As at 31st March, 2018	For the year ended / As at 31st March, 2019	For the year ended / As at 31st March, 2018
1.	Revenue	452.78	260.51	2,364.40	2,381.62	2,817.18	2,642.12
2.	Less : Inter segment revenue	-	-	-	-	-	-
3.	Total revenue (1) - (2)	452.78	260.51	2,364.40	2,381.62	2,817.18	2,642.12
4.	Segment result	249.44	160.83	172.43	(9.26)	421.88	151.57
5.	Unallocable expenses	-	-	-	-	-	-
6.	Operating profit (4)-(5)	249.44	160.83	172.43	(9.26)	421.88	151.57
7.	Income tax expenses (including deferred tax)	-	-	-	-	-	-
8.	Net profit (6)-(7)	249.44	160.83	172.43	(9.26)	421.88	151.57
9.	Segment assets	3,679.95	2,251.08	23,430.08	21,495.11	27,110.02	23,746.19
10.	Unallocable assets <sup>1</sup>	-	-	-	-	1,298.75	1,341.37
11.	Total assets (9) + (10)	3,679.95	2,251.08	23,430.08	21,495.11	28,408.77	25,087.56
12.	Segment liabilities	3,320.23	2,150.79	21,158.18	20,537.39	24,478.41	22,688.17
13.	Unallocable liabilities	-	-	-	-	-	-
14.	Total liabilities (12)+(13)	3,320.23	2,150.79	21,158.18	20,537.39	24,478.41	22,688.17
15.	Capital Expenditure (tangible and intangible fixed assets)	1.54	0.60	11.65	6.55	13.29	7.15
16.	Depreciation & amortisation expenses (included in segment expense)	0.12	0.06	1.00	1.07	1.12	1.13

Notes:

1) Included current tax assets (net) and deferred tax assets (net)



Note 36 : Disclosure pertaining to Corporate Social Responsibility (CSR) related activities

(₹ in crore)

CSR project or programme	2018-19	2017-18
a) Gross amount required to be spent during the year	2.99	4.53
b) Amount spent during the year		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	2.99	4.53
<b>Total</b>	<b>2.99</b>	<b>4.53</b>

Note 37 : Disclosure pursuant to Ind AS 17 "Leases"

Operating leases

The Company holds certain premises under operating leases. Rent includes net of expenses of ₹ 14.20 crores (previous year ₹13.57 crores). The committed lease rentals on non-cancellable operating lease in future are:

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
1	Not later than 1 year	0.91	10.39	12.26
2	Later than 1 year and not later than 5 years	-	0.91	13.95
3	Later than 5 years	-	-	-
	<b>Total</b>	<b>0.91</b>	<b>11.30</b>	<b>26.21</b>

Note 38 : Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per Share"

(₹ in crore)

Sr. No.	Particulars	2018-19	2017-18
1	Basic earnings per share		
	Profit after tax as per accounts (₹ lakhs)	231.89	138.18
	Weighted average number of equity shares outstanding	1,09,63,42,679	89,50,35,792
	Basic EPS per share (₹)	2.12	1.54
2	Diluted earnings per share		
	Profit after tax as per accounts (₹ lakhs)	231.89	138.18
	Weighted average number of equity shares outstanding	1,09,63,42,679	89,50,35,792
	Diluted EPS per share (₹)	2.12	1.54
	Face value per share (₹)	10.00	10.00

Note 39 : Expenditure in foreign currencies

(₹ in crore)

Sr. No.	Particulars	2018-19	2017-18
1	Miscellaneous expenses	0.13	0.25
2	Professional fees	-	5.50
3	Fee sharing	1.81	-

Note 40 :

The Company has invoked pledge of equity shares in the following borrower companies, pledged with it as collateral by the borrowers and these shares are being held by the Company as bailee. As and when the shares are sold, the proceeds would be adjusted against the overdue portion of the loan then remaining outstanding.

Sr. No.	Borrower Name	No. of shares held as bailee		
		2018-19	2017-18	2016-17
1	Hanjer Biotech Energies Private Limited	3,25,096	3,25,096	3,25,096
2	VMC Systems Ltd	1,79,608*	1,79,608*	1,79,608*
3	KSK Energy Ventures Limited	3,08,446	5,27,937	2,26,813
4	KSK Mahanadi Power Co Limited	5,96,052	5,96,052	-

\*Excluding 5,38,128 shares held on behalf of L&T Finance Limited

Note 41 : Foreign currency exposure

The Company has entered into currency swap transactions with a view to convert its USD borrowings into Indian rupee borrowing. Accordingly, the Company has revalued the foreign currency borrowing and currency swap at the balance sheet date in previous year.

Sr. No.	Particulars	2018-19	2017-18	2016-17
1	Liability - External Commercial Borrowings	-	-	USD 5,000,000
2	Assets - Currency Swap	-	-	USD 5,000,000

Note 42 :

During the year the Company has charged-off share issue expenses of ₹ 1.30 crore (previous year ₹ 0.45 crore) to the Securities Premium Account in accordance with Section 52 of the Companies Act, 2013.



**Note 43: Financial Risk Management and disclosures****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 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 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.

**Wholesale (Infrastructure Finance and Structured Corporate Finance) and Housing (Real Estate)**

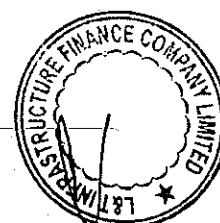
The Company uses internal credit risk grading (17 levels for loans which are not credit impaired and 1 level for loans considered to be credit impaired) that reflect its assessment of the PD of individual counterparties in respect of its "Wholesale" segment. The Company use internal rating models tailored 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.

**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 25% and 5% respectively while the Central Scenario has been assigned a probability of 70%. The Central scenario is based on the Company outlook of GDP growth, inflation 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 on account of policy reforms for infrastructure sector and resolution of stressed assets. The Downside scenario reflects potential slowdown in economic growth.

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 is considerations for portfolio held by the Company:

**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.

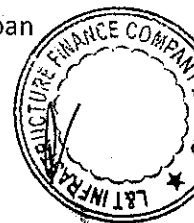
Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

As at 31 March 2019, the Company's net exposure to credit risk, after taking into account credit risk mitigation is disclosed in note 45 of notes to account of financials statements.

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 some companies (refer note 40 of notes to accounts of financial statement for detail), 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.

**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.

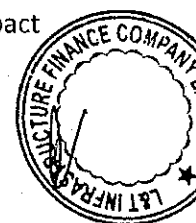
Additionally, the Company has line of credit from the ultimate parent, Larsen & Toubro Limited.

**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



## L&T Infrastructure Finance Company Limited

Notes forming part of the financial statements

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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 43 : Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures:"  
(a) Stage wise gross carrying amount and expected credit loss - Loans:

Sr. No.	Particulars	Loss allowance measured at 12-month ECL	Loss allowance measured at lifetime ECL	
			Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired
I	As on April 1, 2017			
	Estimated gross carrying amount at default	11,208.44	199.53	5,717.67
	Expected Credit Loss	(56.34)	(4.83)	(2,900.20)
	Carrying amount net of impairment provision	11,151.92	194.70	2,817.47
II	As on March 31, 2018			
	Estimated gross carrying amount at default	10,697.99	1,152.32	4,847.16
	Expected Credit Loss	(45.69)	(93.34)	(3,148.31)
	Carrying amount net of impairment provision	10,652.30	1,058.98	1,698.85
III	As on March 31, 2019			
	Estimated gross carrying amount at default	11,013.08	1,073.65	4,196.52
	Expected Credit Loss	(35.24)	(90.22)	(2,605.04)
	Carrying amount net of impairment provision	10,977.84	983.43	1,591.48

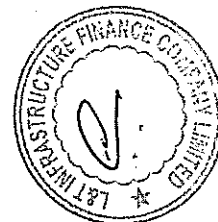
Reconciliation of gross carrying amount - Loans:

Sr. No.	Particulars	Stage		
		Stage 1	Stage 2	Stage 3
I	Gross carrying amount as on April 1, 2017	11,208.44	199.53	5,717.67
	New financial assets	3,537.88	295.58	-
	Transferred to and from 12-month to lifetime			
	Transfers to Stage 1	260.89	(60.90)	(199.98)
	Transfers to Stage 2	(705.38)	761.74	(56.36)
	Transfers to Stage 3	-	-	-
	Amount written off	-	-	(356.37)
	Net recovery*	(3,751.75)	(16.50)	(750.36)
	Increase/(decrease) in existing financial assets	147.90	-27.13	492.57
II	Gross carrying amount as on March 31, 2018	10,697.98	1,152.32	4,847.16
	New financial assets	2,383.47	-	-
	Transferred to and from 12-month to lifetime			
	Transfers to Stage 1	-	-	-
	Transfers to Stage 2	(14.59)	14.59	-
	Transfers to Stage 3	(30.99)	(7.46)	38.45
	Amount written off	-	-	(554.11)
	Net recovery*	(1,968.64)	(61.02)	(288.26)
	Increase/(decrease) in existing financial assets	(54.15)	(24.78)	153.27
III	Gross carrying amount as on March 31, 2019	11,013.08	1,073.65	4,196.52

\*Net recovery includes, reversal, waiver, invocation and restructuring etc.

(b) Reconciliation of loss allowance provision - Loans:

Sr. No.	Particulars	Loss allowance measured at 12-month ECL	Loss allowance measured at lifetime ECL	
			Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired
I	Loss allowance as on April 1, 2017	56.52	4.83	2,900.20
	Provision on new financial assets	23.59	5.49	-
	Transferred to and from 12-month ECL to lifetime ECL			
	Transfers to Stage 1	0.08	(0.08)	-
	Transfers to Stage 2	(23.85)	23.85	-
	Transfers to Stage 3	-	-	-
	Impact on year end ECL of Exposure transferred between stages during the year	-	39.64	-
	Amount written off	-	-	(205.91)
	Increase/(decrease) provision on existing financial assets	(10.66)	19.62	454.02
II	Loss allowance as on March 31, 2018	45.69	93.34	3,148.31
	Provision on new financial assets	4.98	-	-
	Transferred to and from 12-month ECL to lifetime ECL			
	Transfers to Stage 1	-	-	-
	Transfers to Stage 2	(0.08)	0.08	-
	Transfers to Stage 3	(1.52)	(0.13)	1.65
	Impact on year end ECL of Exposure transferred between stages during the year	-	0.30	18.10
	Amount written off	-	-	(545.31)
	Increase/(decrease) provision on existing financial assets	(13.83)	(3.37)	(17.71)
III	Loss allowance as on March 31, 2019	35.24	90.22	2,605.04



(c) Reconciliation of allowance for doubtful debts on trade receivables (other than financial services business):

(₹ in crore)

Particulars	2018-19	2017-18
Opening balance		1.46
Changes in loss allowance (Provision for doubtful debts):		
Add: Addition during the year	5.10	0.24
Less: Reduction during the year	-	-
Less: Write off as bad debts	-	-
Closing balance	6.56	1.46

Note 44 : 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 01, 2017
I	Measured at fair value through Profit or Loss (FVTPL):			
(i)	Investment in equity instruments	333.67	500.39	513.40
(ii)	Investment in preference shares	9.77	10.01	10.47
(iii)	Investment in mutual funds	-	-	520.14
(iv)	Investment in bonds/Debentures	545.17	571.90	636.47
(v)	Investment in Security receipt	396.54	674.01	430.82
(vi)	Investments in Units of fund	276.25	279.23	312.52
(vii)	Loans	11,184.20	7,353.99	5,261.50
	Sub-total (i)	12,745.61	9,389.54	7,685.32
II	Measured at amortised cost:			
(i)	Loans	13,552.75	13,410.12	14,164.09
(ii)	Trade receivables	59.12	49.52	41.49
(iii)	Other receivables	1.75	0.14	0.44
(iv)	Other financial assets	5.12	6.65	16.13
(v)	Cash and cash equivalents and bank balances	36.46	372.48	118.25
(vi)	Investment in bonds/Debentures	189.01	-	-
	Sub-total (ii)	13,844.21	13,838.91	14,340.40
III	Measured at fair value through Other Comprehensive Income (FVTOCI):			
(i)	Investment in bonds/Debentures	22.29	22.57	35.25
(ii)	Investments in Units of fund	0.98	-	-
	Sub-total (iii)	23.27	22.57	35.25
	Total (i+ii+iii)	26,613.09	23,251.02	22,060.98

Note: Investment in subsidiary and associates is not included in the above disclosure

(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 01, 2017
I	Measured at fair value through Profit or Loss (FVTPL):			
(i)	Derivative Instruments not designated as cash flow hedges	-	-	-
(ii)	Embedded derivatives not designated as cash flow hedges	-	-	-
	Sub-total (i)	-	-	-
II	Measured at amortised cost:			
(i)	Borrowings	24,423.40	22,449.69	21,619.02
(ii)	Trade payables	13.65	12.58	5.37
(iii)	Other payables	0.40	0.78	0.21
(iv)	Other financial liabilities	33.81	178.74	109.48
	Sub-total (ii)	24,471.26	22,641.79	21,734.08
III	Measured at fair value through Other Comprehensive Income (FVTOCI):			
(i)	Derivative Instruments designated as cash flow hedges	-	-	-
(ii)	Embedded derivatives designated as cash flow hedges	-	-	-
	Sub-total (iii)	-	-	-
	Total (i+ii+iii)	24,471.26	22,641.79	21,734.08



(c) Fair value of financial assets and financial liabilities measured at amortised cost:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:						
Loans	13,552.75	13,552.75	13,410.12	13,410.12	14,164.09	14,164.09
Government securities	189.01	188.64	-	-	-	-
<b>Total</b>	<b>13,741.76</b>	<b>13,741.39</b>	<b>13,410.12</b>	<b>13,410.12</b>	<b>14,164.09</b>	<b>14,164.09</b>
Financial liabilities:						
Debt securities	14,942.50	14,041.09	12,168.87	12,297.27	10,327.16	10,566.61
Borrowings (other than debt securities)	9,562.29	9,563.70	8,400.98	8,400.98	9,480.30	9,480.38
Subordinated liabilities	1,928.61	1,865.75	1,879.84	1,833.59	1,811.56	1,812.66
<b>Total</b>	<b>24,423.40</b>	<b>24,470.54</b>	<b>22,449.69</b>	<b>22,531.84</b>	<b>21,619.02</b>	<b>21,859.64</b>

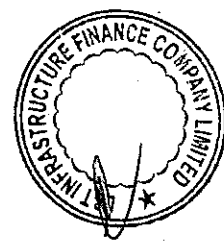
Note: The carrying amounts of cash & cash equivalents, bank balance, trade receivables, other receivables, other financial assets, trade payables, other payables and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

(d) Disclosure pursuant to Ind AS 113 "Fair Value Measurement" - Fair value hierarchy of financial assets and financial liabilities measured at amortised cost:

As at 31-3-2019		Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:						
Loans	-	-	-	13,552.75	13,552.75	Discounted cashflow approach
Government securities	-	-	188.64	-	188.64	
<b>Total</b>		-	188.64	13,552.75	13,741.39	
Financial liabilities:						
Debt securities	-	-	-	13,041.09	13,041.09	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	-	9,563.70	9,563.70	Discounted cashflow approach
Subordinated liabilities	-	-	-	1,865.75	1,865.75	Discounted cashflow approach
<b>Total</b>		-	-	24,470.54	24,470.54	

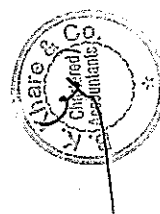
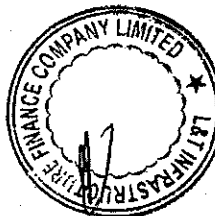
As at 31-3-2018		Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:						
Loans	-	-	-	13,410.12	13,410.12	Discounted cashflow approach
Government securities	-	-	-	-	-	
<b>Total</b>		-	-	13,410.12	13,410.12	
Financial liabilities:						
Debt securities	-	-	-	12,297.27	12,297.27	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	-	8,400.98	8,400.98	Discounted cashflow approach
Subordinated liabilities	-	-	-	1,833.59	1,833.59	Discounted cashflow approach
<b>Total</b>		-	-	22,531.84	22,531.84	

As at 1-4-2017		Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:						
Loans	-	-	-	14,164.09	14,164.09	Discounted cashflow approach
Government securities	-	-	-	-	-	
<b>Total</b>		-	-	14,164.09	14,164.09	
Financial liabilities:						
Debt securities	-	-	-	10,566.61	10,566.61	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	-	9,480.38	9,480.38	Discounted cashflow approach
Subordinated liabilities	-	-	-	1,812.66	1,812.66	Discounted cashflow approach
<b>Total</b>		-	-	21,859.64	21,859.64	



L&T Infrastructure Finance Company Limited  
Notes forming part of financial statements

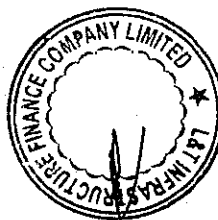
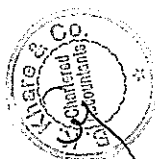
(e) Fair value hierarchy of financial assets and financial liabilities at fair value: (₹ in crore)													
Particulars		As at 31-3-2019			As at 31-3-2018			As at 1-4-2017					
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets:													
At FVTPL:													
1	Equity shares	2.67	-	331.00	333.67	22.46	-	477.93	500.39	22.09	-	491.31	513.40
2	Preference shares	-	-	9.77	9.77	-	-	10.01	10.01	-	-	10.47	10.47
3	Mutual fund	-	-	-	-	-	-	-	-	520.14	-	-	520.14
Debt instrument securities viz.													
4	government securities, bonds and debentures	-	-	545.17	545.17	-	-	571.90	571.90	-	-	636.47	636.47
5	Security receipt	-	-	396.54	396.54	-	-	674.02	674.02	-	-	430.83	430.83
6	Units of fund	-	-	276.25	276.25	-	-	279.23	279.23	-	-	312.51	312.51
7	Loans	-	-	11,184.20	11,184.20	-	-	7,353.99	7,353.99	-	-	5,261.50	5,261.50
8	Derivative	-	-	-	-	-	-	-	-	-	0.03	-	0.03
At FVTOCI													
Debt instruments viz.													
1	government securities, bonds and debentures	-	22.29	-	22.29	-	22.57	-	22.57	-	35.25	-	35.25
2	Units of fund	-	0.98	-	0.98	-	-	-	-	-	-	-	-
Total		2.67	23.27	12,742.93	12,768.87	22.46	22.57	9,367.08	9,412.12	542.22	35.28	7,143.10	7,720.60



L&T Infrastructure Finance Company Limited  
Notes forming part of financial statements

(f) Movement of items measured using unobservable inputs (Level 3):

Particulars	Equity shares	Preference shares	Debt instruments	Security receipt	Units of fund	Loans	Total
Balance as at April 1, 2017	491.31	10.47	636.47	430.83	312.51	5,261.50	7,143.12
Addition during the year	141.45	0.00	87.48	262.17	39.43	5,254.67	5,785.15
Disposal during the year	-155.61	0.00	-135.09	-5.12	-67.20	(3,762.18)	(3,525.22)
Gains/(losses) recognised in Profit or Loss	0.78	(0.46)	(16.96)	(13.86)	(5.50)	0.00	(36.08)
Balance as at March 31, 2018	477.93	10.01	571.90	674.02	279.23	7,553.99	9,367.08
Addition during the year	565.76	0.00	9.62	0.00	6.48	6,651.29	7,233.15
Disposal during the year	-550.00	0.00	-15.07	-78.77	-9.98	(2,821.08)	(3,474.92)
Gains/(losses) recognised in Profit or Loss	(162.69)	(0.24)	(21.28)	(198.71)	0.52	(0.00)	(382.42)
Balance as at March 31, 2019	331.00	9.77	545.17	396.54	276.25	-11,184.20	12,742.95
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period							
As at March 31, 2018	-32.56	-0.46	100.05	-69.31	63.28		61.02
As at March 31, 2019	-132.48	-0.70	68.95	-268.01	63.61		(268.43)



(g) Valuation inputs and relationships to fair value

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:					
	31 March 2019	31 March 2018	1 April 2017		31 March 2019	31 March 2019	31 March 2018	1 April 2017	1 April 2017	1 April 2017
					Favourable	Unfavourable	Favourable	Unfavourable	Favourable	Unfavourable
Investments										
Equity shares	331.00	477.93	491.31	5.00%	16.55	-16.55	23.90	-23.90	24.57	-24.57
Preference shares	9.77	10.01	10.47	5.00%	0.49	-0.49	0.50	-0.50	0.52	-0.52
Debt instruments viz. government securities, bonds and debentures	545.17	571.90	636.47	0.25%	1.36	-1.36	1.43	-1.43	1.59	-1.59
Security receipt	396.54	674.02	430.83	5.00%	19.83	-19.83	33.70	-33.70	21.54	-21.54
Units of fund	276.25	279.23	312.51	5.00%	13.81	-13.81	13.96	-13.96	15.63	-15.63
Loans	11,184.20	7,353.99	5,261.50	0.25%	27.96	-27.96	18.38	-18.38	13.15	-13.15

(h) Liquidity risk management :

(i) Maturity profile of financial liabilities based on undiscounted cashflows

Particulars	As at 31-3-2019			As at 31-3-2018			As at 01-4-2017		
	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total	Within twelve month	After twelve month	Total
	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)	(₹ in crore)
A. Non-derivative liabilities:									
Borrowings*	10,522.02	16,028.11	26,550.13	5,812.14	19,643.26	25,455.41	3,023.90	22,782.68	25,806.59
Trade payables	13.65	-	13.65	12.58	-	12.58	5.37	-	5.37
Other payables	0.40	-	0.40	0.78	-	0.78	0.21	-	0.21
Other financial liabilities	33.81	-	33.81	178.74	-	178.74	109.48	-	109.48
Total	10,569.88	16,028.11	26,597.99	6,004.24	19,643.26	25,647.51	3,138.96	22,782.68	25,921.65
B. Derivative liabilities:									
Currency swap	-	-	-	-	-	-	-	-	-
Embedded derivatives	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(ii) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31-3-2019			As at 01-4-2017	
	As at 31-3-2019	As at 31-3-2018	As at 31-3-2017	As at 01-4-2017	As at 01-4-2017
Undrawn backup lines	2,244.30	1,251.21	2,152.36	-	-
Line of credit (Larsen & Toubro Limited)	1,000.00	1,000.00	1,000.00	-	-





**L&T Infrastructure Finance Company Limited**  
Notes forming part of financial statements

(i) Market risk management :

(i) Interest rate risk :

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
Variable rate borrowings		9,105.57		8,398.79		9,447.54
Fixed rate borrowings		14,186.24		12,859.25		11,118.39
Total borrowings		23,291.81		21,258.04		20,565.93

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

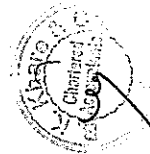
Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing	Weighted average interest rate	Balance	% of total borrowing
Variable rate borrowings	8.49%	9,105.57	39.09%	8.46%	8,398.79	39.51%	9.56%	9,447.54	45.94%
Interest rate swap at variable rate	-	-	-	-	-	-	-	-	-
Net exposure to cash flow interest rate risk	8.49%	9,105.57	39.09%	8.46%	8,398.79	39.51%	9.56%	9,447.54	45.94%

(ii) 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.

Particulars	Impact on profit after tax		Impact on other components of equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest rates – increase by 25 basis points *	(11.42)	(16.95)	(11.42)	(16.95)
Interest rates – decrease by 25 basis points*	11.42	16.95	11.42	16.95

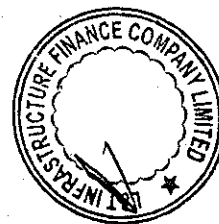
\* Impact on P/L upto 1 year, holding all other variables constant



Note 45 : Exposure to credit risk by class of financial asset

Particulars	As at March 31, 2019			As at March 31, 2018			As at March 31, 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
<b>Financial assets</b>									
Cash and cash equivalent and other bank balances	36.46	-		372.48	-		118.25	-	
Financial assets at amortised cost (including loans and equity investment in associates other than debt securities)	13,854.51		Refer footnote below	13,711.88		Refer footnote below	14,469.09		Refer footnote below
Trade receivables	59.12	-		49.52	-		41.49	-	
Debt instruments	189.01	-		-	-		-	-	
Other receivables	1.75	-		0.14	-		0.44	-	
Other financial assets	5.12	-		6.65	-		16.13	-	
<b>Total financial assets at amortised cost</b>	<b>14,145.97</b>	-		<b>14,140.67</b>	-		<b>14,646.20</b>	-	
Derivative financial instruments	-	-		-	-		0.03	-	
Financial assets at fair value through profit or loss (including loans and investment other than debt securities)	12,200.44	-		8,817.65	-		7,048.85	-	
Debt securities designated at fair value through profit or loss	545.17	-		571.90	-		636.47	-	
<b>Total financial instruments at fair value through profit or loss</b>	<b>12,745.61</b>	-		<b>9,389.54</b>	-		<b>7,685.35</b>	-	
Debt instruments at fair value through Other Comprehensive Income	23.27	-		22.57	-		35.25	-	
<b>Total debt instruments at fair value through Other Comprehensive Income</b>	<b>23.27</b>	-		<b>22.57</b>	-		<b>35.25</b>	-	
<b>Total on-balance sheet</b>	<b>26,914.85</b>	-		<b>23,552.78</b>	-		<b>22,366.81</b>	-	
<b>Off balance sheet</b>									
Contingent liabilities	808.22	-		1,783.97	-		805.17	-	
Other commitments	91.00	-		305.38	-		333.04	-	
<b>Total off-balance sheet</b>	<b>899.22</b>	-		<b>2,089.35</b>	-		<b>1,138.21</b>	-	
<b>Total</b>	<b>27,814.07</b>	-		<b>25,642.13</b>	-		<b>23,505.02</b>	-	

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.



Note 46 : Other disclosure "Maturity analysis of assets and liabilities:"

(₹ in crore)

ASSETS	March 31, 2019			March 31, 2018			April 1, 2017		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and cash equivalents	22.04	-	22.04	358.24	-	358.24	106.66	-	106.66
Bank balance other than (a) above	14.42	-	14.42	14.24	-	14.24	11.59	-	11.59
Derivative financial instruments	-	-	-	-	-	-	0.03	-	0.03
Trade receivables	59.12	-	59.12	49.52	-	49.52	41.49	-	41.49
Other receivables	1.75	-	1.75	0.14	-	0.14	0.44	-	0.44
Loans	12,431.98	12,304.98	24,736.95	8,813.09	11,951.02	20,764.11	6,434.60	12,991.00	19,425.60
Investments	72.25	2,008.29	2,080.54	259.45	2,105.52	2,364.97	738.50	2,031.48	2,769.98
Other financial assets	-	5.12	5.12	0.14	6.51	6.65	10.19	5.94	16.13
Current tax asset	-	377.24	377.24	-	318.39	318.39	-	265.90	265.90
Deferred tax Assets (Net)	-	921.51	921.51	-	1,023.48	1,023.48	-	934.98	934.98
Property, Plant and Equipment	-	0.70	0.70	-	1.03	1.03	-	6.92	6.92
Other intangible assets	-	2.48	2.48	-	2.07	2.07	-	1.04	1.04
Intangible Assets under Development	-	10.10	10.10	-	4.05	4.05	-	-	-
Other non-financial assets	169.11	7.69	176.80	173.07	8.09	181.16	172.00	6.65	178.65
<b>Total Assets</b>	<b>12,770.67</b>	<b>15,638.10</b>	<b>28,408.77</b>	<b>9,667.89</b>	<b>15,420.17</b>	<b>25,088.06</b>	<b>7,515.50</b>	<b>16,237.51</b>	<b>23,753.41</b>
<b>LIABILITIES</b>									
Financial Liabilities									
Trade Payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13.65	-	13.65	12.58	-	12.58	5.37	-	5.37
Other Payables									
(i) total outstanding dues of micro enterprises and small enterprises	0.40	-	0.40	0.78	-	0.78	0.21	-	0.21
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,443.77	6,488.73	12,932.50	5,771.90	6,396.96	12,168.87	2,988.99	7,338.16	10,327.16
Debt Securities	3,376.62	6,185.67	9,562.29	368.85	8,032.12	8,400.98	277.13	9,203.17	9,480.30
Borrowings (Other than debt securities)	89.88	1,838.74	1,928.61	88.26	1,791.58	1,879.84	81.91	1,725.66	1,811.56
Subordinated Liabilities	33.81	-	33.81	178.74	-	178.74	109.48	-	109.48
Other financial liabilities									
Non-Financial Liabilities									
Provisions	2.86	-	2.86	1.80	-	1.80	2.09	-	2.09
Other non-financial liabilities	4.29	-	4.29	44.58	-	44.58	22.69	-	22.69
<b>Total liabilities</b>	<b>9,965.28</b>	<b>14,513.13</b>	<b>24,478.41</b>	<b>6,467.50</b>	<b>16,220.67</b>	<b>22,688.15</b>	<b>3,487.87</b>	<b>16,270.99</b>	<b>21,758.86</b>
<b>Net</b>	<b>2,805.39</b>	<b>1,124.97</b>	<b>3,930.37</b>	<b>3,200.39</b>	<b>(800.50)</b>	<b>2,399.89</b>	<b>4,027.62</b>	<b>(2,033.48)</b>	<b>1,994.54</b>



**Note 47 : 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	24,401.36	22,091.45	21,512.36
Total equity	3,930.36	2,399.89	1,994.55
Net debt to equity ratio	6.21	9.21	10.79

**(ii) Loan covenants**

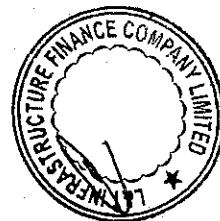
There are certain financial and non-financial covenants like security cover, debt-equity ratio, etc. attached to the borrowings availed by the Company. The Company has complied with the covenants throughout the reporting period.

**(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 ₹ Nil per fully paid share (Previous year : ₹ 1.53)	-	151.46
(b) Dividends not recognised at the end of the reporting year	-	-

**Note 48 : Disclosure pursuant to Ind AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:**

(₹ in crore)			
Particulars	Debt securities	Borrowings (other than Debt Securities)	Subordinated Liabilities
Balance as at April 1, 2017	10,327.16	9,480.30	1,811.56
Changes from financing cash flows	1,679.07	-1,079.04	50.00
Others	162.64	-0.28	8.28
Balance as at March 31, 2018	12,168.87	8,400.98	1,879.84
Changes from financing cash flows	791.93	1,154.16	45.00
Others	-28.30	7.15	3.77
Balance as at March 31, 2019	12,932.50	9,562.29	1,928.61



Note 49 : Disclosure pursuant to Ind AS 12 "Income Taxes

(a) Major components of tax expense/(income):

		(₹ in crore)	
Sr. No.	Particulars	2018-19	2017-18
(a)	Statement of Profit and Loss:		
	Profit and Loss section:		
	(i) Current Income tax :		
	Current tax expense for the year	87.87	103.95
		87.87	103.95
(ii) Deferred Tax:			
	Tax expense on origination and reversal of temporary differences	102.11	(86.40)
	Effect on deferred tax balances due to the change in income tax rate		(4.16)
		102.11	(90.56)
		189.98	13.39
Income tax expense reported in the Statement of Profit or Loss [(i)+(ii)]			
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items not to be reclassified to profit or loss in subsequent periods:		
	(A) Deferred tax expense/(income):		
	On re-measurement of defined benefit plans	(0.12)	
		(0.12)	0.00
(ii) Items to be reclassified to profit or loss in subsequent periods:			
	(A) Deferred tax expense/(income):		
	On gain/(loss) on fair value of debt securities	(0.03)	0.03
		(0.03)	0.03
		(0.15)	0.03
Income tax expense reported in the other comprehensive income [(i)+(ii)]			
(c)	Retained earnings:		
	Current income tax	0.00	
	Deferred tax	0.00	2.04
Income tax expense reported directly in balance sheet		0.00	2.04

(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	421.88	151.58
(b)	Corporate tax rate as per Income tax Act, 1961	34.944%	34.608%
(c)	Tax on accounting profit		
(d)	(i) Tax on Income exempt from tax: (c)=(a)*(b)	147.42	52.46
(ii) Tax on Income which are taxed at different rates	(A) Dividend income and interest on tax free bonds	-	(0.23)
	(B) Deduction of Special reserve u/s 36(1)(viii) of the Income Tax Act, 1961	(17.81)	(13.22)
(iii) Tax on expense not tax deductible :			(13.77)
	(A) Corporate Social Responsibility (CSR) expenses	0.52	0.78
	(B) Expenses in relation to exempt income	-	0.13
	(C) Provision for diminution of investments	52.69	-
	(D) Other disallowance	0.06	1.99
	(E) Long term capital loss	13.48	-
(iv) Effect on deferred tax due to change in Income tax rate			(4.16)
(v) Tax effect on various other Items		(6.37)	(10.58)
Total effect of tax adjustments [(i) to (xi)]		42.57	(39.06)
(e)	Tax expense recognised during the year (e)=(c)-(d)	189.99	13.40
(f)	Effective tax Rate (f)=(e)/(a)	45.03%	8.84%

*B. K. Khare*  
Chairman



(c) (i) Unused tax losses and unused tax credits for which no deferred tax asset is recognised in Balance sheet

(₹ in crore)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	₹ crore	Expiry year	₹ crore	Expiry year	₹ crore	Expiry year
Tax losses (Business loss and unabsorbed depreciation)						
Tax losses (Capital loss)	38.58	AY2027-28				
Total	38.58					

(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 01, 2017
(a)	Towards provision for diminution in value of investments	150.79	0.00	0.00
	Total	150.79	0.00	0.00



(d) Major components of Deferred Tax Liabilities and Deferred Tax Assets:

(₹ in crore)

Particulars	Deferred tax liabilities/(assets) as at April 01, 2018	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to other comprehensive income	Deferred tax liabilities/(assets) as at March 31, 2019
<b>Deferred tax liabilities:</b>				
-Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.21	0.36		0.57
-Fair value of investments	3.16	0.06	(0.03)	3.19
Interest income recognised on Stage 3 Loans	107.30	(9.98)		97.32
Unamortised Borrowing Cost	5.96	(0.97)		4.99
<b>Deferred tax liabilities:</b>	<b>116.63</b>	<b>(10.53)</b>	<b>(0.03)</b>	<b>106.07</b>
<b>Offsetting of deferred tax liabilities with deferred tax (assets)</b>	<b>(116.63)</b>			
<b>Net Deferred tax liabilities</b>				
<b>Deferred tax (assets):</b>				
--Provision on loan assets based on expected credit loss	(1,138.58)	182.05		(956.53)
-- Provision on diminishing in value of investments		(69.43)		(69.43)
-Defined benefit obligation (Gratuity and Leave encashment)	(0.63)	(0.08)	(0.12)	(0.83)
- Provision for expenses	(1.01)	0.26		(0.75)
-Other items giving rise to temporary differences	0.12	(0.15)		(0.03)
<b>Deferred tax (assets):</b>	<b>(1,140.10)</b>	<b>112.65</b>	<b>(0.12)</b>	<b>(1,027.57)</b>
<b>Offsetting of deferred tax (assets) with deferred tax liabilities</b>	<b>116.63</b>			
<b>Net Deferred tax (assets)</b>				
<b>Net deferred tax liability/(assets)</b>	<b>(1,023.47)</b>	<b>102.12</b>	<b>(0.15)</b>	<b>(921.50)</b>

Particulars	Deferred tax liabilities/(assets) as at April 01, 2017	Charge/(credit) to Statement of Profit and Loss	Charge/(credit) to Balance sheet	Charge/(credit) to other comprehensive income	Deferred tax liabilities/(assets) as at March 31, 2018
<b>Deferred tax liabilities:</b>					
-Difference between book base and tax base of property, plant & equipment, investment property and intangible assets	0.15	0.06			0.21
-Fair value of investments	53.86	(50.73)		0.03	3.16
Interest income recognised on Stage 3 Loans	68.44	38.86			107.30
Unamortised Borrowing Cost	5.21	(1.29)	2.04		5.96
<b>Deferred tax liabilities:</b>	<b>127.66</b>	<b>(13.10)</b>	<b>2.04</b>	<b>0.03</b>	<b>116.63</b>
<b>Offsetting of deferred tax liabilities with deferred tax (assets)</b>	<b>(127.66)</b>				<b>(116.63)</b>
<b>Net Deferred tax liabilities</b>					
<b>Deferred tax (assets):</b>					
--Provision on loan assets based on expected credit loss	(1,012.78)	(125.80)			(1,138.58)
-Defined benefit obligation (Gratuity and Leave encashment)	(0.63)	(0.00)			(0.63)
Provision for Expenses	(0.98)	(0.03)			(1.01)
- Unamortised loss on Sale of NPA asset	(48.26)	48.26			0.00
-Other items giving rise to temporary differences	-	0.12			0.12
<b>Deferred tax (assets):</b>	<b>(1,062.65)</b>	<b>(77.45)</b>			<b>(1,140.10)</b>
<b>Offsetting of deferred tax (assets) with deferred tax liabilities</b>	<b>127.66</b>				<b>1,140.10</b>
<b>Net Deferred tax (assets)</b>					
<b>Net deferred tax liability/(assets)</b>	<b>(934.99)</b>	<b>(90.55)</b>	<b>2.04</b>	<b>0.03</b>	<b>(1,023.47)</b>



The following additional information (other than what is already disclosed elsewhere) 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 vide Master Direction DNBR, PD, 008/03.10.119/2016-17 dated September 01, 2016 as amended.

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:

- 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;
- 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;
- The fair valuation gains recognised on long term debt instruments measured at "Fair Value Through Profit or Loss" were reversed; and
- The deferred tax relating to the adjustments listed in items (i) to (iii) above was also adjusted.

1. Capital :

		(₹ in crore)	
Particulars	As at March 31, 2019	As at March 31, 2018	
i) CRAR (%)	24.26%	20.67%	
ii) CRAR - Tier I Capital (%)	17.47%	13.80%	
iii) CRAR - Tier II Capital (%)	6.79%	6.87%	
iv) Amount of subordinated debt raised during the year as Tier-II capital	45.00	60.00	
v) Amount raised during the year by issue of Perpetual Debt Instruments	-	-	

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	2,409.55	2,344.02	
(b) Outside India	-	-	
(ii) Provisions for Depreciation			
(a) In India	513.27	164.23	
(b) Outside India	-	-	
(iii) Net Value of Investments			
(a) In India	1,896.28	2,179.79	
(b) Outside India	-	-	
(2) Movement of provisions held towards depreciation on investments			
(i) Opening balance	164.23	110.04	
(ii) Add : Provisions made during the year	349.04	54.19	
(iv) Less : Write-off / write-back of excess provisions during the year	-	-	
(v) Closing balance	513.27	164.23	

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	-	-	
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-	
(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	-	-	

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 ₹ Nil External Commercial Borrowing in foreign currency.





4. Securitisation:

- I) No transaction for Special Purpose Vehicle during the Financial year (Previous year – Nil)
- II) Financial asset sold to Securitisation/Reconstruction company for Asset reconstruction:

		(₹ In crore)	
	Particulars	2018-19	2017-18
(i)	No. of accounts		7.00
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC (₹ in crore)	-	436.96
(iii)	Aggregate consideration (₹ in crore)	-	367.72
(iv)	Additional consideration realized in respect of accounts transferred in earlier years (₹ in crore)	-	-
(v)	Aggregate gain / (loss) over net book value (₹ in crore)	-	(69.24)

In terms of notification DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016, any shortfall of sale value over the Net Book Value of Non Performing Loans has been spread over a period of four quarters for the loans which has been sold in previous financial year.

- III) Details of Assignment transactions undertaken by applicable NBFCs : During the current and previous year no assignment transaction has been undertaken.
- IV) 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.

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	-	-
(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	3,744.58	3,611.66
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	3,744.58	3,611.66

(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;	1,161.59	1,530.39
(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;	100.00	100.00
(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;	373.80	418.47
(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;	25.39	50.31
(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;	152.42	150.00
(vii)	bridge loans to companies against expected equity flows / issues;	-	52.65
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	44.07	47.18
	Total Exposure to Capital Market	1,857.26	2,349.00



- (III) Details of financing of parent company products: Nil (Previous year : Nil)
- (IV) Details of Single borrower limit (SBL)/ Group borrower limit (GBL) exceeded by NBFC: Nil (Previous Year - Nil)
- (V) Unsecured Advances (net off provision):

Particulars	₹ In crore)	
	As at March 31, 2019	As at March 31, 2018
Term loans	284.42	150.00
Debentures	168.72	130.20
Personal Loans	-	-
Total	409.13	280.20

#### 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	CARE	ICRA
(i) Commercial Paper	CARE A1+	ICRA A1+	CARE A1+	ICRA A1+
(ii) Non-Convertible Debentures	CARE AAA (Stable)	ICRA AAA (Stable)	CARE AAA (Stable)	ICRA AA+ (Stable)
(iii) Bank Loans				
Long term	CARE AAA (Stable)	ICRA AAA (Stable)	CARE AAA (Stable)	ICRA AA+ (Stable)
Short term		ICRA A1+		ICRA A1+
(iv) Subordinate Debts	CARE AAA (Stable)	ICRA AAA (Stable)	CARE AAA (Stable)	ICRA AA+ (Stable)
(v) Infra Bonds	CARE AAA (Stable)	ICRA AAA (Stable)	CARE AAA (Stable)	ICRA AA+ (Stable)
(vi) Perpetual Debt	CARE AA+(Stable)	ICRA AA+ (Stable)	CARE AA+(Stable)	ICRA AA (Stable)

#### Note:

1. In the year FY 2017-18, the Company had approached INDIA RATINGS for rating, post their credit assessment they have assigned rating of AAA (Stable) for Non convertible debenture. There is no change in rating in 2018-19.

- (V) Postponements of revenue recognition: Current year: Nil (Previous year: Nil)  
Note: In respect of Non Performing Asset, the revenue is recognised in terms of requirement of Non-Banking Financial Companies - Corporate governance (Reserve Bank) Directions, 2015).
- (VI) Disclosure on Exposure to Infrastructure Leasing & Financial Services Limited (ILFS) 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

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
511.94	-	2.05	2.05

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 Prudential Norms. However, pending resolution of the plan submitted by the IL&FS Board to the NCLAT, recognition of interest of ₹ 21.83 crores on these loans between 1st October, 2018 and the year end has been deferred.

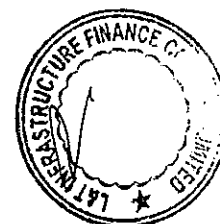
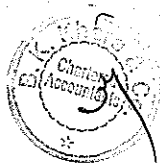
#### 7. Provisions and Contingencies :

- (I) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	₹ In crore)	
	2018-2019	2017-2018
Provision for depreciation on Investments	349.04	42.82
Provision towards Non Performing Assets*	325.59	114.58
Provision made towards Income tax		
- Current Tax	87.87	103.95
- Deferred Tax	(124.19)	(97.89)
Other Provision and Contingencies (with details)		
Provision for standard assets*	(437.96)	182.66
Amortisation of loss on sale of Non-Performing Assets		495.82
Provision of restructured assets*	(58.15)	(13.72)

\* As per IRAC norms

- (II) Drawn down from reserves: No draw down from reserves during the financial year (Previous year: Nil)



8. Concentration of Advances, Exposures and NPAs

(I) Concentration of Advances

Particulars	₹ in crore)	
	As at March 31, 2019	As at March 31, 2018
Total Advances to twenty largest borrowers	8,574.18	7,346.54
Percentage of advances to twenty largest borrowers to total advances of the Company	32.10%	31.30%

(II) Concentration of Exposures

Particulars	₹ in crore)	
	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers / customers <sup>#</sup>	12,895.62	10,861.80
Percentage of total exposure to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers <sup>#</sup>	28.97%	27.12%

# Undisbursed commitments are considered as NIL on account of conditions precedent to disbursements.

(III) Concentration of NPA

Particulars	₹ in crore)	
	As at March 31, 2019	As at March 31, 2018
Total Exposure to top four NPA accounts	1,180.92	655.21

(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	-	-
2 MSME	-	-
3 Corporate borrowers	13.32%	5.75%
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

9. Movement of NPAs

Particulars	₹ in crore)	
	2018-19	2017-18
(i) Net NPAs to Net Advances (%)	10.01%	3.04%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	1,350.13	1,163.36
(b) Additions during the year	2,607.89	734.50
(c) Reductions during the year	400.16	547.73
(d) Closing balance	3,557.86	1,350.13
(iii) Movement of Net NPAs		
(a) Opening balance	694.71	622.53
(b) Additions during the year	2,008.11	309.74
(c) Reductions during the year	125.96	237.56
(d) Closing balance	2,576.86	694.71
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	655.41	540.83
(b) Provisions made during the year	599.79	236.26
(c) Write-off / write-back of excess provisions	274.20	121.68
(d) Closing balance	981.00	655.41

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.

10. Disclosure of customer complaints

Particulars	2018-19	2017-18
(i) No. of complaints pending at the beginning of the year	-	12
(ii) No. of complaints received during the year	151	184
(iii) No. of complaints redressed during the year	151	196
(iv) No. of complaints pending at the end of the year	-	-

11. Overseas Assets: Nil (Previous Year Nil)

12. Off Balance sheet Special purpose Vehicles (SPV) sponsored (which are required to consolidated as per accounting norms): Nil (Previous Year Nil)



Note 51: The following information is disclosed in terms of RBI circular DBR No.BP.BC.34/21.04.132/2016-17 dated November 10, 2016

1. Disclosure on flexible structuring of existing loans:

(₹ in crore)

Period	No of borrowers taken up for flexible restructuring	Amount of loans outstanding / taken up for flexible restructuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
FY 17-18	-	-	-	-	-
FY 18-19	-	-	-	-	-

2. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

(₹ in crore)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where		Amount outstanding as on the reporting date with respect to accounts where	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
-	-	-	-	-	-	-

3. Disclosures on change in ownership outside SDR Scheme (accounts which are currently under the stand-still period)

(₹ in crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as standard	classified as NPA	Classified as standard	classified as NPA	Classified as standard	classified as NPA	Classified as standard	classified as NPA
-	-	-	-	-	-	-	-	-

4. Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):- Nil

5. Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2019 :

(₹ 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	2.00	189.63	98.72	90.91	76.41
2018-19	-	-	-	-	-
	Classified as NPA				
2017-18	Nil	-	-	-	-
2018-19	2	182.84	91.93	90.91	112.29



6. Details of accounts restructured during the year ended March 31, 2019

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	Standard	SubStandard	Doubtful	Loss	Total				
1	Restructured Accounts as on April 1, 2018	No. of borrowers	2.00	-	7.00	-	9.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
		Amount outstanding Restructured facility only	117.14	-	581.75	-	738.90	1,033.83	137.67	98.75	-	1,270.25	1,159.97	-37.67	780.51	-	2,095.15	-	-	-	-	21.00			
		Amount outstanding other facility	3.13	-	21.19	-	26.32	480.38	-	-	-	480.38	483.51	506.70	23.15	-	506.70	-	-	-	-	2,095.15			
		Provision thereon	30.52	-	413.08	-	443.59	54.14	-	38.85	62.43	-	155.42	84.65	38.85	475.51	-	599.01	-	-	-	599.01			
2	Movement in balance for accounts appearing under opening balance	No. of borrowers	1.00	1.00	4.00	6.00	6.00	4.00	3.00	5.00	12.00	5.00	4.00	9.00	18.00	-	-	-	-	-	18.00				
		Amount outstanding Restructured facility only	(7.88)	(3.39)	(217.20)	-	(228.46)	(311.94)	(1.60)	(19.79)	-	(352.73)	(312.22)	(6.59)	(236.98)	-	(581.13)	-	-	-	-	(581.13)			
		Amount outstanding other facility	-	(0.22)	(10.30)	-	(10.52)	(67.58)	(0.24)	4.32	-	(63.90)	(3.46)	(5.98)	(74.42)	-	(74.42)	-	-	-	-	(74.42)			
		Provision thereon	(0.39)	21.30	(353.78)	-	(332.87)	(16.57)	14.64	90.09	-	89.00	(16.96)	35.46	(62.85)	-	(48.39)	-	-	-	-	(48.39)			
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
		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	1.00	1.00	-	-	-	5.00	1.00	2.00	2.00	5.00	4.00	-	-	-	-	-	-	-	-				
		Amount outstanding Restructured facility only	(78.67)	78.67	-	-	(602.67)	(602.67)	358.24	444.42	-	-	(681.33)	236.91	444.42	-	(567.04)	-	-	-	-	(567.04)			
		Amount outstanding other facility	(3.13)	3.13	-	-	(298.21)	(298.21)	217.48	80.73	-	0.00	(301.34)	230.61	80.73	-	0.00	-	-	-	-	0.00			
		Provision thereon	(28.19)	28.19	-	-	(30.79)	(30.79)	(23.39)	54.18	-	(0.00)	(58.98)	4.80	54.18	-	(0.00)	-	-	-	-	5.00			
7	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	3.00	-	3.00	1.00	-	1.00	2.00	1.00	1.00	-	-	-	-	-	-	-	-				
		Amount outstanding Restructured facility only	-	-	(217.20)	-	(217.20)	(330.00)	-	(19.84)	-	(349.84)	(330.00)	-	(227.04)	-	(567.04)	-	-	-	-	(567.04)			
		Amount outstanding other facility	-	-	(10.30)	-	(10.30)	(68.67)	-	-	-	(68.67)	(68.67)	-	(103.30)	-	(78.97)	-	-	-	-	(78.97)			
		Provision thereon	-	-	(181.97)	-	(181.97)	(16.50)	-	(12.20)	-	(28.74)	(16.50)	-	(194.22)	-	(210.72)	-	-	-	-	(210.72)			
8	Restructured Accounts as on March 31, 2019	No. of borrowers	1.00	1.00	4.00	-	6.00	3.00	3.00	4.00	10.00	4.00	4.00	8.00	-	16.00	-	-	-	-	-				
		Amount outstanding Restructured facility only	30.60	75.34	464.55	-	570.50	99.82	294.32	523.39	917.53	130.42	350.66	987.95	-	1,488.02	-	-	-	-	-	1,488.02			
		Amount outstanding other facility	-	2.91	12.89	-	15.80	114.19	217.25	85.04	416.48	114.19	210.15	97.93	-	432.78	-	-	-	-	-	432.78			
		Provision thereon	1.93	49.50	259.30	-	310.73	6.78	30.09	237.54	244.41	8.71	79.58	466.84	-	555.14	-	-	-	-	-	555.14			

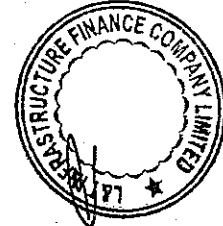


## 7. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

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	319.47	246.12	514.25	966.29	5,410.65	4,039.94	5,101.99	9,132.57	25,731.37
Investments	212.10	-	-	-	-	-	-	1,674.90	1,887.00
Borrowings*	694.66	760.00	2,743.08	1,796.75	1,941.19	10,888.13	1,590.00	2,278.00	23,291.81
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities*	-	-	-	-	-	-	-	-	-

\* Including ECB loan

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 24th October'18.



Note 52 : 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:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) Debentures :				
- Secured	7,752.05		9,283.54	-
- Unsecured	2,514.17		2,431.97	-
(Other than falling within the meaning of Public Deposits)*			-	-
(b) Deferred Credits				
(c) Term Loans	9,455.91		8,400.94	-
(d) Inter-Corporate Loans and borrowings			-	-
(e) Commercial Paper (Net off unexpired discounting charges)	4,594.87		2,350.42	-
(f) Public Deposits			-	-
(g) Other Loans			-	-
(i) Foreign Currency Loan			-	-
(ii) Bank Overdraft, Cash credit & Working Capital Demand Loan	106.40		0.04	-
Total	24,423.40		22,466.90	

\* Refer footnote 1 below

2 Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

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]:

Particulars	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
(a) Secured (net of provision)	25,419.51	22,042.85
(b) Unsecured (net of provision)	403.13	280.20

4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

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)	-	-
(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:

Particulars	Amount Outstanding	
	As at March 31, 2019	As at March 31, 2018
<b>Current Investments</b>		
1 Quoted		
(i) Shares:		
(a) Equity	64.97	64.97
(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	131.27	178.28
(b) Preference	0.70	0.70
(ii) Debentures and Bonds	119.60	109.58
(iii) Units of Mutual Funds		
(iv) Government Securities		
(v) Others (Pass Through Certificates)		
<b>Long Term Investments</b>		
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	637.64	637.64
(b) Preference	9.22	9.22
(ii) Debentures and Bonds	568.18	384.37
(iii) Units of Mutual Funds/Venture Capital Fund	213.43	215.95
(iv) Government Securities		
(v) Others:		
(a) Security receipts	664.55	743.32
(b) Investment in Units/Pass Through Certificates		



6. Borrower group-wise classification of assets financed as in (3) and (4) above (see footnote 2 below) :

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	25,419.51	403.13	22,042.85	280.20
Total	25,419.51	403.13	22,042.85	280.20

\*\* 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):

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	5.10	5.10	5.10	5.10
(b) Companies in the same group	-	-	-	-
(c) Other related parties	509.18	509.18	301.76	301.76
2 Other than related parties	1,895.26	1,381.99	2,037.17	1,872.93
Total	2,409.55	1,896.28	2,344.02	2,179.79

\*\* As per Accounting Standard Issued by the Institute of Chartered Accountants of India (see footnote 3 below)

8. Other Information

Particulars		As at March 31, 2019	As at March 31, 2018
(i) Gross Non-Performing Assets		3,557.86	1,350.13
(a) Related parties			-
(b) Other than related parties		3,557.86	1,350.13
(ii) Net Non-Performing Assets		2,576.86	694.71
(a) Related parties			-
(b) Other than related parties		2,576.86	694.71
(iii) Assets acquired in satisfaction of debt (Gross)		771.23	838.91

Footnotes:

- As defined in point (ix) of paragraph 3 of chapter-2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.

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 53 : Previous year figures have been regrouped/ reclassified wherever necessary to make them comparable with Ind AS presentation.

For and on behalf of board of directors of  
L&T Infrastructure Finance Company Limited

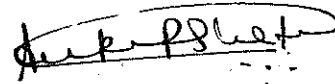


Dinanath Dubhashi  
Chairperson  
(DIN : 03545900)

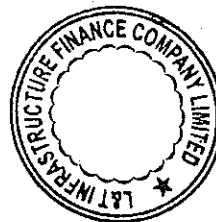
Place : Mumbai  
Date : April 28, 2019



Sachinn Joshi  
Chief Financial Officer



Ankit Sheth  
Company Secretary



**Report of auditors on the Reformatted Consolidated Financial Statements of L&T Infrastructure Finance Company Limited as at and for each of the years ended March 31, 2018, and March 31, 2017**

The Board of Directors  
L&T Infrastructure Finance Company Limited  
Brindavan, Plot No.177, C.S.T Road,  
Kalina, Santacruz (E), Mumbai 400098.

Dear Sirs,

We have examined the Reformatted Consolidated Financial Statements (the "Reformatted Consolidated Financial Statements") of L&T Infrastructure Finance Limited (the "Company") and its subsidiaries as at and for the year ended March 31, 2018 and March 31, 2017 comprising of reformatted consolidated summary statement of assets and liabilities and schedules forming part thereof, the reformatted consolidated summary statement of profits and losses and schedules forming part thereof and the reformatted consolidated summary statement of cash flows, annexed to this report for the purposes of inclusion in the Draft Shelf Prospectus, Shelf Prospectus in respective Tranche Prospectus(es) (herein after collectively referred to as "Offer Document") prepared by the Company in connection with proposed public issue of secured and / or unsecured, subordinated redeemable, non-convertible debentures ("NCDs") of face value ₹ 1,000 each, aggregating up to ₹ 5,000 crores (Rupees Five Thousand crores only), in one or more tranches. Such financial statements, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

- Section 26(1) (b) of the Companies Act, 2013 ("the Act") and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended; and
- the Securities & Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.
- 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").

The preparation of such Reformatted Consolidated Financial Statements is the responsibility of the Company's management. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Reformatted Consolidated Financial Statements. Our responsibility is to report on such statements based on our procedures.

- The Reformatted Consolidated Financial Statements have been extracted by the Management from the audited Consolidated Financial Statements of the Company as of and for the financial year ended



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Chennai - 600086,  
India

March 31, 2018 and March 31, 2017 prepared in accordance with Indian Accounting principles generally accepted in India (IGAAP) and from the books of account underlying such financial statements of the Group which were approved by the Board of Directors on April 30, 2018 and May 03, 2017 respectively, which have been audited by us and in respect of which we have issued our audit opinions dated April 30, 2018 and May 03, 2017 respectively to the members of the Company.

2. We have examined such reformatted consolidated financial information taking into consideration:

- a) The terms of reference received from the Company and terms of our engagement agreed upon in accordance of our engagement letter dated 02<sup>nd</sup> December, 2019 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed public issue of debt securities; and
- b) the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India. 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 statements; under IGAAP; and
- d) The requirements of Section 26 of the Act and the SEBI 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 debt securities.

3. For the purpose of our examination of the Reformatted Consolidated Financial Statements of the Company as at and for the year ended March 31, 2018 and March 31, 2017, we have placed reliance on the following:

- a) The Audited Consolidated Financial Statements of the Company as at and for the year ended March 31, 2018 and March 31, 2017;
- b) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs 17.15 crores (15.29 crores) as at March 31, 2018 (March 31, 2017), total revenues of Rs.8.53crores (12.76crores) and net cash inflows amounting to Rs. 1.69 crores (-0.04) for the year ended on March 31, 2018 (March 31, 2017), as considered in the consolidated financial statements. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and our report in so far as it relates to the aforesaid subsidiaries, is based solely on such audited financial statements. Our opinion is not modified in respect of the above matter.

4. In consideration of the requirements of Section 26(1)(b) of the Act and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, terms of our engagement agreed with you, we further report that:



The Reformatted Consolidated Summary Statement of Assets and Liabilities and Schedules forming part thereof, the Reformatted Consolidated Summary Statement of Profits and Losses and Schedules forming part thereof and the Reformatted Consolidated Summary Statement of Cash Flows (together referred to as "Reformatted Consolidated Summary Statements") of the Company, including as at and for the year ended March 31, 2018 and March 31, 2017 examined by us are set out in **Annexure I to III** to this report. These Reformatted Consolidated Summary Statements are after making adjustments and regrouping as in the management opinion, are appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer **Annexure IV**);

5. Based on our examination as above, we further report that:
- The Reformatted Consolidated Summary Statements have to be read in conjunction with the notes given in **Annexure IV**;
  - there are no extraordinary items which need to be disclosed separately in the attached Reformatted Consolidated Summary Statements;
  - there are no qualifications in the auditors' reports, which require any adjustments to the Reformatted Consolidated Summary Statements; and
  - in the preparation and presentation of Reformatted Consolidated Financial Statements based on audited financial statements as referred to in paragraph 1 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 above.
6. As stated in our audit reports referred to in paragraph 1 above, we conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India to enable us to issue an opinion on the General Purpose Financial Statements. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
7. Our audits referred to in paragraph 1 above were carried out for the purpose of reporting the general purpose financial statements taken as a whole. For none of the periods referred to in paragraph 1 above, did we perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion on the reformatted financial statements.

#### **Other Consolidated Financial Information**

8. At the Company's request, we have also examined the following Consolidated financial information proposed to be included in the Offer document prepared by the Management and approved by the Board



of Directors of the Company and annexed to this report relating to the Company as at and for each of the year ended March 31, 2019, March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015:

a. Statement of Dividend paid/proposed Rates of Dividend, as appearing in Annexure V

9. In our opinion, the reformatted Consolidated financial information as disclosed in the Annexure to this report read with respective significant accounting policies and notes disclosed in Annexure IV and after making adjustments and regrouping as considered appropriate and disclosed in Annexure IV has been prepared in accordance with Section 26(1)(b) of the Companies Act 2013 ("the Act") and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Regulations.
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed public issue of debt securities of the L&T Infrastructure Finance Company Limited and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Place: Mumbai

Date: December 02, 2019

For B. K. Khare & Co  
Chartered Accountants  
Firm Registration No. 105102W



Shirish Rahalkar  
Partner

Membership No. 111212  
UDIN: 19111212AAAAPA7933



**L&T Infrastructure Finance Company Limited**  
**Reformatted Consolidated Statement of Assets and Liabilities**

**Annexure I**

	Note no.	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2	989.91	892.09
Reserves and surplus	3	2,553.75	2,114.93
		<b>3,543.66</b>	<b>3,007.02</b>
<b>2. Non - current liabilities</b>			
Long - term borrowings	4	15,906.85	17,681.18
Other long - term liabilities	5	370.80	541.82
Long - term provisions	6	97.06	124.29
		<b>16,374.71</b>	<b>18,347.29</b>
<b>3. Current liabilities</b>			
Short - term borrowings	7	2,350.42	939.35
Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		0.82	0.53
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,134.83	2,691.03
Other current liabilities	9	11.86	6.53
Short - term provisions	10	6,497.93	3,637.44
		<b>26,416.30</b>	<b>24,991.75</b>
<b>Total equity and liabilities</b>			
		<b>26,416.30</b>	<b>24,991.75</b>
<b>B. ASSETS</b>			
<b>1. Non - current assets</b>			
<b>Fixed assets</b>	11		
Tangible assets		1.03	0.92
Intangible assets		2.06	1.04
Capital work in progress		4.05	-
		<b>7.14</b>	<b>1.96</b>
Non - current investments	12	2,101.12	1,877.89
Deferred tax assets (net)	13	432.86	334.98
Long - term loans towards financing activities	14	19,919.37	19,812.66
Long - term loans and advances	15	334.08	278.13
Other non - current assets	16	106.83	189.30
		<b>22,894.26</b>	<b>22,492.96</b>
<b>2. Current assets</b>			
Current investments	17	272.31	751.45
Trade receivables	18	49.18	38.27
Cash and cash equivalents	19	374.28	118.36
Current maturities of long - term loans towards financing activities	20	2,403.68	1,260.73
Short-term loans and advances	21	55.42	51.28
Other current assets	22	360.03	276.74
		<b>3,514.90</b>	<b>2,496.83</b>
<b>Total assets</b>		<b>26,416.30</b>	<b>24,991.75</b>
<b>Significant accounting policies</b>	Note 1		
<b>Notes forming part of financial statements</b>	2 to 42		

In terms of our report attached.  
For B.K.Khare & Co.  
Chartered Accountants

Shirish Rahalkar  
Partner  
Membership No : 111212  
Firm Registration No : 105102W



For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Dinanath Dubhashi  
Chairperson  
DIN 03545900

Sachin Joshi  
Chief Financial Officer

Ankit Sheth  
Company Secretary



Place: Mumbai  
Date : December 02, 2019

**L&T Infrastructure Finance Company Limited**  
**Reformatted Consolidated Statement of Profit and Loss**

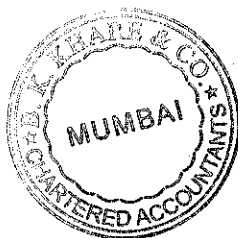
**Annexure II**

	Note no.	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
<b>A. REVENUE:</b>			
1. Revenue from operations	23	2,573.39	2,659.96
2. Other income	24	158.01	26.75
<b>3. Total revenue (1+2)</b>		<b>2,731.40</b>	<b>2,686.71</b>
<b>B. EXPENSES:</b>			
Employee benefits expense	25	36.05	31.65
Finance costs	26	1,727.77	1,825.27
Depreciation and amortisation expense	11	1.13	1.06
Other expenses	27	65.33	52.34
Provisions and contingencies	28	822.16	749.93
<b>4. Total expenses</b>		<b>2,652.44</b>	<b>2,660.25</b>
<b>5. Profit before tax (3-4)</b>		<b>78.96</b>	<b>26.46</b>
<b>6. Tax expenses:</b>			
Current tax		104.90	179.24
Deferred tax		(97.88)	(199.55)
MAT Credit Entitlement		-	(0.11)
Prior year tax adjustment		-	(0.20)
<b>Total tax expenses</b>		<b>7.02</b>	<b>(20.62)</b>
<b>7. Profit after tax and before share of profit of associates</b>		<b>71.94</b>	<b>47.08</b>
Add: Share of profit of associate companies		73.20	51.26
<b>Profit for the year</b>		<b>145.14</b>	<b>98.34</b>
<b>Earnings per equity share</b>			
Basic earnings per equity share (₹)		1.62	1.16
Diluted earnings per equity share (₹)		1.62	1.16
Face value per equity share (₹)		10.00	10.00
<b>Significant accounting policies</b>	<b>Note 1</b>		
<b>Notes forming part of financial statements</b>	<b>2 to 42</b>		

In terms of our report attached.

**For B.K.Khare & Co.**  
Chartered Accountants

Shirish Rahalkar  
Partner  
Membership No : 111212  
Firm Registration No : 105102W



**For and on behalf of the Board of Directors of**  
**L&T Infrastructure Finance Company Limited**

Dinanath Dubhashi  
Chairperson  
DIN 03545900

Sachinn Joshi  
Chief Financial Officer

Ankit Sheth  
Company Secretary

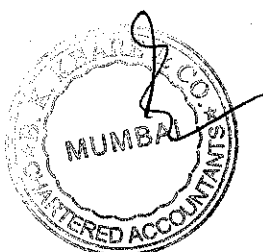


Place: Mumbai  
Date : December 02, 2019

**L&T Infrastructure Finance Company Limited**  
**Reformatted Consolidated Cash Flow Statement**

**Annexure III**

	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
<b>A Cash flow from operating activities:</b>		
Profit before taxation	78.96	26.46
<b>Adjustment for:</b>		
Depreciation and amortisation expense	1.13	1.06
Provision for compensated absences	0.35	0.51
Provision for gratuity	0.55	0.55
Dividend from long term investments	-	(0.57)
Net loss/ (gain) on sale of investments	(139.07)	(15.26)
Provision for diminution in value of investments	42.81	13.32
Provision on standard assets	182.66	206.48
Provision on restructured assets	(13.72)	(11.69)
Amortisation of expenses	0.03	0.03
Amortisation loss on sale of Non-Performing Assets and bad debts write offs	495.82	157.44
Provision on Non-Performing Assets	114.58	384.39
<b>Operating profit before working capital changes:</b>	<b>764.10</b>	<b>762.72</b>
<b>Changes in working capital</b>		
<b>Adjustment for (increase) / decrease in operating assets:</b>		
Trade receivables	(6.85)	(38.27)
Short-term loans and advances	120.98	(34.84)
Long-term loans and advances	(2.26)	0.08
Loans towards financing activities	(2,109.80)	(1,013.62)
Other current assets	(83.02)	74.01
Other non current assets	82.65	3.40
<b>Adjustment for increase / (decrease) in operating liabilities:</b>		
Trade payables	0.32	(11.33)
Other current liabilities	353.86	23.95
Other long-term liabilities	(171.02)	246.23
Long term provision	(30.05)	(122.53)
Short term provision	(1.31)	(1.23)
<b>Cash generated from/(used in) operations</b>	<b>(1,082.40)</b>	<b>(111.43)</b>
Net income tax paid	(155.22)	(200.58)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(1,237.62)</b>	<b>(312.01)</b>
<b>B Cash flows from investing activities:</b>		
Capital expenditure on fixed assets, including capital advances	(6.31)	(1.09)
Current investments not considered as Cash and cash equivalents :		
- Purchased	(49,209.08)	(27,024.01)
- Proceeds from sale	49,745.32	26,758.31
Dividend from long term investments	0.66	0.57
Purchase of Bond/Debentures	(9,959.85)	(29.00)
Redemption of Bond/Debentures	9,947.07	324.90
Investment in equity shares of subsidiaries / associates	43.36	-
Purchase of long-term investments :		
- Units of Funds	(39.27)	(47.67)
- Security receipts	(258.17)	(258.35)
Redemption of long-term investment :		
- Units of Funds	95.56	-
- Security receipts	1.12	-
- Bond/Debentures	135.09	-
- Preference shares	-	62.50
<b>Net cash from/(used in) investing activities (B)</b>	<b>495.50</b>	<b>(213.84)</b>





**L&T Infrastructure Finance Company Limited**  
**Reformatted Consolidated Cash Flow Statement**

**Annexure III**

	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
<b>C Cash flows from financing activities:</b>		
Proceeds from long-term borrowings	2,906.17	7,648.75
Repayment of long-term borrowings	(3,659.35)	(6,935.61)
(Repayments)/proceeds from short-term borrowings	1,411.07	(343.52)
Debt issue expenses	(6.33)	(2.59)
Proceeds from issue of share capital (including share premium)	450.00	220.00
Dividend paid on equity shares	(86.00)	-
Dividend distribution tax	(17.51)	-
<b>Net cash generated from financing activities (C)</b>	<b>998.05</b>	<b>587.03</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>255.93</b>	<b>61.18</b>
Cash and cash equivalents as at beginning of the Year	118.36	57.17
Cash and cash equivalents as at end of the Year (refer footnote below)	374.28	118.35
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>255.92</b>	<b>61.18</b>
<b>Foot notes:</b>		
<b>1. Cash and cash equivalent as per AS - 3</b>		
Cash and bank balance as at end of the year *	374.28	118.36
Less: Term deposits with original maturity greater than 3 months	-	-
Less: Balance in earmarked accounts	-	-
Cash and cash equivalents as at end of the year	<b>374.28</b>	<b>118.36</b>

\* includes balance in earmarked accounts ₹ 14.32 crore (previous year ₹ 11.59 crore).

**2. Net cash used in operating activity is determined after adjusting the following**

Interest received	2,185.87	2,591.64
Dividend received	0.00	0.68
Interest paid	1,524.58	1,559.38

**3. Non cash items**

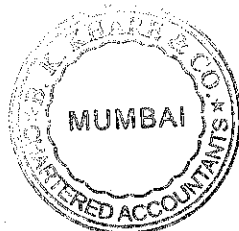
Net cash used in investing activities excludes investment aggregating ₹ 87.82 crore (previous year ₹ 261.01 crore) acquired against claims.

In terms of our report attached  
**For B.K.Khare & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors of**  
**L&T Infrastructure Finance Company Limited**

*Shirish Rahalkar*

Shirish Rahalkar  
**Partner**  
Membership No : 111212  
Firm Registration No : 105102W



Place : Mumbai  
Date : December 02, 2019

*Dinanath Dubhashi*

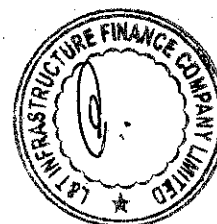
Dinanath Dubhashi  
**Chairperson**  
DIN 03545900

*Sachinn Joshi*

Sachinn Joshi  
**Chief Financial Officer**

*Ankit Sheth*

Ankit Sheth  
**Company Secretary**



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Consolidated financial information**

**Annexure IV**

**NOTE – 1: Significant accounting policies**

**I. Corporate Information**

L&T Infrastructure Finance Company Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 10<sup>th</sup> January 2007 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 7<sup>th</sup> July 2010.

**II. Basis of Accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read together with paragraph 7 of companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and along with the applicable guidelines issued by Reserve Bank of India ("RBI"). The financial statements have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

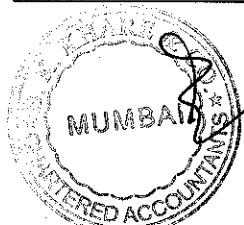
**III. Basis of Preparation**

The Consolidated Financial Statement (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statement", Accounting Standard (AS) 23 "Accounting for investment in Associates in Consolidated Financial Statement" as notified under 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 Infrastructure Finance Company Limited, its subsidiaries and associates. Reference in these notes to L&T Infrastructure Finance Company Limited, Company, Companies or Group shall mean to include L&T Infrastructure Finance Company Limited or any of its subsidiaries and associates, unless otherwise stated.

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.

The list of subsidiaries and associates included in the consolidated financial statement are as under:

Name of Associate/ Subsidiary company	Subsidiary/ Associate	Country of Incorporation	As at March 31,2018	As at March 31,2017
			% of Share/Voting Power	% of Share/Voting Power
L&T Infra Investment Partners Advisory Private Limited	Subsidiary	India	100.00	100.00
L&T Infra Investment Partners Trustee Private Limited	Subsidiary	India	100.00	100.00
Infra Debt Fund Limited	Associate	India	48.36	48.36
Feedback Infra Private Limited	Associate	India	0.00	23.16



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Consolidated financial information**

**IV. Principles of Consolidation**

The consolidated financial statements relate to L&T Infrastructure Finance Company 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 fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- b) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss being the profit or loss on disposal of investment in subsidiary.
- c) 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".

**V. Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**VI. Tangible and Intangible Fixed Assets:**

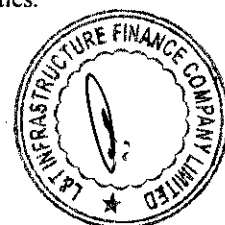
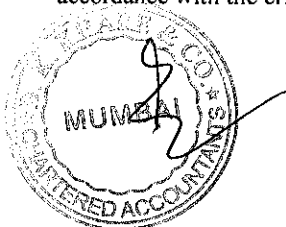
Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), 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.

Fixed assets 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. Fixed assets 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 tangible Fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**VII. Investments**

The Company being regulated as a Non-Banking Financial Company (NBFC) by the RBI, investments are classified under two categories i.e. Current and Long Term and are valued in accordance with the RBI guidelines and the Accounting Standard (AS) 13 on 'Accounting for Investments'. Investments in debentures which are, in substance, in the nature of credit substitutes are classified as a part of Loans towards Financing Activities and are measured in accordance with the criteria applied for the measurement of Loans towards Financing Activities.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Consolidated financial information**

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

'Quoted Current Investments' are grouped into following categories viz.

- (a) Equity shares,
- (b) Preference shares
- (c) Debentures and Bonds,
- (d) Government securities including treasury bills,
- (e) Units of mutual fund and
- (f) Others.

Quoted current investments for each category shall be valued at cost or market value whichever is lower. For this purpose, the investments in each category shall be considered scrip-wise and the cost and market value aggregated for all investments in each category. If the aggregate market value for the category is less than the aggregate cost for that category, the net depreciation is provided for or charged to the statement of profit and loss. If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation is ignored. Depreciation in one category of investments is not set off against appreciation in another category.

Unquoted current Investment:

Unquoted equity/preference shares to be valued at cost or Break-up/fair value whichever is lower. Investments in the units of mutual funds to be valued at the net asset value declared by the mutual fund in respect of each particular scheme.

**VIII. Loans towards Financing Activities**

Loans towards Financing Activities are classified under four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets in accordance with the RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of an advance, where interest is not serviced, provision for diminution is made as per the parameter applicable to Non-Performing Advances.

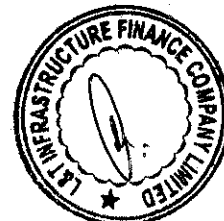
Provision on restructured advances /corporate debt restructure advances is made at in accordance with the guidelines issued by the RBI.

Provision on Standard Assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the management, based on such identification.

**IX. Foreign Currency Transactions, Forward Contracts and Derivatives**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of each transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of Profit and Loss.

The Company has exercised the option granted under notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.913(E) (F.No. 17/133/2008-CL.V) dated December 29, 2011 and is accordingly, amortising the foreign currency translation differences on long term foreign currency monetary items over the shorter of their maturity period and the balance period upto March 31, 2020. The unamortised balance as at the period end is presented as "Foreign Currency Monetary Item Translation Difference Account" on the assets side of the Balance Sheet.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Consolidated financial information**

Premium in respect of forward contracts is charged to statement of Profit and Loss over the period of the contract. Forward contracts outstanding as at the Balance Sheet date are revalued at the closing rate.

**X. Derivative contracts**

**Currency interest rate swaps**

As per the risk management policy, the Company has taken foreign currency swap to cover the risk exposure on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallized at a rate of exchange prevailing on the date of taking the swap. The foreign currency loans are valued at the exchange rate prevailing on the reporting date. Foreign currency swaps are marked to market on reporting date and resultant gain or loss is charged to Statement of profit and loss.

Cross currency Interest rate swaps in the nature of hedge, taken to manage currency risk as well as interest rate risk on foreign currency liabilities, whereby variable interest rate in foreign currency is swapped for fixed interest rate in Indian rupees or vice-versa. Such Interest rate swaps are marked to market at each reporting date and resultant gain or loss is recognised in Statement of profit and loss

Currency interest rate swaps in the nature of hedge, booked with the objective of managing the currency and interest rate risk on foreign currency liabilities are recorded on accrual basis and these transactions are not marked to market. The foreign currency balances on account of principal of currency interest rate swaps outstanding as at the Balance Sheet date are revalued using the closing rate.

**XI. 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.
- (d) Guarantee fees is recognized on pro-rata basis over the period of the guarantee.

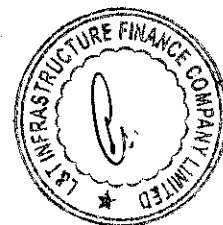
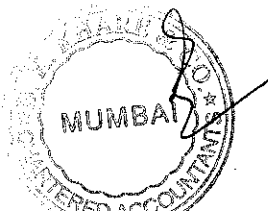
**XII. Other income**

Dividend is accounted when the right to receive dividend is established.

**XIII. Employee Benefits**

**Defined-Contribution Plans**

The Company offers its employees defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Consolidated financial information**

**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.

**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.

**XIV. Depreciation and Amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer software- 3 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.

**XV. Borrowing costs**

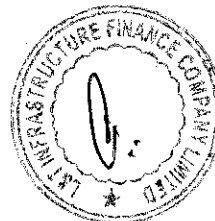
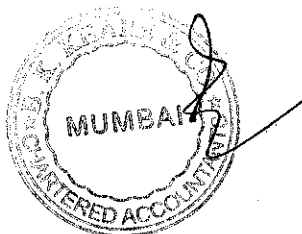
Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

**XVI. Impairment of assets**

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

**XVII. Operating Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Consolidated financial information**

**XVIII. Taxes on Income**

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.

**XIX. Provisions, Contingent liabilities and Contingent assets**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made in the notes when there is:

A Possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the NBFC; or

A present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

**XX. Cash Flow Statement**

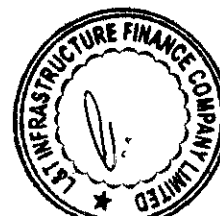
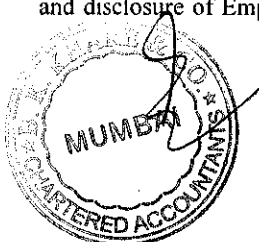
Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**XXI. 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.

**XXII. 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 within specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with Securities and Exchange Board



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Consolidated financial information**

of India (Share Based Employee Benefits) Regulations, 2014 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 and 2015-16. 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.

**XXIII. 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 / utilizing the credits.

**XXIV. Earnings per share**

Basic and diluted earnings per share are computed in accordance with Accounting Standard ("AS") 20 – Earnings per share.

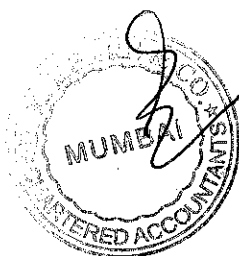
Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares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

**XXV. Share Issue Expenses**

Share issue expenses are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

**XXVI. Debenture Issue Expenses**

Expenses incurred on issue of debentures are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.





**L&T Infrastructure Finance Company Limited**

**Notes forming part of reformatted consolidated financial information**

**Note 2: Share capital**

	As at 31-03-2018		As at 31-03-2017	
	Number	₹ Crore	Number	₹ Crore
<b>Authorised</b>				
Equity shares of ₹ 10 each	2,000,000,000	2,000.00	2,000,000,000	2,000.00
<b>Issued, Subscribed &amp; Paid up shares</b>				
Equity shares of ₹ 10 each	989,913,695	989.91	892,087,609	892.09
<b>Total Issued, Subscribed &amp; Paid up shares capital</b>	<b>989,913,695</b>	<b>989.91</b>	<b>892,087,609</b>	<b>892.09</b>
<b>(I) Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting year</b>	As at 31-03-2018		As at 31-03-2017	
	Number	₹ Crore	Number	₹ Crore
Shares outstanding at the beginning of the year	892,087,609	892.09	846,254,276	846.26
Shares issued during the year	97,826,086	97.82	45,833,333	45.83
<b>Shares outstanding at the end of the year</b>	<b>989,913,695</b>	<b>989.91</b>	<b>892,087,609</b>	<b>892.09</b>

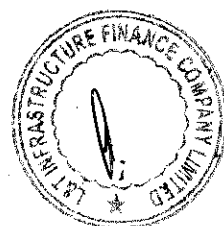
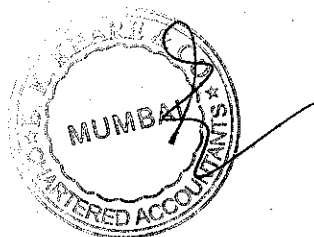
**(II) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees, during the year, the Holding Company has declared interim dividend of ₹1.53 per equity share (*previous year: ₹0.964 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.

<b>(III) Equity shares in the Company held by the holding company</b>	As at 31-03-2018		As at 31-03-2017	
	Number	₹ Crore	Number	₹ Crore
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its nominees.	989,913,695	989.91	892,087,609	892.09

<b>(IV) Details of shareholders holding more than 5% shares in the Company</b>	As at 31-03-2018		As at 31-03-2017	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its nominees.	989,913,695	100%	892,087,609	100%



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of reformatted consolidated financial information**

**Note 3: Reserves & surplus**

**(I) Securities Premium Account**

As per last Balance sheet	707.22	534.82
Add : Addition during the year	352.18	174.17
Less: Share issue expenses adjusted during the year	0.45	0.22
Less : Securities issue expenses adjusted during the year (Net of tax of ₹ 2.04 crore, previous year ₹ 0.82 crore ) (refer note 41)	3.85	1.55
<b>Closing balance</b>	<b>1,055.10</b>	<b>707.22</b>

**(II) Debenture Redemption Reserve**

As per last Balance sheet	288.49	306.38
Add : Transferred from surplus in the Statement of Profit and Loss	24.98	0.67
Less : Transferred to General Reserve	16.00	18.56
<b>Closing balance</b>	<b>297.47</b>	<b>288.49</b>

**(III) Reserve u/s 45-IC of Reserve Bank of India Act, 1934**

As per last Balance sheet	369.72	361.28
Add : Transferred from surplus in the Statement of Profit and Loss	15.18	8.44
<b>Closing balance</b>	<b>384.90</b>	<b>369.72</b>

**(IV) Reserve u/s 36(1)(viii) of Income tax Act, 1961**

As per last Balance sheet	453.16	355.81
Add : Transferred from surplus in the Statement of Profit and Loss	38.25	97.35
<b>Closing balance</b>	<b>491.41</b>	<b>453.16</b>

**(V) General reserves**

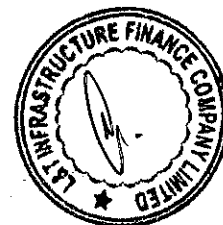
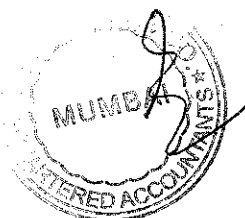
As per last Balance sheet	51.13	32.57
Add : Transferred from Debenture Redemption Reserve	16.00	18.56
<b>Closing balance</b>	<b>67.13</b>	<b>51.13</b>

**(VI) Surplus in the Statement of Profit and Loss**

As per last Balance sheet	245.21	511.79
Add : Profit for the year	145.15	98.34
Add: Share in associates Network	-	(15.51)
Less: Transfer to reserve u/s. 45-IC of Reserve Bank of India Act, 1934	15.18	8.44
Less: Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	38.25	97.35
Less: Interim Dividend	151.46	86.00
Less: Dividend Distribution Tax on Interim Dividend	30.83	17.50
Less: Transfer to debenture redemption reserve	24.97	0.67
Less: Provisions for unamortised MTM on investments	11.37	-
Less : Provision/(reversal) for Unamortised Loss on Sale of NPAs	(139.44)	139.45
<b>Closing balance</b>	<b>257.74</b>	<b>245.21</b>

**Total reserves and surplus**

As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
1,055.10	707.22
297.47	288.49
384.90	369.72
491.41	453.16
67.13	51.13
257.74	245.21
2,553.75	2,114.93

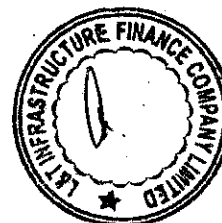
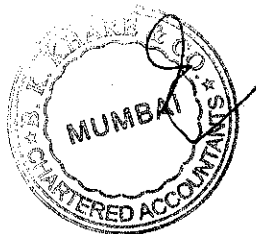


**L&T Infrastructure Finance Company Limited**

**Notes forming part of reformatted consolidated financial information**

**Note 4: Long-term borrowings**

	Non current portion		Current maturities	
	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
<b>(I) Secured</b>				
Redeemable non convertible debentures (refer note 4a)	5,572.23	6,338.68	2,569.52	1,549.31
External Commercial Borrowings	-	-	-	32.43
Term Loan from banks (refer note 4b)	3,483.33	3,850.00	366.67	243.33
Line of credit from bank (refer note 4b)	700.00	1,500.00	-	100.00
<b>Total (I)</b>	<b>9,755.56</b>	<b>11,688.68</b>	<b>2,936.19</b>	<b>1,925.07</b>
<b>(II) Unsecured</b>				
Redeemable non convertible debentures (refer note 4a)	2,302.50	2,242.50	-	-
Line of credit from bank (refer note 4b)	3,848.79	3,750.00	-	-
<b>Total (II)</b>	<b>6,151.29</b>	<b>5,992.50</b>	<b>-</b>	<b>-</b>
<b>Total (III) = (I)+(II)</b>	<b>15,906.85</b>	<b>17,681.18</b>	<b>2,936.19</b>	<b>1,925.07</b>
Less: Amount disclosed under the head "other current liabilities" (refer Note 9)	-	-	2,936.19	1,925.07
<b>Total long-term borrowings</b>	<b>15,906.85</b>	<b>17,681.18</b>	<b>-</b>	<b>-</b>



**L&T Infrastructure Finance Company Limited**

Notes forming part of reformatted consolidated financial information

Note 4a:

**Secured redeemable, Non convertible Debentures (Privately placed) (₹ crore)**

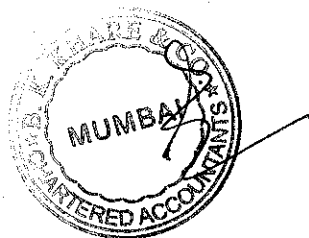
Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Balance outstanding	Interest Rate (%)	Balance outstanding	Interest Rate (%)
<b>Fixed Rate</b>	<b>6,687.00</b>		<b>6,369.25</b>	
Above 5 years	1,490.50	7.59%-9.70%	848.50	7.95%-9.00%
3-5 years	990.25	7.65%-9.00%	1,441.50	7.80%-9.70%
1-3 years	2,570.75	7.50%-9.50%	2,955.00	7.90%-9.80%
upto 1 year	1,635.50	8.35%-9.8%	1,124.25	8.60%-9.55%
<b>Floating Rate</b>				
Above 5 years	-		-	
3-5 years	-		-	
1-3 years	-		-	
<b>Total</b>	<b>6,687.00</b>		<b>6,369.25</b>	

**Unsecured redeemable, Non convertible Debentures (Privately placed) (₹ crore)**

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Balance outstanding	Interest Rate (%)	Balance outstanding	Interest Rate (%)
<b>Fixed Rate</b>	<b>2,302.50</b>		<b>2,242.50</b>	
Above 5 years	1,602.50	7.8%-10.35%	1,742.50	8.05%-10.35%
3-5 years	200.00	9.90%	500.00	8.19%
1-3 years	500.00	8.19%	-	
<b>Floating Rate</b>				
Above 5 years	-		-	
3-5 years	-		-	
1-3 years	-		-	
<b>Total</b>	<b>2,302.50</b>		<b>2,242.50</b>	

**Long term Infrastructure Bonds Secured redeemable, Non convertible Debentures (Public issue) (₹ crore)**

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Balance outstanding	Interest Rate (%)	Balance outstanding	Interest Rate (%)
<b>Fixed Rate</b>	<b>1,454.75</b>		<b>1,518.74</b>	
Above 5 years	-	0.00%	159.66	7.50%
3-5 years	-	7.5%-8.3%	934.02	7.75%-9.00%
1-3 years	520.73	8.7%-9.00%	425.06	7.75%-8.30%
upto 1 year	934.02		-	
<b>Floating Rate</b>				
Above 5 years	-		-	
3-5 years	-		-	
1-3 years	-		-	
<b>Total</b>	<b>1,454.75</b>		<b>1,518.74</b>	



**L&T Infrastructure Finance Company Limited**  
Notes forming part of reformatted consolidated financial information

Note 4b

As at 31-03-2018

**Term loans from bank (Secured)**

Repayment terms	Balance as at 31.03.18 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	3,400.00	-	3,400.00	15 months to 5 years	MCLR
Equated annual installments	-	-	-		
Equated semi annual installments	750.00	166.67	583.33	2 months to 3 years	MCLR
Equated quarterly installments	400.00	200.00	200.00	2 months to 3 years	MCLR
<b>Total</b>	<b>4,550.00</b>	<b>366.67</b>	<b>4,183.33</b>		

Above loans are secured by first exclusive charge on specific receivables.

**Line of credit from bank (Unsecured)**

Repayment terms	Balance as at 31.03.18 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	3,848.79	-	3,848.79	15 months	MCLR
<b>Total</b>	<b>3,848.79</b>	<b>-</b>	<b>3,848.79</b>		

As at 31-03-2017

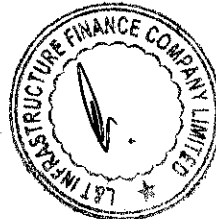
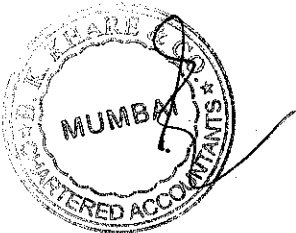
**Term loans and Line of credit from bank (Secured)**

Repayment terms	Balance as at 31.03.17 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	4,300.00	100.00	4,200.00	15 months to 5 years	MCLR
Equated annual installments	-	-	-		
Equated semi annual installments	825.76	75.76	750.00	3 years to 5 years	MCLR & Base Rate
Equated quarterly installments	600.00	200.00	400.00	5 years to 7 years	MCLR
<b>Total</b>	<b>5,725.76</b>	<b>375.76</b>	<b>5,350.00</b>		

Above loans are secured by first exclusive charge on specific receivables.

**Line of credit from bank (Unsecured)**

Repayment terms	Balance as at 31.03.17 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	3,750.00	-	3,750.00	15 months	MCLR
<b>Total</b>	<b>3,750.00</b>	<b>-</b>	<b>3,750.00</b>		



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of reformatted consolidated financial information**

**Note 5: Other long-term liabilities**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
Deferred income on loan processing	39.87	40.30
Interest accrued but not due on Bonds/Debentures	330.88	501.35
Unamortised discount on Debentures Loan	0.05	0.17
<b>Total other long-term liabilities</b>	<b>370.80</b>	<b>541.82</b>

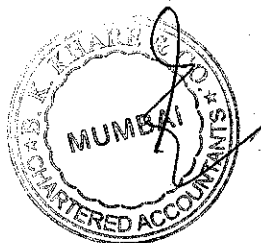
**Note 6: Long-term provisions**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
For contingent provisions against standard assets	75.74	72.92
For interest capitalised on restructured assets	21.32	51.37
<b>Total long-term provisions</b>	<b>97.06</b>	<b>124.29</b>

**Note 7: Short-term borrowings**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
<b>(I) Secured*</b>		
Bank overdraft/ Cash Credit	-	4.20
<b>Total I</b>	<b>-</b>	<b>4.20</b>
<b>(II) Unsecured</b>		
Commercial paper	2,350.42	935.15
(Net of unexpired discount ₹ 64.58 crore (previous year ₹ 30.35 crore))		
<b>Total II</b>	<b>2,350.42</b>	<b>935.15</b>
<b>Total short-term borrowings (I+II)</b>	<b>2,350.42</b>	<b>939.35</b>

\*Secured by first exclusive charge on specific receivables.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of reformatted consolidated financial information**

**Note 8 : Trade Payable**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
Micro, Small and Medium Enterprises (See note below)	-	-
Other than Micro and Small Enterprises	0.82	0.53
	<b>0.82</b>	<b>0.53</b>

**Note:** Based on the information received by the Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the balance sheet date and hence, disclosures relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

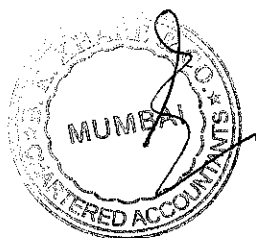
**Note 9: Other current liabilities**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
Current maturities of long-term debt (refer note 4)	2,936.19	1,925.06
Interest accrued but not due on debentures	940.37	586.79
Interest accrued but not due on other borrowings	2.18	0.33
Deferred income on loan processing	14.35	13.75
Dividend Payable	151.46	86.00
Dividend distribution tax payable	30.83	17.51
Other Payables:		
Advance from customers	13.81	29.30
Accrued expenses	17.43	14.85
Unclaimed infrastructure bonds application money	0.71	0.72
Unclaimed interest on infrastructure bonds	13.61	10.87
Statutory liabilities	13.87	5.49
Unamortised discount on Debentures Loan	0.02	0.36
<b>Total other current liabilities</b>	<b>4,134.83</b>	<b>2,691.03</b>

**Note:** As on March 31, 2018 ₹ 0.62 crore (Previous year Nil) was due to be transferred to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013. Same is duly deposited within allowable limit of 30 days from due date for transfer.

**Note 10: Short-term provisions**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
For employee benefits:		
Gratuity (net liability)	-	0.27
Compensated absences	1.80	1.82
Others:		
For contingent provisions against standard assets	8.64	4.44
Provision for tax ( net of advance tax)	1.42	-
<b>Total short-term provisions</b>	<b>11.86</b>	<b>6.53</b>



**L&T Infrastructure Finance Company Limited**

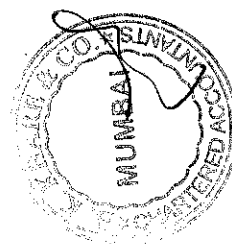
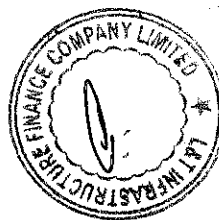
**Notes forming part of reformatted consolidated financial information**

**Note 11: Fixed assets (at cost less depreciation)**

₹ crore

Description	Gross Block			Depreciation & Amortisation			Net Book Value	
	Opening as at 01.04.2017	Additions during the year	Deductions during the year	Closing as at 31.03.2018	Up to 01.04.2017	Charge during the year	Deductions / Adjustments Up to 31.03.2018	As at 31.03.2018
<b>Tangible</b>								
Computers	3.54 (3.42)	- (0.12)	(1.00) -	2.54 (3.54)	2.84 (2.38)	0.34 (0.46)	(0.87) -	2.31 (2.84) (0.70)
Furniture and Fittings	0.27 (0.29)	- -	(0.07) (0.02)	0.20 (0.27)	0.14 (0.13)	0.02 (0.02)	(0.03) (0.01)	0.13 (0.14) (0.13)
Office Equipment	0.68 (0.67)	0.01 (0.02)	- (0.01)	0.69 (0.68)	0.59 (0.53)	0.03 (0.07)	- (0.01)	0.62 (0.59) (0.09)
Vehicles	-	0.80	-	0.80	-	0.14	-	0.14 0.66
<b>Total tangible assets (A)</b>	<b>4.49 (4.38)</b>	<b>0.81 (0.14)</b>	<b>(1.07) (0.03)</b>	<b>4.23 (4.49)</b>	<b>3.57 (3.04)</b>	<b>0.53 (0.55)</b>	<b>(0.90) (0.02)</b>	<b>3.20 (3.57) 1.03 (0.92)</b>
<b>Intangible</b>								
Computer Software	7.24 (6.29)	1.62 (0.95)	- -	8.86 (7.24)	6.20 (5.69)	0.60 (0.51)	- -	6.80 (6.20) 2.06 (1.04)
<b>Total intangible assets (B)</b>	<b>7.24 (6.29)</b>	<b>1.62 (0.95)</b>	<b>- -</b>	<b>8.86 (7.24)</b>	<b>6.20 (5.69)</b>	<b>0.60 (0.51)</b>	<b>- -</b>	<b>6.80 (6.20) 2.06 (1.04)</b>
<b>Total (A+B)</b>	<b>11.73 (10.67)</b>	<b>2.43 (1.09)</b>	<b>(1.07) (0.03)</b>	<b>13.09 (11.73)</b>	<b>9.77 (8.73)</b>	<b>1.13 (1.06)</b>	<b>(0.90) (0.02)</b>	<b>10.00 (9.77) 3.09 (1.96)</b>
<i>Previous Year</i>								

Note: Previous year figures are shown in brackets.

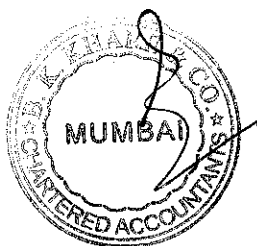




**L&T Infrastructure Finance Company Limited**  
Notes forming part of reformatted consolidated financial information

**Note 12: Non-current investments**

	Face Value	As at		As at	
	₹	31-03-2018	₹ crore	31-03-2017	₹ crore
		Quantity		Quantity	
<b>(A) Trade investment, valued at cost, fully paid:</b>					
<b>(I) Investments in Associates:</b>					
<b>Equity shares (Unquoted)</b>					
Feedback Infra Private Limited	10	-	-	3,790,000	43.41
L&T Infra Debt Fund Limited	10	237,036,157	486.79	227,600,000	380.57
<b>(B) Non Trade investment, valued at cost, fully paid:</b>					
<b>(I) Investments in others:</b>					
<b>(I) Debentures or Bonds</b>					
<b>Compulsory Convertible Debentures (CCDs)</b>					
Tikona Digital Networks Private Limited	2,840	579,772	164.66	579,772	164.66
Bhoruka Power Corporation Limited	100,000	21,971	219.71	21,971	219.71
<b>Multiple Option Exchangeable Debentures (MOEDs)</b>					
Mission Holdings Private Limited	100,000	-	-	5,500	55.00
<b>(II) Equity shares (Unquoted)</b>					
Tikona Digital Networks Private Limited	10	605	0.17	605	0.17
Bhoruka Power Corporation Limited	10	100	0.01	100	0.01
Bhoruka Power India Investments Private Limited	10	10	0.00	10	0.00
Soma Tollways Private Limited	10	6,413,216	329.10	6,413,216	329.10
Mission Holdings Private Limited	10	100	0.00	100	0.00
Indian Highways Management Company Limited	10	1,500,000	1.50	1,500,000	1.50
<b>(III) Preference shares:</b>					
<b>Cumulative Compulsorily Convertible Preference Shares</b>					
SKS Ispat Power Limited	10	9,773,621	9.22	9,773,621	9.22
<b>(IV) Units of fund</b>					
LICHFL Urban Development Fund	10,000	10,000	7.17	10,000	7.29
L&T Infra Investments Partner Fund					
Class B	100	20,376,473	203.77	23,142,361	231.42
Class C	100	500,000	5.00	500,000	5.00
Class D	10	10,000	0.01	10,000	0.01
<b>(V) Sponsoror's contribution to trustee</b>					
			0.00		0.00
<b>(VI) Security Receipts</b>					
Phoenix ARC private Limited					
Phoenix Trust FY 14-9	1,000	1,108,935	110.89	1,108,935	110.89
Edelweiss Asset Reconstruction Company Limited					
EARC Trust - SC 105 Trust	976.26	1,190,000	116.18	1,190,000	116.18
EARC Trust - SC 132 Trust	1,000	8,500	0.85	8,500	0.85
EARC Trust - SC 258 Trust	995.66	2,583,490	257.23	2,583,490	258.35
JM Financial Asset Reconstruction Company Limited					
JM Financial (JMFARC) Trust	984.76	2,621,651	258.17	-	-
<b>Total non - current investments</b>			<b>2,170.43</b>		<b>1,933.34</b>
Less: Provision for diminution in the value of investments			69.31		55.45
<b>Net non-current Investments</b>			<b>2,101.12</b>		<b>1,877.89</b>
<b>Note 1:</b>					
a) Aggregate amount of unquoted investments			2,170.43		1,933.34
b) Aggregate amount of quoted investments and market value thereof			-		-
c) Aggregate amount of listed but not quoted investments			-		-



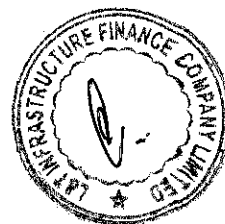
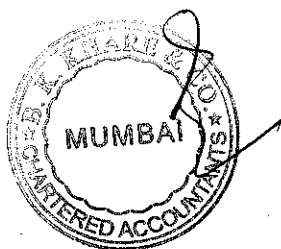
**L&T Infrastructure Finance Company Limited**

**Notes forming part of reformatted consolidated financial information**

**Note 13: Deferred tax assets (net)**

Component	As at 31-03-2018		As at 31-03-2017	
	Assets ₹ crore	Liabilities ₹ crore	Assets ₹ crore	Liabilities ₹ crore
Timing difference between book balance and tax balance of fixed assets	-	0.21	-	0.15
Provision on loan assets/interest receivable	431.43	-	333.52	-
Employee benefits	0.63	-	0.63	-
Others	1.01	-	0.98	-
	<b>433.07</b>	<b>0.21</b>	<b>335.13</b>	<b>0.15</b>
<b>Net Deferred Tax Asset</b>	<b>432.86</b>		<b>334.98</b>	

**Note :** No deferred tax liability has been recognised on Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961 based on the Management's evaluation that possibility of withdrawal there from is remote.

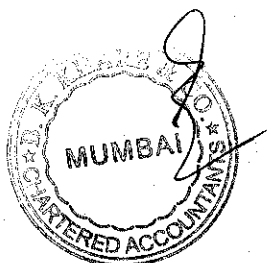


**L&T Infrastructure Finance Company Limited**

**Notes forming part of reformatted consolidated financial information**

**Note 14: Long-term loans and advances towards financing activities**

	Non current		Current	
	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
Term Loans	18,822.25	18,852.25	2,302.26	1,168.70
Debentures	2,257.35	1,844.14	101.42	92.03
<b>Gross Loans</b>	<b>21,079.60</b>	<b>20,696.39</b>	<b>2,403.68</b>	<b>1,260.73</b>
Less: Provision for contingencies	437.98	262.34	-	-
Less: Provision against Restructured Assets	66.84	80.56	-	-
Less: Provision against Non Performing Assets	558.04	417.72	-	-
Less: Provision against Interest capitalised on Non Performing Assets	97.37	123.11	-	-
<b>Net Loans</b>	<b>19,919.37</b>	<b>19,812.66</b>	<b>2,403.68</b>	<b>1,260.73</b>
Less: Amount disclosed under the "Note 20"	-	-	2,403.68	1,260.73
	<b>19,919.37</b>	<b>19,812.66</b>	<b>-</b>	<b>-</b>
<b>The above amount includes:</b>				
Secured	20,799.40	20,416.19	2,403.68	1,260.73
Unsecured	280.20	280.20	-	-
<b>Total</b>	<b>21,079.60</b>	<b>20,696.39</b>	<b>2,403.68</b>	<b>1,260.73</b>



**L&T Infrastructure Finance Company Limited**

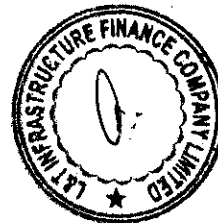
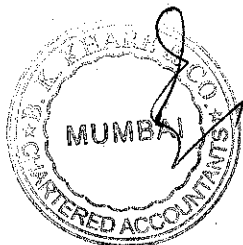
**Notes forming part of reformatted consolidated financial information**

**Note 15: Long-term loans and advances**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
Security deposits (Unsecured, considered good)	7.21	7.21
Others:		
Prepaid expenses	2.52	0.34
Advance payment of Service tax (under protest)	4.55	4.55
Advance payment of Income Tax (net of provision for tax)	318.42	264.65
MAT credit entitlement	1.38	1.38
<b>Total other long term loans and advances</b>	<b>334.08</b>	<b>278.13</b>

**Note 16: Other non-current assets**

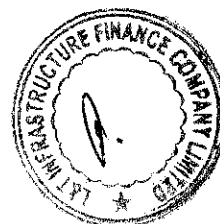
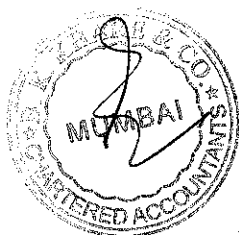
	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
Others:		
(Secured, considered good)		
Accrued interest on debentures	42.66	133.46
(Net of provision on interest receivable Nil, previous year ₹ 21.14 crore)		
Gratuity (Net Asset)	0.13	-
(Unsecured, considered good)		
Accrued interest on debentures	63.34	40.84
Accrued Interest on loans towards financing activities	0.63	15.00
Unamortised Premium on Debenture loan	0.02	-
Unamortised professional fees (Placement Fees)	0.05	-
<b>Total other non-current assets</b>	<b>106.83</b>	<b>189.30</b>



**L&T Infrastructure Finance Company Limited**  
Notes forming part of reformatted consolidated financial information

**Note 17: Current Investments**

	Face Value		As at		As at
	₹	Quantity	31-03-2018	₹ crore	31-03-2017
					₹ crore
<b>(A) Non Trade investment, valued at lower of cost or market value, fully paid:</b>					
<b>(I) Equity shares</b>					
<b>Quoted</b>					
Unity Infra Project	2	694,370	1.91	694,370	1.91
Monnet Ispat & Energy Limited	10	1,798,245	6.15	1,798,245	6.15
Shiv vani Oil Gas and Energy Limited	10	1,496,658	2.40	1,496,658	2.40
Gol Offshore Limited	10	9,791,408	42.89	9,791,408	42.90
KSK Energy Ventures Limited	10	10,688,253	11.61	-	-
<b>Unquoted</b>					
Coastal Projects Limited	10	7,896,884	22.09	7,896,884	22.10
ICOMM Tele Limited	10	41,667	0.50	41,667	0.50
VMC Systems Limited	10	173,653	4.02	173,653	4.02
Hanjer Biotech Energies Private Limited	10	208,716	9.44	208,716	9.44
Soma Enterprises Limited	10	500,000	0.50	2,946,155	84.51
Mediciti Healthcare Services Private Limited	10	1,635,003	0.50	1,635,003	0.50
Warasgaon Lakeview Hotels Limited	10	-	-	63,849	5.72
KSK Mahanadi Power Co. Ltd.	10	6,221,868	6.22	-	-
NSL Tidong Power Generation Private Limited	10	62,772,331	62.77	-	-
NSL Sugars Limited	10	2,925,656	2.93	-	-
Athena Chattisgarh Power Limited	10	69,300,000	69.30	-	-
Supreme Best Value Kolhapur(Shiroli) Sangli Tollways Private Limited	10	5,026	0.01	-	-
<b>(II) Preference shares</b>					
Sew Vizag Coal Terminal Private Limited	10	703,833	0.70	703,833	0.70
<b>(III) Investment in mutual funds</b>					
L&T Liquid Fund Direct Plan- Growth	1,000	57,592	13.71	1,123,998	250.00
Reliance Liquid Fund	1,000	-	-	341,530	135.00
UTI-Money Market Fund	1,000	-	-	743,282	135.00
ICICI Prudential Liquid - Direct - Daily Dividend	-	-	-	7,446	0.07
ICICI Prudential Flexible Income - Direct Growth	-	-	-	427,406	13.35
<b>(IV) Investment in Debenture/Bonds</b>					
NSL Sugars Ltd.	100	2,132,310	21.32	-	-
U. P. Power Corporation Ltd	1,000,000	221	22.10	-	-
Soma Enterprises Limited	999,983	66,158,871	66.16	-	-
Dewan Housing Finance Limited (Perpetual Debt)	1,000,000	-	-	290	29.00
<b>(V) Investment in Share Application Money</b>					
NSL Tidong Power Generation Private Limited	-	-	-	-	62.77
<b>Total Current investments</b>			<b>367.23</b>		<b>806.04</b>
Less: Provision for diminution in value of investments			<b>94.92</b>		<b>54.59</b>
<b>Net Current Investments</b>			<b>272.31</b>		<b>751.45</b>
<b>Note :</b>					
a) Aggregate amount of unquoted investments			228.52		693.41
b) Aggregate amount of quoted investments and market value thereof			22.47		29.04
c) Aggregate amount of listed but not quoted investments			21.32		29.00



**L&T Infrastructure Finance Company Limited**  
Notes forming part of reformatted consolidated financial information

**Note 18: Trade receivables**

(Unsecured, considered good)

Unsecured - outstanding for a period of less than Six months from the date when they become payable

(Unsecured, considered doubtful)

Outstanding for a period of more than Six months from the date when they become payable

Doubtful

Less: Allowance for bad and doubtful debts

**Total trade receivables**

As at  
31-03-2018  
₹ crore

As at  
31-03-2017  
₹ crore

49.18 38.27

1.46 1.02

1.46 1.02

**49.18 38.27**

**Note 19: Cash and Bank balances**

**Cash and cash equivalents as defined in AS - 3**

Cash on hand

Balances with Banks

In Current Account

Balances with Banks in Fixed Deposit Account

(with original maturity of less than three months)

**Others**

In earmarked accounts

-unclaimed infrastructure bonds application money

-unclaimed interest on infrastructure bonds

Balances with Banks in Fixed Deposit Account

(with original maturity of more than three months)

**Total Cash and Bank balance**

As at  
31-03-2018  
₹ crore

As at  
31-03-2017  
₹ crore

- 0.00

359.96 106.77

- -

0.71 0.72

13.61 10.87

- -

**374.28 118.36**

**Note 20: Current maturities of long - term loans towards financing activities**

(Secured, considered good) (refer Note 14)

Current maturities of long - term loans towards financing activities

**Total current maturities of long - term loans towards financing activities**

As at  
31-03-2018  
₹ crore

As at  
31-03-2017  
₹ crore

2,403.68 1,260.73

**2,403.68 1,260.73**

**Note 21: Short term loans and advances - others**

(Unsecured, considered good)

Receivable from related parties (refer note 31)

Others

Prepaid expenses

Forward contract receivable

Other advances

Inter Corporate Deposit Given

Unamortised loss on sale of NPAs

Less: Provision for Unamortised loss on sale of NPA

**Total other short term loans and advances**

As at  
31-03-2018  
₹ crore

As at  
31-03-2017  
₹ crore

0.13 0.44

2.51 1.17

- 10.02

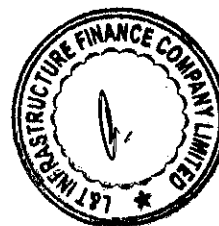
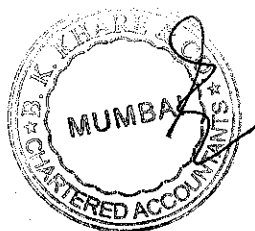
0.78 4.65

52.00 35.00

- 139.45

- (139.45)

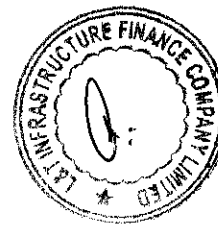
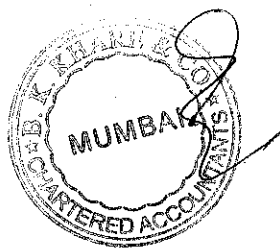
**55.42 51.28**



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of reformatted consolidated financial information**

**Note 22: Other current assets**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore
(Secured, considered good)		
Accrued Interest on loans towards financing activities	21.41	76.31
(Net of provision on interest receivable ₹ 0.79 crore, previous year ₹ 40.43 crore)		
Accrued income on debentures	139.59	26.97
(Net of provision on interest receivable Nil, previous year ₹ 53.00 crore)		
(Unsecured, considered good)		
Accrued Interest on loans towards financing activities	27.95	1.11
Accrued income on Debenture loan	0.65	0.65
Unamortised Premium on Debenture loan	0.00	-
Unamortised premium on Investment in Bonds/Debentures	0.38	-
Accrued interest on investment in Debentures/ Fixed Deposit	0.09	1.89
Accrual of Fee Income	0.14	0.16
Assets acquired in settlement of claims	169.66	169.65
GST credit receivable	0.12	-
Tax credit receivable	0.01	-
Unamortised Professional Fees	0.03	-
Other receivables	0.00	-
<b>Total other current assets</b>	<b>360.03</b>	<b>276.74</b>



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of reformatted consolidated financial information**  
**Note 23: Revenue from operations**

<b>Interest and dividend income</b>	
Interest on loans and advances towards financing activities	
Less : Provision made for interest receivables	
Interest on debentures	
Interest on bank deposits/ ICD/ Bonds	
Dividend Income from preference shares	
<b>Other operating income</b>	
Fee Income	
Gain / (loss) on loans sell down of loan assets/ amortisation of premium	
Other Income from preference shares	
<b>Total revenue from operations</b>	

Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
1,844.75	2,237.84
(113.78)	28.07
<b>1,958.53</b>	<b>2,209.77</b>
197.03	263.43
30.20	41.84
0.00	-
380.78	102.50
6.85	12.27
-	30.15
<b>2,573.39</b>	<b>2,659.96</b>

**Note 24: Other income**

Gain / (loss) on sale/Dividend and other income of/on Investments	
Dividend/other income on current investments	
Dividend income on long term investment	
Gain / (loss) on sale of long term Investments	
Asset Management fee/ Corporate Support Charges/ Hold period fee	
Others	
<b>Total other income</b>	

Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
24.71	15.26
-	0.80
-	0.57
113.72	-
0.26	6.11
19.32	4.01
<b>158.01</b>	<b>26.75</b>

**Note 25: Employee benefit expenses**

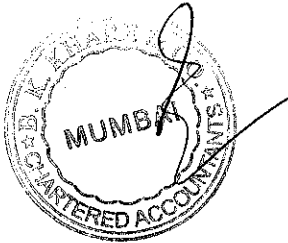
Salaries	
Contribution to provident and other funds	
Gratuity Expense	
Staff Welfare Expenses	
Reimbursement of costs of staff on deputation	
<b>Total employee benefit expenses</b>	

Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
33.12	29.30
1.38	1.31
0.55	0.50
1.00	0.58
-	(0.04)
<b>36.05</b>	<b>31.65</b>

**Note 26: Finance cost**

Interest expenses	
Other borrowing costs	
<b>Total finance cost</b>	

Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
1,709.54	1,815.00
18.23	10.27
<b>1,727.77</b>	<b>1,825.27</b>





**L&T Infrastructure Finance Company Limited**

**Notes forming part of reformatted consolidated financial information**

**Note 27: Other expenses**

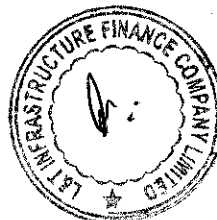
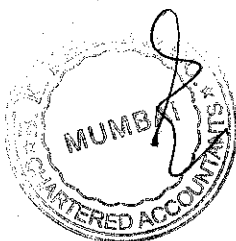
	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
Rent	12.75	12.01
Property maintenance and other charges	4.92	1.74
Telephone and communication	0.88	1.16
Printing & stationery	0.07	0.15
Membership & subscription	0.12	0.48
Training and conference	0.10	0.08
Travelling and conveyance	1.16	0.94
Professional fees	29.66	14.96
Auditors' remuneration	0.49	0.60
Directors' fees	0.34	0.26
Commission to Non-executive Directors	0.63	0.87
Rates and taxes	0.21	0.64
Brand license Fee	4.40	2.43
Management fees	1.72	4.67
Repairs & maintenance - IT Assets	2.36	1.50
Corporate Social Responsibility Expenses	4.69	7.12
Miscellaneous expenses	0.83	2.73
<b>Total other expenses</b>	<b>65.33</b>	<b>52.34</b>

Note (a): Auditors' Remuneration comprises the following (net of service tax/ GST set off):

	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
Statutory Audit Fee	0.16	0.16
Limited Review fee	0.17	0.17
Tax audit Fee	0.05	0.05
Other services	0.08	0.16
Reimbursement of expenses	0.01	0.01
Service tax / GST (net of input credit)	0.02	0.05
	<b>0.49</b>	<b>0.60</b>

**Note 28: Provisions and contingencies**

	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore
Provision for standard assets	182.66	206.47
Provision against restructured assets	(13.72)	(11.69)
Provision against non-performing assets	114.58	384.39
Provision for diminution in value of Investments	42.82	13.32
Bad debt write off	495.82	157.44
<b>Total provisions and contingencies</b>	<b>822.16</b>	<b>749.93</b>



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatted consolidated financial information**

**Note 29: Contingent liabilities and commitments:**

₹ crore

	As at March 31, 2018	As at March 31, 2017
<b>(I) Contingent Liabilities:</b>		
a) Claims against the Company not acknowledged as debt:		
1. Income Tax matter in dispute*	7.95	7.95
2. Service Tax matter in dispute*	4.65	4.65
3. Legal matter in dispute	0.01	Nil
b) Bank Guarantees	229.18	50.00
c) Other money for which the Company is contingently liable:		
1. Liability towards Letter of Comfort	333.79	500.81
2. Liability towards Letter of Credit	1,208.40	241.76
<b>(II) Commitments:</b>		
a) Other Commitments:		
1. Undisbursed Commitment	132.62	621.62
2. Capital Commitment	172.76	165.17

\*In respect of disputes, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

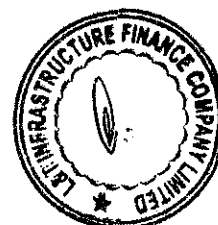
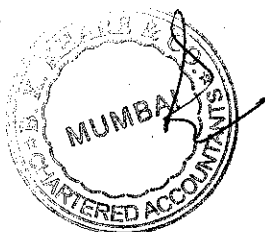
**Note 30: Segment Reporting (AS 17):** The Company's main business is to provide finance for infrastructure projects. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of Accounting Standard (AS) 17 on 'Segment Reporting'.

**Note 31:** As per the Accounting Standard (AS) 18 on 'Related Party Disclosures', the related parties, nature and volume of transactions carried out with them in the ordinary course of business are as follows:

**Related party disclosures:**

**(a) List of related parties and relationships:**

<b>A. Ultimate holding company:</b>
1. Larsen & Toubro Limited
<b>B. Holding company:</b>
2. L&T Finance Holdings Limited
<b>C. Fellow subsidiary company:</b>
3. L&T Finance Limited (earlier known as Family Credit Limited)
4. L&T Sargent & Lundy Limited
5. L&T InfoTech Limited
6. L&T Capital Markets Limited
7. L&T Housing Finance Limited
8. L&T Electromech LLC
9. L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)
10. L&T Investment Management Limited
11. L&T ENC Hydrocarbon Limited



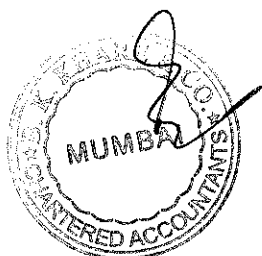
**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatting consolidated financial information**

<b>D. Associates:</b>	12. L&T Infrastructure Engineering Limited
	13. L&T Infra Debt Fund Limited
	14. Feedback Infra Private Limited (up to March 14, 2018)
<b>E. Key Management Personnel:</b>	15. Mr. Virender Pankaj
	16. Mr. Gopalakrishnan Krishnamurthy (up to May 25, 2016)
<b>Note: The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.</b>	

**(b) Related party transactions:**

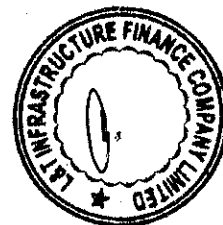
₹ crore

Sr. No.	Nature of Transactions	2017-18	2016-17
<b>1</b>	<b>Interest expenditure on inter corporate borrowings</b>		
	• L&T Finance Holdings Limited	6.71	3.34
	• L&T Finance Limited (Erstwhile Family Credit Limited)	0.02	0.34
	• L&T Housing Finance Limited	0.08	0.08
	• L&T Investment Management Limited	0.04	-
	• L&T Capital Markets Limited	0.01	-
<b>2</b>	<b>Interest income on inter corporate deposit given</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited)	2.87	0.78
	• L&T Housing Finance Limited	0.32	0.04
	• L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	0.01	-
<b>3</b>	<b>Dividend income received</b>		
	• Feedback Infra Private Limited	0.66	0.57
<b>4</b>	<b>Interim Dividend to Holding Company</b>		
	• L&T Finance Holdings Limited	151.46	86.00
<b>5</b>	<b>Sitting Fees received</b>		
	• Feedback Infra Private Limited	0.03	0.01
<b>6</b>	<b>Asset Management Fee</b>		
	• L&T Infra Debt Fund Limited	0.27	6.11
<b>7</b>	<b>Support charges paid</b>		
	• Larsen & Toubro Limited	0.00	0.01
<b>8</b>	<b>Rent and maintenance charges paid</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited)	0.17	0.27
	• L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	14.49	11.03



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatted consolidated financial information**

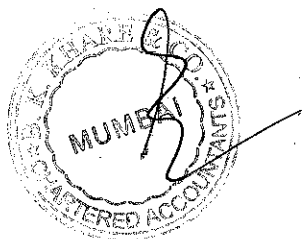
<b>9</b>	<b>Brand license fees</b>		
	• Larsen & Toubro Limited	4.41	2.25
<b>10</b>	<b>Management fees</b>		
	• L&T Finance Holdings Limited	1.96	4.34
<b>11</b>	<b>Professional fees and other expenses paid</b>		
	• L&T Sargent & Lundy Limited	0.09	0.01
	• Larsen & Toubro Limited	0.66	0.47
	• L&T InfoTech Limited	0.50	0.26
	• Feedback Infra Private Limited	-	0.19
	• L&T Finance Holdings Limited	0.08	-
	• L&T Infrastructure Engineering Limited	-	0.05
<b>12</b>	<b>Sale of loan Assets</b>		
	• L&T Infra Debt Fund Limited	903.06	509.12
	• L&T Finance Limited (Erstwhile Family Credit Limited)	963.00	-
	• L&T Housing Finance Limited	529.42	-
<b>13</b>	<b>Purchase of loan Assets</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited)	662.12	-
<b>14</b>	<b>Sale of investments</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited) (Net)	330.00	239.74
	• L&T Housing Finance Limited (Net)	-	84.94
<b>15</b>	<b>Inter corporate borrowing taken</b>		
	• L&T Finance Holdings Limited	4,073.00	2,701.35
	• L&T Finance Limited (Erstwhile Family Credit Limited)	100.00	677.52
	• L&T Housing Finance Limited	212.00	89.00
	• L&T Investment Management Limited	47.20	-
	• L&T Capital Markets Limited	7.15	-
<b>16</b>	<b>Inter corporate borrowing repaid</b>		
	• L&T Finance Holdings Limited	4,073.00	2,701.35
	• L&T Finance Limited (Erstwhile Family Credit Limited)	100.00	677.52
	• L&T Housing Finance Limited	212.00	89.00
	• L&T Investment Management Limited	47.20	-
	• L&T Capital Markets Limited	7.15	-
<b>17</b>	<b>Inter corporate deposit given</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited)	1,529.95	813.50
	• L&T Housing Finance Limited	338.00	31.00
	• L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	52.00	-



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatted consolidated financial information**

<b>18</b>	<b>Inter corporate deposit recovered</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited)	1,564.95	778.50
	• L&T Housing Finance Limited	338.00	31.00
<b>19</b>	<b>Outstanding balance of Inter corporate deposit given</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited)	-	35.00
	• L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	52.00	-
<b>20</b>	<b>Interest accrued on Inter corporate deposit given</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited)	-	0.01
	• L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	0.01	-
<b>21</b>	<b>Investment in Equity Shares</b>		
	• L&T Infra Debt Fund Limited	33.86	-
<b>22</b>	<b>Capital infusion</b>		
	• L&T Finance Holdings Limited	450.00	220.00
<b>23</b>	<b>Key management personnel – remuneration</b>		
	• Mr. Gopalakrishnan Krishnamurthy	-	0.69
	• Mr. Virender Pankaj	1.77	0.87
<b>24</b>	<b>Account payable</b>		
	• Larsen & Toubro Limited	0.07	0.15
	• L&T Electromech LLC	0.02	0.02
	• L&T InfoTech Limited	-	0.05
	• L&T ENC Hydrocarbon Limited	0.02	0.02
	• L&T Infra Debt Fund Limited	-	0.03
	• L&T Finance Limited (Erstwhile Family Credit Limited)	0.67	-
	• L&T Housing Finance Limited	-	0.00
	• L&T Investment Management Limited	0.01	-
	• L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	0.01	-
<b>25</b>	<b>Account receivable</b>		
	• L&T Finance Limited (Erstwhile Family Credit Limited)	0.14	0.44

Note: Transactions shown above are exclusive of Service Tax/GST, if any



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatted consolidated financial information**

**Note 32:** The Company holds certain premises under operating leases. Rent includes net expenses of ₹12.75 crore (previous year ₹11.98 crore). The committed lease rentals in the future are:

₹ crore		
Particulars	2017-18	2016-17
Not later than one year	10.39	12.26
Later than one year and not later than five years	47.01	13.95
Later than five years	-	-

**Note 33: Earnings per share:**

Basic and Diluted	2017-18	2016-17
Profit after tax as per statement of Profit and Loss (₹ crore)	145.15	98.34
Weighted average number of equity shares for computation of Basic earnings per share	89,50,35,792	84,66,30,988
Weighted average number of equity shares for computation of diluted earnings per share	89,50,35,792	84,66,30,988
Number of equity shares outstanding	98,99,13,695	89,20,87,609
Basic earnings per share (₹)	1.62	1.16
Diluted earnings per share (₹)	1.62	1.16
Nominal Value of Shares (₹)	10	10

**Note 34: Expenditure in Foreign Currencies**

₹ crore		
Nature of expense	2017-18	2016-17
Professional Fees	0.25	1.57
Other expenses	5.50	0.17

**Note 35: Employee Benefits**

**I. Defined-Contribution Plans**

The Company recognised charges of ₹1.39 crore (previous year ₹1.25 crore) for provident fund contribution in the Statement of Profit and Loss.

**II. Defined-Benefit Plans**

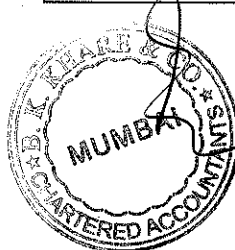
The Company offers the following employee benefit schemes to its employees:

- Gratuity expense which included in Employee benefit expenses in Note 25.

The following table sets out the funded status of the defined benefit scheme and the amount recognised in the financial statements as at March 31, 2018:

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

₹ crore		
	As at 31-03-2018	As at 31-03-2017
Present Value of Funded Obligations	1.89	1.57
Fair Value of Plan Assets	(2.02)	(1.30)



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatted consolidated financial information**

	As at 31-03-2018	As at 31-03-2017
Present Value of Unfunded Obligations	-	-
Unrecognised Past Service Cost	-	-
Amount not Recognised as an Asset (limit in para 59(b))	-	-
Net Liability	(0.13)	0.27
<b>Amounts in Balance Sheet</b>		
Liability	-	0.27
Assets	0.13	-
Net Liability is bifurcated as follows:		
Current	-	-
Non Current	(0.13)	0.27
Net Liability	(0.13)	0.27

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

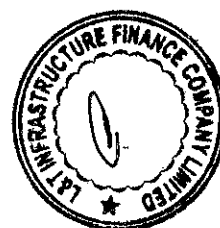
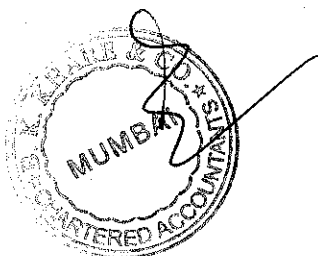
₹ crore

	As at 31-03-2018	As at 31-03-2017
Current Service Cost	0.39	0.38
Interest on Defined Benefit Obligation	0.14	0.14
Expected Return on Plan Assets	(0.11)	(0.11)
Net Actuarial Losses/(Gains) recognised in the Year	0.12	0.14
Past Service Cost	-	-
Losses/(Gains) on "Curtailements & Settlements"	-	-
Losses/(Gains) on "Acquisition/Divestiture"	-	-
Effects of the limit in Para 59(b)	-	-
Total, included in "Employee Benefit Expense"	0.55	0.50
Actual Return on Plan Assets	0.12	0.10

c) Reconciliation of Benefit Obligation & Plan Assets for the year

₹ crore

	As at 31-03-2018	As at 31-03-2017
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	1.57	1.71
Current Service Cost	0.39	0.38
Interest Cost on Defined Benefit Obligation	0.14	0.14
Actuarial Losses/(Gain) recognized	0.13	0.13
Past Service Cost	-	-
Liabilities assumed on Acquisition/(Settled on Divestiture)	(0.00)	(0.01)
Benefits Paid	(0.35)	(0.78)
Closing Defined Benefit Obligation	1.89	1.57
<b>Change in Fair Value of Plan Assets</b>		
Opening Fair Value of Plan Assets	1.30	1.31
Expected Return on Plan Assets	0.11	0.11
Actuarial Gain / (Losses)	0.01	(0.01)
Assets Distributed on Settlements	-	-
Contributions by Employer	0.95	0.46
Benefits Paid	(0.35)	(0.57)
Closing Fair Value of Plan Assets	2.02	1.30



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatted consolidated financial information**

d) Asset Information

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Category of Assets (% Allocation)	%	%	₹ crore	₹ crore
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	100%	100%	2.02	1.30
Others	-	-	-	-

e) Experience Adjustment

	2017-18	2016-17	2015-16	2014-15	2013-14
Defined Benefit Obligation	1.89	1.57	1.45	1.26	0.97
Plan Assets	2.02	1.30	1.31	-	-
Surplus / (Deficit)	0.13	(0.27)	(0.14)	(1.26)	(0.97)
Experience adjustments on Plan Liabilities	0.02	0.03	0.02	0.30	(0.15)
Experience adjustments on Plan Assets	0.01	(0.01)	0.05	-	-

f) Financial assumptions at the valuation date

	2017-18	2016-17
Discount Rate (per annum)	7.60%	7.40%
Expected Rate of Return on Assets (per annum)	7.50%	8.00%
Salary Escalation Rate (per annum)	9.00%	7.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult table.	Indian Assured Lives Mortality (2006-08) Ult table.

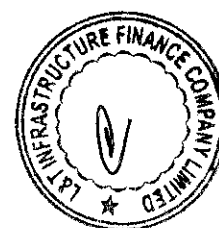
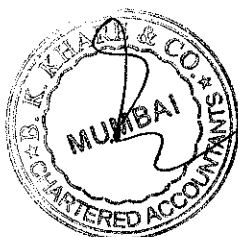
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The contributions expected to be made by the Company during the financial year 2018-19 amounts to ₹0.10 crore (previous year ₹ 0.10 crore).

**Note 36:** Appropriations to the Special Reserve under Section 36(1) (viii) of the Income Tax Act, 1961 and the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

**Note 37:** 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.

**Note 38:** The Company has invoked pledge of equity shares in the following borrower companies, pledged with it as collateral by the borrowers and these shares are being held by the Company as bailee. As and when the





**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatted consolidated financial information**

shares are sold, the proceeds would be adjusted against the overdue portion of the loan then remaining outstanding.

Borrower Name	No. of shares held as bailee	
	2017-18	2016-17
Hanjer Biotech Energies Private Limited	3,25,096	3,25,096
VMC Systems Ltd	1,79,608*	1,79,608*
KSK Energy Ventures Limited	5,27,937	2,26,813
KSK Mahanadi Power Co Limited	5,96,052	-

\*Excluding 5,38,128 shares held on behalf of L&T Finance Limited (Erstwhile Family Credit Limited)

**Note 39: Foreign currency exposure**

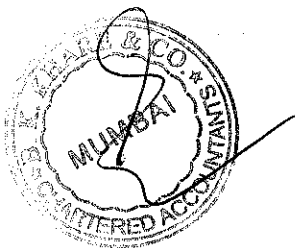
The Company has entered into currency swap transactions with a view to convert its USD borrowings into Indian rupee borrowing. Accordingly, the Company has revalued the foreign currency borrowing and currency swap at the balance sheet date in previous year. Same is Nil in current year as ECB was repaid before March 31, 2018.

Particulars	2017-18	2016-17
Liability – External Commercial Borrowings	Nil	USD 5,000,000
Assets – Currency Swap	Nil	USD 5,000,000

**Note 40:** Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options were granted to the employees of the Company. Total cost incurred by the holding company, in respect of options granted to employees of the Company amounts, recovery of the same and future period expense details are following:

Financial year	Total cost incurred by holding company (i.e. L&T Finance Holdings Limited)	Expense recovered by holding company till end of financial year	Expenses charged to statement of profit and loss for the year	₹ crore
				Remaining expenses to be recovered in future period
(A)	(B)	(C)	(D)	(E = B-C)
2012-13	2.21	1.73	0.75	0.48
2013-14	2.49	1.92	0.31	0.57
2014-15	1.94	1.67	(0.23)	0.26
2015-16	1.67	1.67	0.01	-
2016-17	1.67	1.67	-	-
2017-18	1.67	1.67	-	-

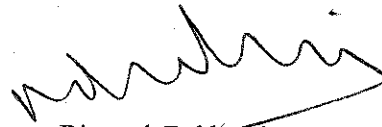
**Note 41:** During the year the Company has charged-off securities issue expenses net of tax ₹3.85 crore (previous year ₹1.77 crore) and share issue expenses of ₹ 0.45 crore (previous year Nil) to the Securities Premium Account in accordance with Section 52 of the Companies Act, 2013.



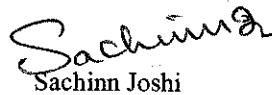
**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the reformatted consolidated financial information**

**Note 42:** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

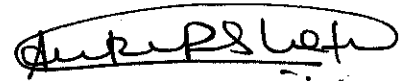
**For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited**



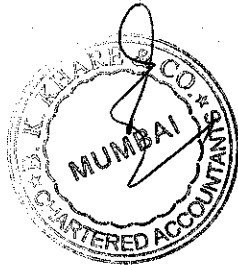
Dinanath Dubhashi  
**Chairperson**  
DIN 03545900



Sachinn Joshi  
**Chief Financial Officer**



Ankit Sheth  
**Company Secretary**



Place: Mumbai

Date: December 02, 2019

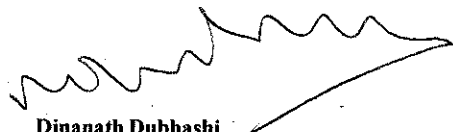


**L&T Infrastructure Finance Company Limited**  
**Statement of dividend paid (Consolidated basis)**

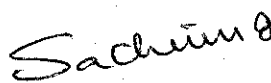
**Annexure V**

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Equity Share Capital (₹ in crore)		989.91	892.08
Shares outstanding at the end of the year		98,99,13,695.00	89,20,87,609.00
Face Value Per Equity Share (₹)	(a)	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	1.53	0.96
Total dividend on Equity Shares (₹ in crore)		151.46	86.00
Dividend Declared Rate (In %)	(c=b/a)	15.30%	9.64%
Dividend tax (gross) on dividend (₹ in crore)		30.83	17.51

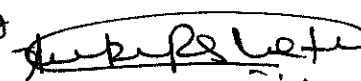
**For and on behalf of the board of directors of**  
**L&T Infrastructure Finance Company Limited**



**Dinanath Dubhashi**  
Chairperson  
(DIN : 03545900)

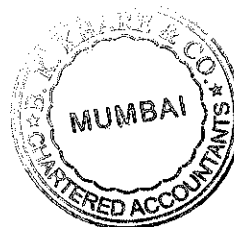


**Sachinn Joshi**  
Chief Financial Officer



**Ankit Sheth**  
Company Secretary

Place: Mumbai  
Date : December 2, 2019



**Auditors' Report as required by Section 26 of the Companies Act, 2013 read with Rule 3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014**

**Report of auditors on the Reformatted Standalone Financial Statements of L&T Infrastructure Finance Company Limited as at and for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015.**

The Board of Directors  
**L&T Infrastructure Finance Company Limited**  
Brindavan, Plot No.177, C.S.T Road,  
Kalina, Santacruz (E), Mumbai 400098

Dear Sirs

We have examined the Reformatted Standalone Financial Statements (the "Reformatted Standalone Financial Statements") of L&T Infrastructure Finance Company Limited (the "Company") as at and for the each of the years ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 comprising of reformatted standalone summary statement of assets and liabilities and schedules forming part thereof, the reformatted standalone summary statement of profits and losses and schedules forming part thereof and the reformatted standalone summary statement of cash flows annexed to this report for the purposes of inclusion in the Draft Shelf Prospectus, Shelf Prospectus in respective Tranche Prospectus(es) (herein after collectively referred to as "Offer Document") prepared by the Company in connection with proposed public issue of secured and / or unsecured, subordinated redeemable, non-convertible debentures ("NCDs") of face value Rs. 1000/- each, aggregating up to Rs. 5,000 crores (Rupees Five Thousand crores only), in one or more tranches. Such financial statements, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:

- Section 26(1)(b) of the Companies Act, 2013 ("the Act") and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended; and
- the Securities & Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI"), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.
- 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").



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India

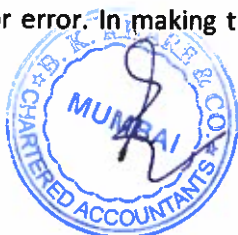
The preparation of such Reformatted Standalone Financial Statements is the responsibility of the Company's management. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Statements. Our responsibility is to report on such statements based on our procedures.

1. The Reformatted Standalone Financial Statements have been extracted by the Management from the audited Financial Statements of the Company as at March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 prepared in accordance with Indian Accounting principles generally accepted in India (IGAAP) and the books of account underlying such financial statements of the Company which were approved by the Board of Directors on April 30, 2018, May 03, 2017, April 27, 2016 and April 22, 2015 respectively. We have audited the financial statements of the Company for the year ended March 31, 2018 and 2017, and in respect of which we have issued our audit opinions dated April 30, 2018 and May 03, 2017, respectively to the members of the Company. We have not audited the financial statements of the Company for the year ended March 31, 2016 and 2015.
2. We have examined such Reformatted Standalone Financial Statements taking into consideration:
  - a. the terms of reference received from the Company and terms of our engagement agreed upon in accordance of our engagement letter dated 02<sup>nd</sup> December, 2019 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed public issue of debt securities; and
  - b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India. 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 Statements; under IGAAP; and
  - d. The requirements of Section 26 of the Act and the SEBI 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 debt securities.
3. In consideration of the requirements of Section 26(1)(b) of the Act and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, terms of our engagement agreed with you, we further report that:



The reformatted standalone summary statement of assets and liabilities and schedules forming part thereof, the Reformatted Standalone Summary Statement of Profits and Losses and Schedules forming part thereof and the reformatted standalone summary statement of cash flows (together referred to as "Reformatted Standalone Financial Statements") of the Company, including as at and for the each of the year ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 examined by us are set out in **Annexure I to III** to this report. We have not audited the financial statements for the years ended March 31, 2016 and March 31, 2015 and have relied upon the previous auditor's report issued on April 22, 2015 for the year ended March 31, 2015 and April 27, 2016 for the year ended March 31, 2016 for any reformatting done. These Reformatted Standalone Financial Statements are after making adjustments and regrouping as in the management opinion, are appropriate and more fully described in Significant Accounting Policies, Notes and Changes in Significant Accounting Policies (Refer Annexure IV);

4. Based on our examination as above, we further report that:
- a) The Reformatted Standalone Financial Statements have to be read in conjunction with the notes given in Annexure IV;
  - b) the figures of earlier periods have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to confirm to the classification adopted for the Reformatted Standalone Financial Statements as at and for the year ended March 31, 2018;
  - c) there are no extraordinary items which need to be disclosed separately in the attached Reformatted Standalone Financial Statements;
  - d) there are no qualifications in the auditors' reports, which require any adjustments to the Reformatted Standalone Financial Statements; and
  - e) In the preparation and presentation of Reformatted Standalone Financial Statements based on Audited Standalone Financial Statements as referred to in paragraph 1 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 above.
5. As stated in our audit reports referred to in paragraph 1 above, we conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India to enable us to issue an opinion on the General Purpose Financial Statements. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the



Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

6. Our audits referred to in paragraph 1 above were carried out for the purpose of reporting the general purpose financial statements taken as a whole. For none of the periods referred to in paragraph 1 above, did we perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion on the reformatted standalone financial statements.

#### **Other Standalone Financial Information**

7. At the Company's request, we have also examined the following Standalone financial information proposed to be included in the Offer document prepared by the Management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for each of the year ended March 31, 2019, March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015:
  - a) Statement of Dividend paid/proposed Rates of Dividend, as appearing in **Annexure V**
8. In our opinion, the reformatted Standalone financial information as disclosed in the Annexure to this report read with respective significant accounting policies and notes disclosed in Annexure IV and after making adjustments and regrouping as considered appropriate and disclosed in Annexure IV has been prepared in accordance with Section 26(1)(b) of the Companies Act 2013 ("the Act") and Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the Regulations.
9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.



11. This report is intended solely for your information and for inclusion in the offer document prepared in connection with the proposed public issue of debt securities of the L&T Infrastructure Finance Company Limited and is not to be used, referred to or distributed for any other purpose without our prior written consent.

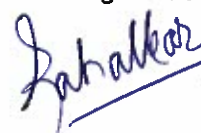
Place: Mumbai

Date: December 02, 2019

For B. K. Khare & Co

Chartered Accountants

Firm Registration No. 105102W



Shirish Rahalkar

Partner

Membership No. 111212

UDIN: 19111212AAAAPA7933





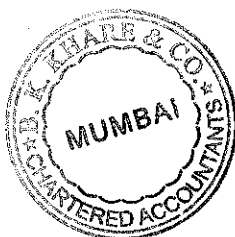
**L&T Infrastructure Finance Company Limited**  
**Reformatted Standalone Statement of Assets and Liabilities**

Annexure-I

	Note no.	As at 31-03-2018 ₹ crore Audited	As at 31-03-2017 ₹ crore Audited	As at 31-03-2016 ₹ crore Audited	As at 31-03-2015 ₹ crore Audited
<b>A. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' funds</b>					
Share capital	2	989.91	892.09	846.25	829.23
Reserves and surplus	3	2,358.31	1,988.75	2,017.11	1,718.26
		<b>3,348.22</b>	<b>2,880.84</b>	<b>2,863.36</b>	<b>2,547.49</b>
Share application money pending allotment					
<b>2. Non - current liabilities</b>					
Long - term borrowings	4	15,906.85	17,681.18	16,237.51	14,271.51
Other long - term liabilities	5	370.80	541.82	295.10	306.14
Long - term provisions	6	97.06	124.28	237.01	191.60
		<b>16,374.71</b>	<b>18,347.28</b>	<b>16,769.62</b>	<b>14,769.25</b>
<b>3. Current liabilities</b>					
Short - term borrowings	7	2,350.42	939.35	1,282.87	183.20
Trade payables	8				
Total outstanding dues of micro enterprises and small enterprises					
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.82	0.49	11.83	12.17
Other current liabilities	9	4,134.62	2,690.18	3,314.98	3,662.38
Short - term provisions	10	10.44	6.53	6.63	6.74
		<b>6,496.30</b>	<b>3,636.55</b>	<b>4,616.31</b>	<b>3,864.49</b>
<b>Total equity and liabilities</b>		<b>26,219.23</b>	<b>24,864.67</b>	<b>24,249.29</b>	<b>21,181.23</b>
<b>B. ASSETS</b>					
<b>1. Non - current assets</b>					
<b>Fixed assets</b>	11				
Tangible assets		1.03	0.92	1.34	1.49
Intangible assets		2.06	1.04	0.60	0.57
Capital work in progress		4.05	-	-	-
		<b>7.14</b>	<b>1.97</b>	<b>1.94</b>	<b>2.06</b>
Non - current investments	12	1,921.18	1,764.81	1,434.61	1,046.67
Deferred tax assets (net)	13	432.85	334.97	134.92	81.76
Long - term loans towards financing activities	14	19,919.37	19,812.66	19,716.71	17,352.68
Long - term loans and advances	15	332.67	277.92	265.78	276.42
Other non - current assets	16	106.79	189.30	192.70	142.32
		<b>22,712.86</b>	<b>22,379.66</b>	<b>21,744.72</b>	<b>18,899.85</b>
<b>2. Current assets</b>					
Current investments	17	258.61	738.02	602.73	376.63
Trade receivables	18	49.18	42.33	-	2.59
Cash and cash equivalents	19	372.48	118.25	57.03	260.63
Current maturities of long - term loans towards financing activities	20	2,403.68	1,260.73	1,499.26	1,255.86
Short-term loans and advances	21	55.42	46.98	83.39	160.51
Other current assets	22	359.86	276.74	260.22	223.10
		<b>3,499.23</b>	<b>2,483.05</b>	<b>2,502.63</b>	<b>2,279.32</b>
<b>Total assets</b>		<b>26,219.23</b>	<b>24,864.67</b>	<b>24,249.29</b>	<b>21,181.23</b>
Significant accounting policies	Note 1				
Notes forming part of financial statements	2 to 44				

In terms of our report attached.  
For B.K.Khare & Co.  
Chartered Accountants

Shirish Rahalkar  
Partner  
Membership No : 111212  
Firm Registration No : 105102W



Place: Mumbai  
Date : December 2, 2019

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Dinanath Dubhashi  
Chairperson  
DIN 03545900

Sachin Joshi  
Chief Financial Officer

Ankit Sheth  
Company Secretary



L&T Infrastructure Finance Company Limited  
Reformatted Standalone Statement of Profit and Loss

Annexure-II

	Note no.	Year ended 31-03-2018 ₹ crore Audited	Year ended 31-03-2017 ₹ crore Audited	Year ended 31-03-2016 ₹ crore Audited	Year ended 31-03-2015 ₹ crore Audited
<b>A. REVENUE:</b>					
1. Revenue from operations	23	2,565.28	2,648.06	2,420.97	2,086.44
2. Other income	24	169.14	30.36	15.18	30.87
<b>3. Total revenue (1+2)</b>		<b>2,734.42</b>	<b>2,678.42</b>	<b>2,436.15</b>	<b>2,117.31</b>
<b>B. EXPENSES:</b>					
Employee benefits expense	25	36.05	31.28	30.40	31.31
Finance costs	26	1,727.77	1,826.27	1,747.73	1,439.89
Depreciation and amortisation expense	11	1.13	1.06	1.18	2.32
Other expenses	27	65.35	50.95	58.53	61.86
Provisions and contingencies	28	822.16	749.94	244.80	262.84
<b>4. Total expenses</b>		<b>2,652.46</b>	<b>2,659.50</b>	<b>2,082.64</b>	<b>1,798.22</b>
<b>5. Profit before tax (3-4)</b>		<b>81.96</b>	<b>18.92</b>	<b>353.51</b>	<b>319.09</b>
<b>6. Tax expenses:</b>					
Current tax		103.96	176.77	153.39	101.28
Deferred tax		(97.89)	(200.06)	(53.15)	(7.66)
Prior year tax adjustment		-	-	13.23	-
<b>Total tax expenses</b>		<b>6.07</b>	<b>(23.29)</b>	<b>113.47</b>	<b>93.62</b>
<b>7. Profit after tax (5-6)</b>		<b>75.89</b>	<b>42.21</b>	<b>240.04</b>	<b>225.47</b>
<b>Earnings per equity share</b>	<b>33</b>				
Basic earnings per equity share before extraordinary items (₹)					
Diluted earnings per equity share before extraordinary items (₹)					
Basic earnings per equity share (₹)		0.85	0.50	2.87	2.72
Diluted earnings per equity share (₹)		0.85	0.50	2.87	2.72
Face value per equity share (₹)		10.00	10.00	10.00	10.00
Significant accounting policies	Note 1				
Notes forming part of financial statements	2 to 44				

In terms of our report attached.  
For B.K.Khare & Co.  
Chartered Accountants

*B.K.Khare*  
Shirish Rahalkar  
Partner  
Membership No : 111212  
Firm Registration No : 105102W



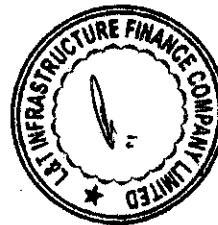
Place: Mumbai  
Date : December 2, 2019

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

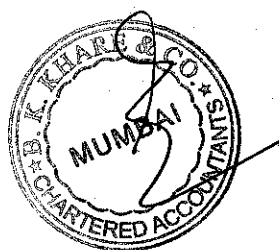
*Dinanath Dubhashi*  
Dinanath Dubhashi  
Chairperson  
DIN 03545900

*Sachin Joshi*  
Sachin Joshi  
Chief Financial Officer

*Ankit Sheth*  
Ankit Sheth  
Company Secretary



	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
<b>A Cash flow from operating activities:</b>				
Profit before taxation	81.96	18.92	353.51	319.09
<b>Adjustment for:</b>				
Depreciation and amortisation expense	1.13	1.06	1.18	2.32
Provision for compensated absences	0.35	0.51	0.59	(0.33)
Provision for gratuity	0.55	0.55	0.40	0.30
Dividend from current investments	-	-	-	(12.91)
Dividend from long term investments	(0.66)	(0.57)	(0.57)	(0.76)
Net loss/ (gain) on sale of investments	(144.41)	(14.50)	(5.54)	(16.05)
Provision for diminution in value of investments	42.82	13.32	42.96	41.67
Provision on standard assets	182.66	206.48	38.49	(9.78)
Provision on restructured assets	(13.72)	(11.69)	(0.02)	24.19
Provision for bad and doubtful debts	-	-	0.04	2.55
Amortisation loss on sale of Non-Performing Assets and bad debts write offs	495.82	157.44	119.45	213.26
Provision on Non-Performing Assets	114.58	384.39	43.89	(9.05)
<b>Operating profit before working capital changes:</b>	<b>761.08</b>	<b>755.91</b>	<b>594.38</b>	<b>554.50</b>
<b>Changes in working capital</b>				
<b>Adjustment for (increase) / decrease in operating assets:</b>				
Trade receivables	(6.85)	(38.27)	2.55	9.68
Short-term loans and advances	120.98	(34.84)	0.34	(0.97)
Long-term loans and advances	(2.26)	0.08	(1.74)	36.65
Loans towards financing activities	(2,109.80)	(1,013.62)	(2,973.00)	(4,209.31)
Other current assets	(83.11)	74.18	(38.50)	(130.86)
Other non current assets	82.65	3.40	(49.90)	(83.70)
<b>Adjustment for increase / (decrease) in operating liabilities:</b>				
Trade payables	0.32	(11.33)	(0.34)	(5.47)
Other current liabilities	354.55	24.38	229.16	157.28
Other long-term liabilities	(171.02)	246.23	(11.53)	(1.24)
Long term provision	(30.05)	(122.28)	39.60	64.25
Short term provision	(1.31)	(0.91)	(1.78)	(1.22)
<b>Cash generated from/(used in) operations</b>	<b>(1,084.82)</b>	<b>(117.07)</b>	<b>(2,210.76)</b>	<b>(3,610.41)</b>
Net income tax paid	(154.41)	(198.90)	(223.64)	(198.34)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(1,239.23)</b>	<b>(315.97)</b>	<b>(2,434.40)</b>	<b>(3,808.75)</b>
<b>B Cash flows from investing activities:</b>				
Capital expenditure on fixed assets, including capital advances	(6.31)	(1.09)	(1.10)	(0.71)
Current investments not considered as Cash and cash equivalents :				
- Purchased	(49,209.14)	(27,020.00)	(33,693.04)	(29,062.09)
- Proceeds from sale	49,745.32	26,758.31	33,448.51	29,577.40
Dividend from long term investments	0.66	0.57	0.57	0.76
Purchase of Bond/Debentures	(9,959.86)	(29.00)	-	-
Redemption of Bond/Debentures	9,947.07	324.90	-	-
Investment in equity shares of subsidiaries / associates	43.36	-	-	-
Purchase of long-term investments :				
- Units of Funds	(39.27)	(47.67)	(80.22)	(8.44)
- Subsidiaries	-	-	(120.90)	-
- Equity Shares	-	-	-	-
- Security receipts	(258.17)	(258.35)	-	58.55
- Bond/Debentures	-	-	-	(124.60)
Redemption of long-term investment :				(77.35)
- Units of Funds	95.55	-	-	-
- Security receipts	1.12	-	2.82	-
- Bond/Debentures	135.09	-	3.00	13.00
- Preference shares	-	62.50	65.25	64.25
<b>Net cash from/(used in) investing activities (B)</b>	<b>495.42</b>	<b>(209.83)</b>	<b>(375.11)</b>	<b>440.77</b>



	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
<b>C Cash flows from financing activities:</b>				
Proceeds from long-term borrowings	2,906.17	7,648.75	12,488.00	36,010.00
Repayment of long-term borrowings	(3,659.35)	(6,935.62)	(11,055.39)	(32,409.62)
(Repayments)/proceeds from short-term borrowings	1,411.06	(343.52)	1,099.66	161.20
Debt issue expenses	(6.33)	(2.59)	(6.36)	(5.11)
Proceeds from issue of share capital (including share premium)	450.00	220.00	80.00	-
Dividend paid on equity shares	(86.00)	-	-	(119.41)
Dividend distribution tax	(17.51)	-	-	(23.88)
<b>Net cash generated from financing activities (C)</b>	<b>998.04</b>	<b>587.02</b>	<b>2,605.91</b>	<b>3,613.18</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>254.23</b>	<b>61.22</b>	<b>(203.60)</b>	<b>245.20</b>
<b>Cash and cash equivalents as at beginning of the Year</b>	<b>118.25</b>	<b>57.03</b>	<b>260.63</b>	<b>15.44</b>
<b>Cash and cash equivalents as at end of the Year (refer footnote below)</b>	<b>372.48</b>	<b>118.25</b>	<b>57.03</b>	<b>260.63</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>254.23</b>	<b>61.22</b>	<b>(203.60)</b>	<b>245.19</b>
<b>Foot notes:</b>				
<b>1. Cash and cash equivalent as per AS - 3</b>				
Cash and bank balance as at end of the year *	372.48	118.25	57.03	260.63
Less: Term deposits with original maturity greater than 3 months	-	-	-	-
Less: Balance in earmarked accounts	-	-	-	-
<b>Cash and cash equivalents as at end of the year</b>	<b>372.48</b>	<b>118.25</b>	<b>57.03</b>	<b>260.63</b>

\* includes balance in earmarked accounts FY 2017-18 ₹ 14.24 crore, FY 2016-17, ₹ 11.59 crore, FY 2015-16 ₹ 17.40 crore, FY 2014-15 ₹ 10.59 crore.

**2. Net cash used in operating activity is determined after adjusting the following**

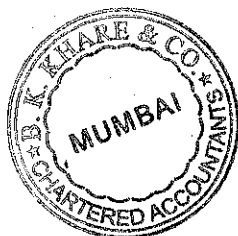
Interest received	2,185.04	2,591.64	2,389.59	1,870.03
Dividend received	0.66	0.57	8.23	20.89
Interest paid	1,524.58	1,559.38	1,538.54	1,255.96

**3. Non cash items**

Net cash used in investing activities excludes investment aggregating FY 2017-18 ₹ 87.81 crore, FY 2016-17 ₹ 261.01 crore, FY 2015-16 ₹ 276.89 and FY 2014-15 ₹ 10.68 crore acquired against claims.

In terms of our report attached  
For B.K.Khare & Co.  
Chartered Accountants

Shirish Rahalkar  
Partner  
Membership No : 111212  
Firm Registration No : 105102W



Place : Mumbai  
Date : December 2, 2019

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

Dinanath Dubhashi  
Chairperson  
DIN 03545900

Sachin Joshi  
Chief Financial Officer  
Ankit Sheth  
Company Secretary



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Annexure - IV**

**NOTE – 1: Significant accounting policies**

**A. Corporate Information**

**(FY 2017-18)**

L&T Infrastructure Finance Company Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 10<sup>th</sup> January 2007 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 7<sup>th</sup> July 2010.

**B. Basis of Accounting**

**(FY 2017-18, FY 2016-17)**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read together with paragraph 7 of companies (Accounts) Rules 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and along with the applicable guidelines issued by Reserve Bank of India ("RBI"). The financial statements have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

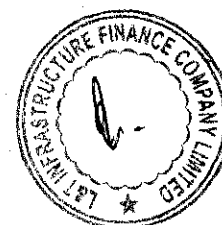
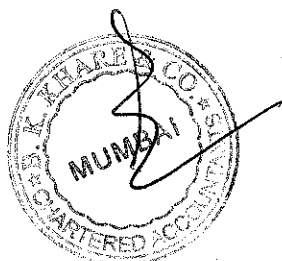
All assets and liabilities have been classified as current and non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities

**(FY 2015-16)**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and along with the applicable guidelines issued by Reserve Bank of India ("RBI"). The financial statements have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**(FY 2014-15)**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") and along with the applicable guidelines issued by Reserve Bank of India ("RBI"). The financial statements have been prepared on accrual basis and under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.



**C. Use of Estimates**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**D. Tangible and Intangible Fixed Assets:**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets 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.

Fixed assets 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. Fixed assets 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 tangible Fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**E. Investments**

*(FY 2017-18, FY 2016-17)*

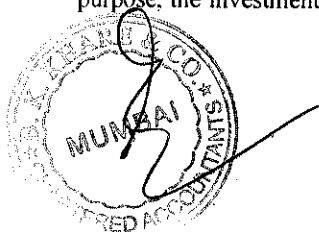
The Company being regulated as a Non-Banking Financial Company (NBFC) by the RBI, investments are classified under two categories i.e. Current and Long Term and are valued in accordance with the RBI guidelines and the Accounting Standard (AS) 13 on 'Accounting for Investments'. Investments in debentures which are, in substance, in the nature of credit substitutes are classified as a part of Loans towards Financing Activities and are measured in accordance with the criteria applied for the measurement of Loans towards Financing Activities.

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

'Quoted Current Investments' are grouped into following categories viz.

- (a) Equity shares,
- (b) Preference shares
- (c) Debentures and Bonds,
- (d) Government securities including treasury bills,
- (e) Units of mutual fund and
- (f) Others.

Quoted current investments for each category shall be valued at cost or market value whichever is lower. For this purpose, the investments in each category shall be considered scrip-wise and the cost and market value aggregated



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Annexure - IV**

for all investments in each category. If the aggregate market value for the category is less than the aggregate cost for that category, the net depreciation is provided for or charged to the statement of profit and loss. If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation is ignored. Depreciation in one category of investments is not set off against appreciation in another category.

Unquoted current Investment:

Unquoted equity/preference shares to be valued at cost or Break-up/fair value whichever is lower. Investments in the units of mutual funds to be valued at the net asset value declared by the mutual fund in respect of each particular scheme.

**(FY 15-16, FY 14-15)**

The Company being regulated as a Non-Banking Financial Company (NBFC) by the RBI, investments are classified under two categories i.e. Current and Long Term and are valued in accordance with the RBI guidelines and the Accounting Standard (AS) 13 on 'Accounting for Investments'. Investments in debentures which are, in substance, in the nature of credit substitutes are classified as a part of Loans towards Financing Activities and are measured in accordance with the criteria applied for the measurement of Loans towards Financing Activities.

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

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

**F. Loans towards Financing Activities**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)**

Loans towards Financing Activities are classified under four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets in accordance with the RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of an advance, where interest is not serviced, provision for diminution is made as per the parameter applicable to Non-Performing Advances.

Provision on restructured advances /corporate debt restructure advances is made at in accordance with the guidelines issued by the RBI.

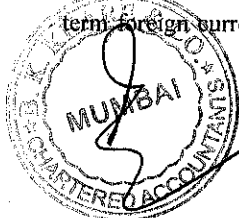
Provision on Standard Assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the management, based on such identification.

**G. Foreign Currency Transactions, Forward Contracts and Derivatives**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of each transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of Profit and Loss.

The Company has exercised the option granted under notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.913(E) (F.No. 17/133/2008-CL.V) dated December 29, 2011 and is accordingly, amortising the foreign currency translation differences on long term foreign currency monetary items over the shorter of their maturity period and the balance period upto March



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Annexure - IV**

31, 2020. The unamortised balance as at the period end is presented as "Foreign Currency Monetary Item Translation Difference Account" on the assets side of the Balance Sheet.

Premium in respect of forward contracts is charged to statement of Profit and Loss over the period of the contract. Forward contracts outstanding as at the Balance Sheet date are revalued at the closing rate.

**H. Derivative contracts**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

**Currency interest rate swaps**

As per the risk management policy, the Company has taken foreign currency swap to cover the risk exposure on account of foreign currency loans. These transactions are structured in such a way that the Company's foreign currency liability is crystallized at a rate of exchange prevailing on the date of taking the swap. The foreign currency loans are valued at the exchange rate prevailing on the reporting date. Foreign currency swaps are marked to market on reporting date and resultant gain or loss is charged to Statement of profit and loss.

Cross currency Interest rate swaps in the nature of hedge, taken to manage currency risk as well as interest rate risk on foreign currency liabilities, whereby variable interest rate in foreign currency is swapped for fixed interest rate in Indian rupees or vice-versa. Such Interest rate swaps are marked to market at each reporting date and resultant gain or loss is recognised in Statement of profit and loss

Currency interest rate swaps in the nature of hedge, booked with the objective of managing the currency and interest rate risk on foreign currency liabilities are recorded on accrual basis and these transactions are not marked to market. The foreign currency balances on account of principal of currency interest rate swaps outstanding as at the Balance Sheet date are revalued using the closing rate.

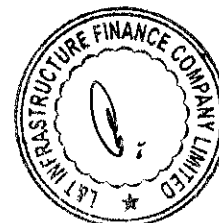
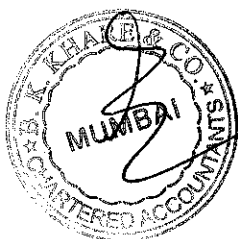
*(FY 2015-16, FY 2014-15)*

Currency interest rate swaps in the nature of hedge, booked with the objective of managing the currency and interest rate risk on foreign currency liabilities are recorded on accrual basis and these transactions are not marked to market. The foreign currency balances on account of principal of currency interest rate swaps outstanding as at the Balance Sheet date are revalued using the closing rate.

**I. Revenue Recognition**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

- (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.
- (d) Guarantee fees is recognized on pro-rata basis over the period of the guarantee.





**J. Other income**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

Dividend is accounted when the right to receive dividend is established.

**K. Employee Benefits**

**Defined-Contribution Plans**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

The Company offers its employees defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary.

**Defined-Benefits Plans**

*(FY 2017-18, FY 2016-17, FY 2015-16)*

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.

*(FY 2014-15)*

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. The gratuity scheme is not funded. Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits", actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to statement of Profit and Loss.

**Other Employee Benefits**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

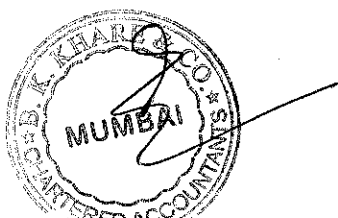
Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in the 12 months immediately following the period / year end are reported as expense during the year in which the employees perform services that the benefit covers and 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.

**L. Depreciation and Amortisation**

*(FY 2017-18, FY 2016-17)*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Annexure - IV**

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer software- 3 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.

**FY 2015-16**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company had revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer software- 3 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.

**FY 2014-15**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. During the year, the Company has reviewed and revised the estimated useful lives of the fixed assets with effect from 1<sup>st</sup> April 2014 and depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset	Useful life
Computer and data processing equipment	3 years
Office equipment	5 years
Furniture & Fixture	10 years
Server	6 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

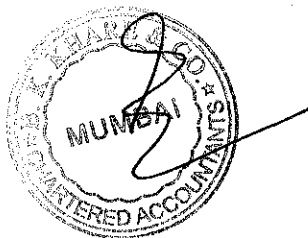
Computer software- 3 years

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.

**M. Borrowing costs**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Annexure - IV**

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.

**N. Impairment of assets**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

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

**O. Operating Leases**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

**P. Taxes on Income**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

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.

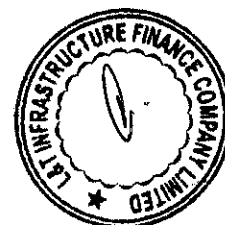
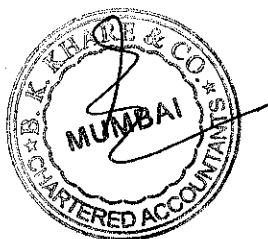
**Q. Provisions, Contingent liabilities and Contingent assets**

*(FY 2017-18, FY 2016-15)*

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made in the notes when there is:

A Possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the NBFC; or



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Annexure - IV**

A present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

*(FY 2015-16, FY 2014-15)*

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**R. Cash Flow Statement**

*(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.

**S. 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.

**T. 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 within specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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 and 2015-16. 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.

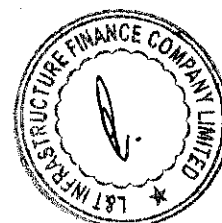
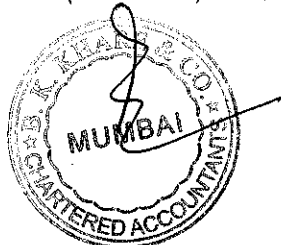
**U. Indirect tax input credit (including Service tax and Goods and Service tax)**

*(FY 2017-18)*

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 / utilizing the credits.

**Service tax input credit**

*(FY 2016-17, FY 2015-16, FY 2014-15)*



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Annexure - IV**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

**V. Earnings per share**

*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

Basic and diluted earnings per share are computed in accordance with Accounting Standard ("AS") 20 – Earnings per share.

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

**W. Share Issue Expenses**

*(FY 2017-18, FY 2016-17)*

Share issue expenses are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

*(FY 2015-16, FY 2014-15)*

Share issue expense is charged to the Statement of Profit and Loss in the year in which it is incurred.

**X. Debenture Issue Expenses**

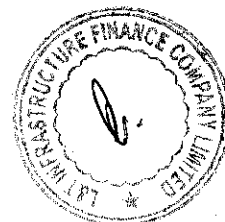
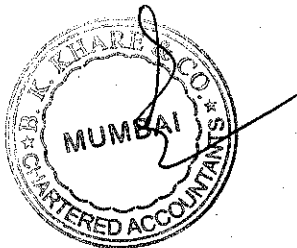
*(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15)*

Expenses incurred on issue of debentures are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

**Y. Earnings Per Share**

*(FY 2017-18, FY 2016-17)*

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



	As at 31-03-2018		As at 31-03-2017		As at 31-03-2016		As at 31-03-2015	
	Number	₹ crore	Number	₹ crore	Number	₹ crore	Number	₹ crore
<b>Authorised</b>								
Equity shares of ₹ 10 each	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
<b>Issued, Subscribed &amp; Paid up shares</b>								
Equity shares of ₹ 10 each	98,99,13,695	989.91	89,20,87,609	892.09	84,62,54,276	846.25	82,92,33,000	829.23
<b>Total Issued, Subscribed &amp; Paid up shares capital</b>	<b>98,99,13,695</b>	<b>989.91</b>	<b>89,20,87,609</b>	<b>892.09</b>	<b>84,62,54,276</b>	<b>846.25</b>	<b>82,92,33,000</b>	<b>829.23</b>
<b>(I) Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting year</b>								
	As at 31-03-2018		As at 31-03-2017		As at 31-03-2016		As at 31-03-2015	
	Number	₹ crore	Number	₹ crore	Number	₹ crore	Number	₹ crore
Shares outstanding at the beginning of the year	89,20,87,609	892.09	84,62,54,276	846.25	82,92,33,000	829.23	82,92,33,000	829.23
Shares issued during the year	9,78,26,086	97.82	4,58,33,333	45.84	1,70,21,276	17.02	-	-
Shares outstanding at the end of the year	<b>98,99,13,695</b>	<b>989.91</b>	<b>89,20,87,609</b>	<b>892.09</b>	<b>84,62,54,276</b>	<b>846.25</b>	<b>82,92,33,000</b>	<b>829.23</b>

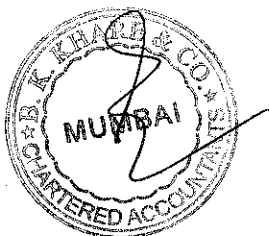
**(II) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Members of the Company holding equity shares capital therein have a right to vote, on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the Company held by the shareholders. The Company declares dividends in Indian rupees, during the year, the Company has declared interim dividend of FY 2017-18 ₹1.53 per equity share, FY 2016-17 ₹0.964 per equity share, FY 2015-16 ₹ NIL, FY 2014-15 ₹ 1.44 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.

	As at 31-03-2018		As at 31-03-2017		As at 31-03-2016		As at 31-03-2015	
	Number	₹ crore	Number	₹ crore	Number	₹ crore	Number	₹ crore
<b>(III) Equity shares in the Company held by the holding company</b>								
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its nominees.	98,99,13,695	989.91	89,20,87,609	892.09	84,62,54,276	846.25	82,92,33,000	829.23

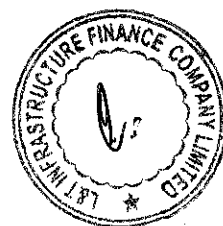
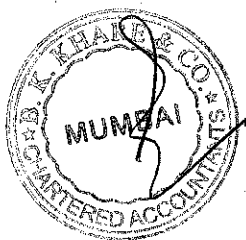
	As at 31-03-2018		As at 31-03-2017		As at 31-03-2016		As at 31-03-2015	
	Number	% Holding	Number	% Holding	Number	% Holding	Number	% Holding
<b>(IV) Details of shareholders holding more than 5% shares in the Company</b>								
Equity Shares of ₹ 10 each fully paid held by L&T Finance Holdings Limited (Holding company) directly or through its nominees.	98,99,13,695	100%	89,20,87,609	100%	84,62,54,276	100%	82,92,33,000	100%



**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

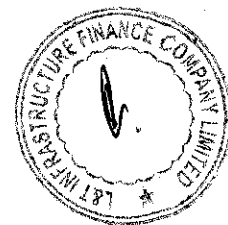
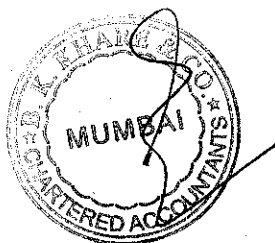
**Note 3: Reserves & surplus**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
<b>(I) Securities Premium Account</b>				
As per last Balance sheet	707.22	534.82	476.01	479.38
Add : Addition during the year	352.18	174.17	62.97	-
Less: Share issue expenses adjusted during the year	0.45	-	-	-
Less : Securities issue expenses adjusted during the year	-	-	-	-
(Net of tax FY 2017-18 ₹ 2.04 crore, FY 2016-17 ₹ 0.82, FY 2015-16 ₹ 2.20 crore, FY 2014-15 ₹ 1.73 crore) (refer note 41)	3.85	1.77	4.16	3.37
<b>Closing balance</b>	<b>1,055.10</b>	<b>707.22</b>	<b>534.82</b>	<b>476.01</b>
<b>(II) Debenture Redemption Reserve</b>				
As per last Balance sheet	288.49	306.38	289.40	207.15
Add : Transferred from surplus in the Statement of Profit and Loss	24.97	0.67	34.85	82.25
Less : Transferred to General Reserve	15.99	18.56	17.87	-
<b>Closing balance</b>	<b>297.47</b>	<b>288.49</b>	<b>306.38</b>	<b>289.40</b>
<b>(III) Reserve u/s 45-IC of Reserve Bank of India Act, 1934</b>				
As per last Balance sheet	369.72	361.28	313.27	268.18
Add : Transferred from surplus in the Statement of Profit and Loss	15.18	8.44	48.01	45.09
<b>Closing balance</b>	<b>384.90</b>	<b>369.72</b>	<b>361.28</b>	<b>313.27</b>
<b>(IV) Reserve u/s 36(1)(viii) of Income tax Act, 1961</b>				
As per last Balance sheet	453.16	355.81	251.50	203.52
Add : Transferred from surplus in the Statement of Profit and Loss	38.25	97.35	104.31	47.98
<b>Closing balance</b>	<b>491.41</b>	<b>453.16</b>	<b>355.81</b>	<b>251.50</b>
<b>(V) General reserves</b>				
As per last Balance sheet	51.13	32.57	14.70	14.70
Add : Transferred from Debenture Redemption Reserve	15.99	18.56	17.87	-
<b>Closing balance</b>	<b>67.12</b>	<b>51.13</b>	<b>32.57</b>	<b>14.70</b>
<b>(VI) Surplus in the Statement of Profit and Loss</b>				
As per last Balance sheet	119.03	426.24	373.38	466.61
Add : Profit for the year	75.89	42.21	240.04	225.47
Less: Depreciation adjustment (Net of tax ₹ 0.04 crore)	-	-	-	0.09
Less: Transfer to reserve u/s 45-IC of Reserve Bank of India Act, 1934	15.18	8.44	48.01	45.09
Less: Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961	38.25	97.35	104.31	47.98
Less: Interim Dividend	151.46	86.00	-	119.41
Less: Dividend Distribution Tax on Interim Dividend	30.83	17.51	-	23.88
Less: Transfer to debenture redemption reserve	24.97	0.67	34.85	82.25
Less: Provisions for unamortised MTM on investments	11.37	-	-	-
Less : Provision/(reversal) for Unamortised Loss on Sale of NPAs	(139.45)	139.45	-	-
<b>Closing balance</b>	<b>62.31</b>	<b>119.03</b>	<b>426.25</b>	<b>373.38</b>
<b>Total reserves and surplus</b>	<b>2,358.31</b>	<b>1,988.75</b>	<b>2,017.11</b>	<b>1,718.26</b>



**L&T Infrastructure Finance Company Limited**
**Notes Forming Part of the Reformatted Standalone Financials Information**
**Note 4: Long-term borrowings**

	Non current portion As at 31-03-2018 (Audited) ₹ crore	Current maturities As at 31-03-2018 (Audited) ₹ crore	Non current portion As at 31-03-2017 (Audited) ₹ crore	Current maturities As at 31-03-2017 (Audited) ₹ crore	Non current portion As at 31-03-2016 (Audited) ₹ crore	Current maturities As at 31-03-2016 (Audited) ₹ crore	Non current portion As at 31-03-2015 (Audited) ₹ crore	Current maturities As at 31-03-2015 (Audited) ₹ crore
<b>(I) Secured</b>								
Bank overdraft	-	-	-	-	-	-	-	-
Redeemable non convertible debentures (refer note 4a)	5,572.23	2,569.52	6,338.68	1,549.31	4,985.47	1,391.50	4,723.76	1,275.96
External Commercial Borrowings								
Term Loan from banks (refer note 4b)	-	-	-	32.43	33.13	66.26	93.75	187.50
Foreign currency loan	3,483.33	366.67	3,850.00	243.33	6,506.66	1,220.00	6,953.00	1,778.33
Deferred payment liabilities	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Loans and advances from related parties (Inter company deposit)	-	-	-	-	-	-	-	-
Line of credit from bank (refer note 4b)	700.00	-	1,500.00	100.00	-	-	-	-
<b>Total (I)</b>	<b>9,755.56</b>	<b>2,936.19</b>	<b>11,688.68</b>	<b>1,925.07</b>	<b>11,525.26</b>	<b>2,677.76</b>	<b>11,772.51</b>	<b>3,241.79</b>
<b>(II) Unsecured</b>								
Redeemable non convertible debentures (refer note 4a)	2,302.50	-	2,242.50	-	1,452.50	-	800.00	-
Working Capital Demand Loan	-	-	-	-	-	-	100.00	-
Term Loans (refer note 4b)								
From banks	-	-	-	-	3,259.75	-	1,599.00	-
From financial institutions	-	-	-	-	-	-	-	-
Line of credit from bank (refer note 4b)	3,848.79	-	3,750.00	-	-	-	-	-
<b>Total (II)</b>	<b>6,151.29</b>	<b>-</b>	<b>5,992.50</b>	<b>-</b>	<b>4,712.25</b>	<b>-</b>	<b>2,499.00</b>	<b>-</b>
<b>Total (III) = (I)+(II)</b>	<b>15,906.85</b>	<b>2,936.19</b>	<b>17,681.18</b>	<b>1,925.07</b>	<b>16,237.51</b>	<b>2,677.76</b>	<b>14,271.51</b>	<b>3,241.79</b>
Less: Amount disclosed under the head "other current liabilities" (refer Note 9)	-	2,936.19	-	1,925.07	-	2,677.76	-	3,241.79
<b>Total long-term borrowings</b>	<b>15,906.85</b>	<b>-</b>	<b>17,681.18</b>	<b>-</b>	<b>16,237.51</b>	<b>-</b>	<b>14,271.51</b>	<b>-</b>





**L&T Infrastructure Finance Company Limited**

**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 4a:**

**Secured redeemable, Non convertible Debentures (Privately placed)**

**₹ crore**

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Balance outstanding	Interest Rate (%)	Balance outstanding	Interest Rate (%)
<b>Fixed Rate</b>	<b>6,687.00</b>		<b>6,369.25</b>	
Above 5 years	1,490.50	7.59%-9.70%	848.50	7.95%-9.00%
3-5 years	990.25	7.65%-9.00%	1,441.50	7.80%-9.70%
1-3 years	2,570.75	7.50%-9.50%	2,955.00	7.90%-9.80%
upto 1 year	1,635.50	8.35%-9.8%	1,124.25	8.60%-9.55%
<b>Floating Rate</b>				
Above 5 years	-		-	
3-5 years	-		-	
1-3 years	-		-	
<b>Total</b>	<b>6,687.00</b>		<b>6,369.25</b>	

**Unsecured redeemable, Non convertible Debentures (Privately placed)**

**₹ crore**

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Balance outstanding	Interest Rate (%)	Balance outstanding	Interest Rate (%)
<b>Fixed Rate</b>	<b>2,302.50</b>		<b>2,242.50</b>	
Above 5 years	1,602.50	7.8%-10.35%	1,742.50	8.05%-10.35%
3-5 years	200.00	9.90%	500.00	8.19%
1-3 years	500.00	8.19%	-	-
<b>Floating Rate</b>				
Above 5 years	-		-	
3-5 years	-		-	
1-3 years	-		-	
<b>Total</b>	<b>2,302.50</b>		<b>2,242.50</b>	

**Long term Infrastructure Bonds Secured redeemable, Non convertible Debentures (Public issue)**

**₹ crore**

Residual Maturity	As at March 31, 2018		As at March 31, 2017	
	Balance outstanding	Interest Rate (%)	Balance outstanding	Interest Rate (%)
<b>Fixed Rate</b>	<b>1,454.75</b>		<b>1,518.74</b>	
Above 5 years	-	0.00%	159.66	7.50%
3-5 years	520.73	7.5%-8.3%	934.02	7.75%-9.00%
upto 1 year	934.02	8.7%-9.00%	425.06	7.75%-8.30%
<b>Floating Rate</b>				
Above 5 years	-		-	
3-5 years	-		-	
1-3 years	-		-	
<b>Total</b>	<b>1,454.75</b>		<b>1,518.74</b>	



**L&T Infrastructure Finance Company Limited**  
Notes Forming Part of the Reformatted Standalone Financials Information

Note 4b

As at 31-03-2018

Term loans and Line of Credit from bank (Secured)

Repayment terms	Balance as at 31.03.18 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	3,400.00	-	3,400.00	15 months to 5 years	MCLR
Equated annual installments	-	-	-		
Equated semi annual installments	750.00	166.67	583.33	2 months to 3 years	MCLR
Equated quarterly installments	400.00	200.00	200.00	2 months to 3 years	MCLR
<b>Total</b>	<b>4,550.00</b>	<b>366.67</b>	<b>4,183.33</b>		

Above loans are secured by first exclusive charge on specific receivables.

Line of Credit from bank (Unsecured)

Repayment terms	Balance as at 31.03.18 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	3,848.79	-	3,848.79	15 months	MCLR
<b>Total</b>	<b>3,848.79</b>	<b>-</b>	<b>3,848.79</b>		

As at 31-03-2017

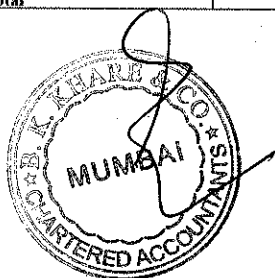
Term loans and Line of Credit from bank (Secured)

Repayment terms	Balance as at 31.03.17 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	4,300.00	100.00	4,200.00	15 months to 5 years	MCLR
Equated annual installments	-	-	-		
Equated semi annual installments	825.76	75.76	750.00	3 years to 5 years	MCLR & Base Rate
Equated quarterly installments	600.00	200.00	400.00	5 years to 7 years	MCLR
<b>Total</b>	<b>5,725.76</b>	<b>375.76</b>	<b>5,350.00</b>		

Above loans are secured by first exclusive charge on specific receivables.

Line of Credit from bank (Unsecured)

Repayment terms	Balance as at 31.03.17 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	3,750.00	-	3,750.00	15 months	MCLR
<b>Total</b>	<b>3,750.00</b>	<b>-</b>	<b>3,750.00</b>		



**L&T Infrastructure Finance Company Limited**

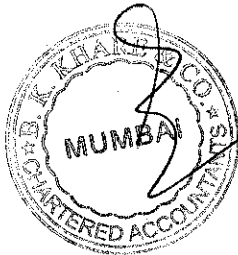
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 4a**

As at 31-03-2016

**A) Secured, Redeemable, Non Convertible Debentures (privately placed)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "E" of FY2010-11	10.00	16-Apr-10	75.00	75.00	-	8.91% p.a.	16-Apr-16	At the end of 6 years from the date of allotment
Series "G" of FY2013-14	25.00	9-Dec-13	43.00	43.00	-	9.90% p.a.	9-Dec-16	Bullet payment on redemption date i.e., 09.12.16
Series "H" of FY2013-14 - OPT I	25.00	16-Jan-14	15.00	15.00	-	9.80% p.a.	16-Jan-17	Bullet payment on redemption date i.e., 16.01.17
Series "F" of FY2010-11	10.00	16-Apr-10	75.00	-	75.00	8.91% p.a.	15-Apr-17	At the end of 7 years from the date of allotment
Series "G" of FY2010-11	10.00	16-Apr-10	75.00	-	75.00	8.91% p.a.	16-Apr-18	At the end of 8 years from the date of allotment
Series "D" of FY2013-14	10.00	30-May-13	50.00	-	50.00	8.35% p.a.	30-May-18	Bullet payment on redemption date i.e., 30.05.18
Series "F" of FY2013-14	25.00	12-Nov-13	51.00	-	51.00	9.70% p.a.	12-Nov-18	Bullet payment on redemption date i.e., 12.11.18
Series "H" of FY2013-14 - OPT II	25.00	16-Jan-14	50.00	-	50.00	9.80% p.a.	16-Jan-19	Bullet payment on redemption date i.e., 16.01.19
Series "E" of FY2012-13	10.00	11-Jan-13	450.00	-	450.00	9.00% p.a.	11-Jan-23	10 years from Deemed date of Allotment, redemption date is 11th Jan 23
Series "C" of FY2013-14	10.00	29-May-13	110.00	-	110.00	8.35% p.a.	29-May-23	Bullet payment on redemption date i.e., 29.05.23
Series "A" of FY2011-12	10.00	18-Oct-11	500.00	-	500.00	9.70% p.a.	18-Oct-28	At the end of 17 years from the date of allotment, Put call option at the end of 10 years
Series "A" of FY2014-15 - OPT I	25.00	26-May-14	52.50	52.50	-	9.75% p.a.	29-Apr-16	Bullet payment on redemption date i.e., 29.04.16
Series "A" of FY2014-15 - OPT II	25.00	26-May-14	12.50	12.50	-	9.75% p.a.	11-May-16	Bullet payment on redemption date i.e., 11.05.16
Series "A" of FY2014-15 - OPT III	25.00	26-May-14	35.00	35.00	-	9.75% p.a.	26-May-16	Bullet payment on redemption date i.e., 26.05.16
Series "B" of FY2014-15	25.00	06-Jun-14	100.00	-	100.00	9.50% p.a.	6-Jun-17	Bullet payment on redemption date i.e., 06.06.17
Series "C" of FY2014-15 - OPT I	25.00	13-Jun-14	76.75	-	76.75	9.25% p.a.	13-Jun-19	Bullet payment on redemption date i.e., 13.06.19
Series "D" of FY2014-15 - OPT III	25.00	18-Jun-14	19.50	-	19.50	9.25% p.a.	18-Jun-19	Bullet payment on redemption date i.e., 18.06.19
Series "E" of FY2014-15 - OPT III	25.00	26-Jun-14	40.25	40.25	-	9.50% p.a.	26-Jul-16	Bullet payment on redemption date i.e., 26.07.16
Series "E" of FY2014-15 - OPT IV	25.00	26-Jun-14	4.75	-	4.75	9.30% p.a.	26-Jun-19	Bullet payment on redemption date i.e., 26.06.19
Series "F" of FY2014-15	25.00	04-Jul-14	15.00	-	15.00	9.30% p.a.	4-Jul-19	Bullet payment on redemption date i.e., 04.07.19
Series "G" of FY2014-15 - OPT II	25.00	31-Jul-14	10.00	-	10.00	9.45% p.a.	31-Jul-17	Bullet payment on redemption date i.e., 31.07.17

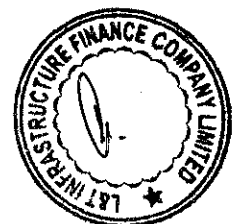
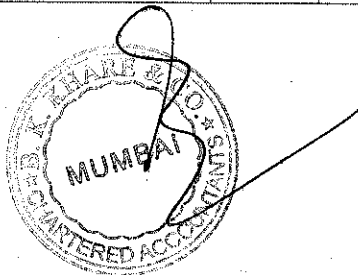


**L&T Infrastructure Finance Company Limited**
**Notes Forming Part of the Reformatted Standalone Financials Information**
**Note 4a**

As at 31-03-2016

**A) Secured, Redeemable, Non Convertible Debentures (privately placed)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "I" of FY 2014-15 - OPT I	25.00	11-Sep-14	100.75	-	100.75	9.50% p.a	11-Sep-19	Bullet payment on redemption date i.e., 11.09.19
Series "I" of FY 2014-15 - OPT II	25.00	11-Sep-14	16.75	-	16.75	9.55% p.a	11-Sep-17	Bullet payment on redemption date i.e., 11.09.17
Series "J" of FY 2014-15 - OPT II	25.00	19-Sep-14	11.00	-	11.00	9.55% p.a	19-Sep-17	Bullet payment on redemption date i.e., 19.09.17
Series "J" of FY 2014-15 - OPT III	25.00	19-Sep-14	5.00	-	5.00	9.50% p.a	19-Sep-19	Bullet payment on redemption date i.e., 19.09.19
Series "K" of FY 2014-15 - OPT II	25.00	26-Sep-14	15.00	-	15.00	9.55% p.a	26-Sep-17	Bullet payment on redemption date i.e., 26.09.17
Series "K" of FY 2014-15 - OPT III	25.00	26-Sep-14	16.00	-	16.00	9.50% p.a	26-Sep-19	Bullet payment on redemption date i.e., 26.09.19
Series "L" of FY 2014-15	25.00	21-Oct-14	10.50	-	10.50	9.15% p.a	21-Oct-19	Bullet payment on redemption date i.e., 21.10.19
Series "T" of FY 2014-15 - OPT I	25.00	21-Jan-15	5.00	-	5.00	8.60% p.a	19-Jan-18	Bullet payment on redemption date i.e., 19.01.18
Series "T" of FY 2014-15 - OPT II	25.00	21-Jan-15	145.00	-	145.00	8.65% p.a	21-Jan-20	Bullet payment on redemption date i.e., 21.01.20
Series "V" of FY 2014-15 - OPT I	25.00	02-Mar-15	100.00	100.00	-	9.05% p.a	2-Mar-17	Bullet payment on redemption date i.e., 02.03.17
Series "V" of FY 2014-15 - OPT II	25.00	02-Mar-15	10.00	10.00	-	9.06% p.a	15-Mar-17	Bullet payment on redemption date i.e., 15.03.17
Series "V" of FY 2014-15 - OPT III	25.00	02-Mar-15	37.00	-	37.00	9.04% p.a	17-Apr-17	Bullet payment on redemption date i.e., 17.04.17
Series "V" of FY 2014-15 - OPT IV	25.00	02-Mar-15	5.00	-	5.00	9.02% p.a	17-Aug-17	Bullet payment on redemption date i.e., 17.08.17
Series "V" of FY 2014-15 - OPT V	25.00	02-Mar-15	10.00	-	10.00	9.02% p.a	4-Sep-17	Bullet payment on redemption date i.e., 04.09.17
Series "V" of FY 2014-15 - OPT VI	25.00	02-Mar-15	50.00	-	50.00	9.06% p.a	5-Mar-18	Bullet payment on redemption date i.e., 05.03.18
Series "W" of FY 2014-15 - OPT I	25.00	20-Mar-15	7.00	-	7.00	8.99% p.a	2-May-17	Bullet payment on redemption date i.e., 02.05.17
Series "W" of FY 2014-15 - OPT II	25.00	20-Mar-15	20.00	-	20.00	8.99% p.a	2-May-17	Bullet payment on redemption date i.e., 02.05.17
Series "W" of FY 2014-15 - OPT III	25.00	20-Mar-15	30.00	-	30.00	8.97% p.a	20-Sep-17	Bullet payment on redemption date i.e., 20.09.17
Series "W" of FY 2014-15 - OPT IV	25.00	20-Mar-15	70.00	-	70.00	8.98% p.a	29-Sep-17	Bullet payment on redemption date i.e., 29.09.17
Series "X" of FY 2014-15	25.00	24-Mar-15	75.00	-	75.00	9.00% p.a	26-Feb-18	Bullet payment on redemption date i.e., 26.02.18
Series "B" of FY 15-16	25.00	20-Apr-15	101.50	-	101.50	8.70% p.a	20-Apr-20	Bullet payment on redemption date i.e., 26.04.20
Series "E" of FY 15-16	25.00	27-Apr-15	33.25	-	33.25	8.70% p.a	27-Apr-20	Bullet payment on redemption date i.e., 27.04.20

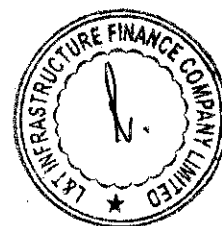
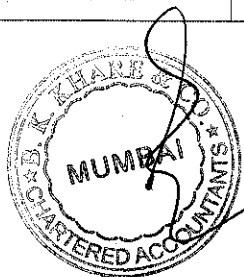


**L&T Infrastructure Finance Company Limited**
**Notes Forming Part of the Reformatted Standalone Financials Information**
**Note 4a**

As at 31-03-2016

**A) Secured, Redeemable, Non Convertible Debentures (privately placed)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "H" of FY 15-16	25.00	06-May-15	300.00	-	300.00	8.80% p.a	4-May-18	Bullet payment on redemption date i.e., 04.05.18
Series "J" of FY 15-16 OPT I	25.00	19-May-15	31.00	-	31.00	8.84% p.a	19-May-20	Bullet payment on redemption date i.e., 19.05.20
Series "J" of FY 15-16 OPT III	25.00	19-May-15	44.50	-	44.50	8.84% p.a	19-May-25	Bullet payment on redemption date i.e., 19.05.25
Series "K" of FY 15-16 OPT I	25.00	22-May-15	15.00	-	15.00	8.81% p.a	22-May-20	Bullet payment on redemption date i.e., 22.05.20
Series "K" of FY 15-16 OPT II	25.00	22-May-15	11.00	-	11.00	8.81% p.a	20-May-22	Bullet payment on redemption date i.e., 20.05.22
Series "L" of FY 15-16 OPT I	25.00	25-May-15	10.00	-	10.00	8.81% p.a	25-May-20	Bullet payment on redemption date i.e., 25.05.20
Series "M" of FY 15-16 OPT I	25.00	26-May-15	15.00	-	15.00	8.81% p.a	26-May-22	Bullet payment on redemption date i.e., 26.05.22
Series "M" of FY 15-16 OPT II	25.00	26-May-15	20.00	-	20.00	8.85% p.a	26-May-25	Bullet payment on redemption date i.e., 26.05.25
Series "N" of FY 15-16 OPT I	25.00	29-May-15	40.00	-	40.00	8.81% p.a	29-May-20	Bullet payment on redemption date i.e., 29.05.20
Series "N" of FY 15-16 OPT II	25.00	29-May-15	11.00	-	11.00	8.81% p.a	27-May-22	Bullet payment on redemption date i.e., 27.05.22
Series "R" of FY 15-16	25.00	05-Jun-15	50.00	-	50.00	8.84% p.a	5-Jun-25	Bullet payment on redemption date i.e., 05.06.25
Series "S" of FY 2015-16 - OPT I	25.00	24-Jun-15	30.00	-	30.00	8.90% p.a	23-Jun-17	Bullet payment on redemption date i.e., 23.06.17
Series "S" of FY 2015-16 - OPT II	25.00	24-Jun-15	5.50	-	5.50	8.91% p.a	19-Jun-17	Bullet payment on redemption date i.e., 19.06.17
Series "S" of FY 2015-16 - OPT III	25.00	24-Jun-15	10.50	-	10.50	8.90% p.a	24-Jul-17	Bullet payment on redemption date i.e., 24.07.17
Series "S" of FY 2015-16 - OPT IV	25.00	24-Jun-15	15.00	-	15.00	8.90% p.a	25-Jun-18	Bullet payment on redemption date i.e., 25.06.18
Series "T" of FY 15-16 OPT I	25.00	03-Jul-15	29.50	-	29.50	8.91% p.a	28-Jun-17	Bullet payment on redemption date i.e., 28.06.17
Series "T" of FY 15-16 OPT II	25.00	03-Jul-15	15.00	-	15.00	8.90% p.a	3-Jul-17	Bullet payment on redemption date i.e., 03.07.17
Series "T" of FY 15-16 OPT III	25.00	03-Jul-15	15.00	-	15.00	8.90% p.a	24-Jul-17	Bullet payment on redemption date i.e., 24.07.17
Series "T" of FY 15-16 OPT IV	25.00	03-Jul-15	10.00	-	10.00	8.90% p.a	3-Jul-18	Bullet payment on redemption date i.e., 03.07.18
Series "U" of FY 15-16 OPT I	25.00	17-Jul-15	185.00	-	185.00	8.95% p.a	17-Jul-17	Bullet payment on redemption date i.e., 17.07.17
Series "U" of FY 15-16 OPT II	25.00	17-Jul-15	100.00	-	100.00	8.95% p.a	14-Jun-17	Bullet payment on redemption date i.e., 14.06.17
Series "U" of FY 15-16 OPT III	25.00	17-Jul-15	32.00	-	32.00	8.96% p.a	6-Jul-17	Bullet payment on redemption date i.e., 06.07.17

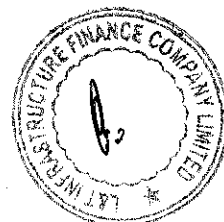
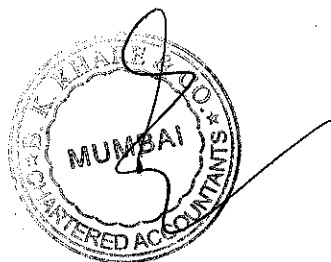


**L&T Infrastructure Finance Company Limited**
**Notes Forming Part of the Reformatted Standalone Financials Information**
**Note 4a**

As at 31-03-2016

**A) Secured, Redeemable, Non Convertible Debentures (privately placed)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "U" of FY 15-16 OPT IV	25.00	17-Jul-15	15.00	-	15.00	8.95% p.a	7-Aug-17	Bullet payment on redemption date i.e., 07.08.17
Series "U" of FY 15-16 OPT V	25.00	17-Jul-15	6.50	-	6.50	8.93% p.a	14-Jan-19	Bullet payment on redemption date i.e., 14.01.19
Series "U" of FY 15-16 OPT VI	25.00	17-Jul-15	7.00	-	7.00	8.87% p.a	17-Jul-20	Bullet payment on redemption date i.e., 17.07.20
Series "W" of FY 15-16 OPT I	25.00	07-Aug-15	226.00	-	226.00	8.86% p.a	7-Aug-18	Bullet payment on redemption date i.e., 07.08.18
Series "W" of FY 15-16 OPT II	25.00	07-Aug-15	10.00	-	10.00	8.87% p.a	16-Aug-18	Bullet payment on redemption date i.e., 16.08.18
Series "W" of FY 15-16 OPT III	25.00	07-Aug-15	10.00	-	10.00	8.86% p.a	21-Aug-18	Bullet payment on redemption date i.e., 21.08.18
Series "W" of FY 15-16 OPT IV	25.00	07-Aug-15	4.00	-	4.00	8.86% p.a	18-Sep-18	Bullet payment on redemption date i.e., 18.09.18
Series "W" of FY 15-16 OPT V	25.00	07-Aug-15	20.00	-	20.00	8.82% p.a	7-Aug-20	Bullet payment on redemption date i.e., 07.08.20
Series "W" of FY 15-16 OPT VI	25.00	07-Aug-15	10.00	-	10.00	8.82% p.a	5-Aug-22	Bullet payment on redemption date i.e., 05.08.22
Series "Y" of FY 15-16 OPT I	25.00	04-Sep-15	30.00	-	30.00	8.82% p.a	4-Sep-18	Bullet payment on redemption date i.e., 04.09.18
Series "Y" of FY 15-16 OPT II	25.00	04-Sep-15	20.00	-	20.00	8.82% p.a	4-Sep-20	Bullet payment on redemption date i.e., 04.09.20
Series "Z" of FY 15-16	25.00	10-Sep-15	100.00	-	100.00	8.86% p.a	8-Mar-19	Bullet payment on redemption date i.e., 08.03.19
Series "AC" of FY 15-16	25.00	30-Sep-15	100.00	-	100.00	8.90% p.a	19-May-17	19.05.16 (If call option exercised) and 19.05.17 (if call option not exercised)
Series "AD" of FY 15-16 OPT I	25.00	06-Oct-15	20.00	-	20.00	8.83% p.a	11-Sep-18	Bullet payment on redemption date i.e., 11.09.18
Series "AD" of FY 15-16 OPT II	25.00	06-Oct-15	8.00	-	8.00	8.84% p.a	4-Oct-18	Bullet payment on redemption date i.e., 04.10.18
Series "AE" of FY 15-16 OPT I	25.00	16-Oct-15	5.00	-	5.00	8.62% p.a	16-Oct-18	Bullet payment on redemption date i.e., 16.10.18
Series "AE" of FY 15-16 OPT II	25.00	16-Oct-15	51.50	-	51.50	8.62% p.a	16-Oct-20	Bullet payment on redemption date i.e., 16.10.20
Series "AF" of FY 15-16 OPT I	25.00	05-Nov-15	3.00	-	3.00	8.60% p.a	22-Oct-18	Bullet payment on redemption date i.e., 22.10.18
Series "AF" of FY 15-16 OPT II	25.00	05-Nov-15	22.00	-	22.00	8.61% p.a	29-Oct-18	Bullet payment on redemption date i.e., 29.10.18
Series "AF" of FY 15-16 OPT III	25.00	05-Nov-15	30.00	-	30.00	8.60% p.a	5-Nov-18	Bullet payment on redemption date i.e., 05.11.18
Series "AG" of FY 15-16	25.00	13-Nov-15	18.00	-	18.00	8.60% p.a	11-Nov-22	Bullet payment on redemption date i.e., 11.11.22
Series "AH" of FY 15-16	25.00	30-Nov-15	60.00	-	60.00	8.65% p.a	30-Nov-18	Bullet payment on redemption date i.e., 30.11.18



**L&T Infrastructure Finance Company Limited**

**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 4a**

As at 31-03-2016

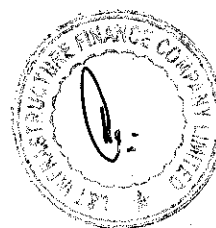
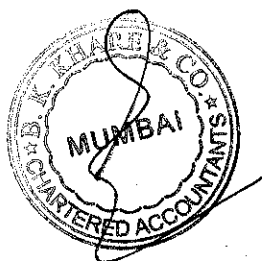
**A) Secured, Redeemable, Non Convertible Debentures (privately placed)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "AI" of FY 15-16 OPT II	25.00	16-Dec-15	27.00	-	27.00	8.65% p.a.	16-Dec-20	Bullet payment on redemption date i.e., 16.12.20
Series "AJ" of FY 15-16 OPT II	25.00	08-Feb-16	52.00	-	52.00	8.75% p.a.	6-Feb-26	Bullet payment on redemption date i.e., 06.02.26
Series "AK" of FY 15-16	25.00	16-Mar-16	10.00	-	10.00	8.80% p.a.	16-Mar-23	Bullet payment on redemption date i.e., 16.03.23
Series "AM" of FY 15-16 OPT I	25.00	23-Mar-16	65.00	-	65.00	8.85% p.a.	26-Mar-19	Bullet payment on redemption date i.e., 26.03.19
Series "AN" of FY 15-16 OPT I	25.00	29-Mar-16	100.00	-	100.00	8.85% p.a.	29-Apr-19	Bullet payment on redemption date i.e., 29.04.19
Series "AN" of FY 15-16 OPT II	25.00	29-Mar-16	25.00	-	25.00	8.80% p.a.	29-Mar-21	Bullet payment on redemption date i.e., 29.03.21
<b>Total (A)</b>			<b>4,784.00</b>	<b>383.25</b>	<b>4,400.75</b>			

**B) Long Term Infrastructure Bonds - Secured, Redeemable, Non Convertible Debentures (public issue)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Redeemable term
Series "2010A - 1"	0.01	02-Dec-10	19.08	-	19.08	7.75% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment.
Series "2010A - 2"	0.01	02-Dec-10	47.17	-	47.17	7.75% p.a. compounded annually payable at maturity	
Series "2010A - 3"	0.01	02-Dec-10	51.04	-	51.04	7.50% p.a. payable annually	
Series "2010A - 4"	0.01	02-Dec-10	108.62	-	108.62	7.50% p.a. compounded annually payable at maturity	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment.
Series "2011A - 1"	0.01	23-Mar-11	79.47	-	79.47	8.20% p.a. payable annually	
Series "2011A - 2"	0.01	23-Mar-11	279.33	-	279.33	8.30% p.a. compounded annually payable at maturity	
Series "2011 B - 1"	0.01	10-Jan-12	151.85	151.85	-	9.00% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment.
Series "2011 B - 2"	0.01	10-Jan-12	377.56	377.56	-	9.00% p.a. compounded annually payable at maturity	
Series "2012 A - 1"	0.01	24-Mar-12	121.29	121.29	-	8.70% p.a. payable annually	
Series "2012 A - 2"	0.01	24-Mar-12	357.55	357.55	-	8.70% p.a. compounded annually payable at maturity	
<b>Total (B)</b>			<b>1,592.96</b>	<b>1,008.25</b>	<b>584.71</b>		
<b>Total Redeemable non convertible debentures (secured) (A+B)</b>			<b>6,376.96</b>	<b>1,391.50</b>	<b>4,985.46</b>		

The debentures covered in (A) and (B) above are secured by mortgage of an immovable property created under the terms of it's operating lease arrangement and hypothecation of specific receivables.



**L&T Infrastructure Finance Company Limited**

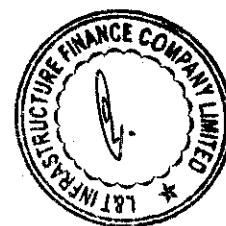
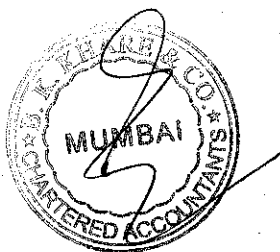
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 4a**

As at 31-03-2016

**C) Unsecured, Redeemable, Non Convertible Debentures (privately placed)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2016 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "A" of FY 2012-13	5.00	30-Apr-12	200.00	-	200.00	9.90%	29-Apr-22	Bullet payment on redemption date i.e., 29th Apr 22
Series "I" of FY 2013-14	10.00	29-Jan-14	50.00	-	50.00	10.35%	29-Jan-24	Bullet payment on redemption date i.e., 29.01.24
Series "J" of FY 2013-14	10.00	31-Jan-14	25.00	-	25.00	9.73%	31-Jan-24	Bullet payment on redemption date i.e., 31.01.24
Series "K" of FY 2013-14	10.00	10-Feb-14	20.00	-	20.00	9.73%	9-Feb-24	Bullet payment on redemption date i.e., 09.02.24
Series "L" of FY 2013-14	10.00	18-Feb-14	20.00	-	20.00	9.73%	16-Feb-24	Bullet payment on redemption date i.e., 16.02.24
Series "O" of FY 2013-14	10.00	04-Mar-14	5.00	-	5.00	9.73%	4-Mar-24	Bullet payment on redemption date i.e., 04.03.24
Series "M" of FY 2013-14	10.00	14-Mar-14	30.00	-	30.00	9.73%	14-Mar-24	Bullet payment on redemption date i.e., 14.03.24
Series "N" of FY 2014-15	10.00	13-Nov-14	100.00	-	100.00	9.10%	13-Nov-24	Bullet payment on redemption date i.e., 13.11.24
Series "S" of FY 2014-15	10.00	19-Jan-15	125.00	-	125.00	8.75%	17-Jan-25	Bullet payment on redemption date i.e., 17.01.25
Series "U" of FY 2014-15	10.00	18-Feb-15	225.00	-	225.00	8.75%	18-Feb-25	Bullet payment on redemption date i.e., 18.02.25
Series "A" of FY 2015-16	10.00	17-Apr-15	100.00	-	100.00	8.90%	17-Apr-25	Bullet payment on redemption date i.e., 17.04.25
Series "C" of FY 2015-16	10.00	21-Apr-15	79.50	-	79.50	8.90%	21-Apr-25	Bullet payment on redemption date i.e., 21.04.25
Series "D" of FY 2015-16	10.00	22-Apr-15	45.00	-	45.00	8.90%	22-Apr-25	Bullet payment on redemption date i.e., 22.04.25
Series "G" of FY 2015-16	10.00	29-Apr-15	75.00	-	75.00	8.90%	29-Apr-25	Bullet payment on redemption date i.e., 29.04.25
Series "I" of FY 2015-16	10.00	15-May-15	43.00	-	43.00	8.90%	15-May-25	Bullet payment on redemption date i.e., 15.05.25
Series "P" of FY 2015-16	10.00	03-Jun-15	60.00	-	60.00	8.87%	3-Jun-25	Bullet payment on redemption date i.e., 03.06.25
Series "X" of FY 15-16	10.00	27-Aug-15	150.00	-	150.00	9.90%	27-Aug-25	Bullet payment on redemption date i.e., 27.08.25
Series "AB" of FY 15-16	10.00	15-Sep-15	20.00	-	20.00	8.90%	15-Sep-25	Bullet payment on redemption date i.e., 15.09.25
Series "AL" of FY 15-16	10.00	18-Mar-16	50.00	-	50.00	9.50%	18-Mar-26	Bullet payment on redemption date i.e., 18.03.26
Series "AO" of FY 15-16	10.00	30-Mar-16	30.00	-	30.00	9.50%	30-Mar-26	Bullet payment on redemption date i.e., 30.03.26
<b>Total (C)</b>			<b>1,452.50</b>	<b>-</b>	<b>1,452.50</b>			





**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 4b**

**As at 31-03-2016**

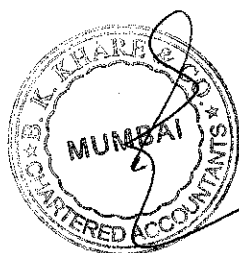
**Term loans from bank (Secured)**

Repayment terms	Balance as at 31.03.2016 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	4,025.00	-	4,025.00	15 months to 5 years	Base Rate
Equated annual installments	100.00	100.00	-	4 year	Base Rate
Equated semi annual installments	2,542.68	832.89	1,709.79	5 years to 6 years	Base Rate
Equated quarterly installments	1,158.36	353.36	805.00	5 years to 7 years	Base Rate
<b>Total</b>	<b>7,826.04</b>	<b>1,286.25</b>	<b>6,539.79</b>		

Above loans are secured by first exclusive charge on specific receivables.

**Term loans from bank (Unsecured)**

Repayment terms	Balance as at 31.03.2015 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	3,259.75	-	3,259.75	15 months	Base Rate plus Spread (0% to 0.25%)
<b>Total</b>	<b>3,259.75</b>	<b>-</b>	<b>3,259.75</b>		



L&T Infrastructure Finance Company Limited

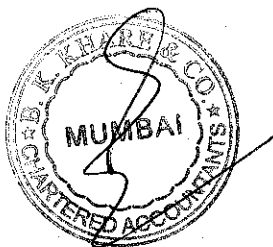
Notes Forming Part of the Reformatted Standalone Financials Information

Note 4a

As at 31-03-2015

A) Secured, Redeemable, Non Convertible Debentures (privately placed)

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2015 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "P" of 2013-14 - OPT II	25.00	14-Mar-14	16.00	16.00	-	9.9706% p.a	7-Apr-15	Bullet payment on redemption date i.e., 07.04.15
Series "P" of 2013-14 - OPT III	25.00	14-Mar-14	20.00	20.00	-	9.9695% p.a	8-Apr-15	Bullet payment on redemption date i.e., 08.04.15
Series "D" of 2010-11	10.00	16-Apr-10	75.00	75.00	-	8.91% p.a.	16-Apr-15	At the end of 5 years from the date of allotment
Series "P" of 2013-14 - OPT V	25.00	14-Mar-14	50.00	50.00	-	9.9616% p.a	16-Apr-15	Bullet payment on redemption date i.e., 16.04.15
Series "A" of 2013-14	10.00	2-May-13	125.00	125.00	-	8.95% p.a	4-May-15	Bullet payment on redemption date i.e., 04.05.15
Series "B" of 2013-14	10.00	15-May-13	250.00	250.00	-	8.95% p.a	15-Jun-15	Bullet payment on redemption date i.e., 15.06.15
Series "N" of 2013-14	25.00	28-Feb-14	150.00	150.00	-	9.99% p.a	31-Aug-15	Bullet payment on redemption date i.e., 31.08.15
Series "E" of 2010-11	10.00	16-Apr-10	75.00	-	75.00	8.91% p.a.	16-Apr-16	At the end of 6 years from the date of allotment
Series "G" of 2013-14	25.00	9-Dec-13	43.00	-	43.00	9.9% p.a	9-Dec-16	Bullet payment on redemption date i.e., 09.12.16
Series "H" of 2013-14 - OPT I	25.00	16-Jan-14	15.00	-	15.00	9.8% p.a	16-Jan-17	Bullet payment on redemption date i.e., 16.01.17
Series "F" of 2010-11	10.00	16-Apr-10	75.00	-	75.00	8.91% p.a.	15-Apr-17	At the end of 7 years from the date of allotment
Series "G" of 2010-11	10.00	16-Apr-10	75.00	-	75.00	8.91% p.a.	16-Apr-18	At the end of 8 years from the date of allotment
Series "D" of 2013-14	10.00	30-May-13	50.00	-	50.00	8.35% p.a	30-May-18	Bullet payment on redemption date i.e., 30.05.18
Series "F" of 2013-14	25.00	12-Nov-13	51.00	-	51.00	9.7% p.a	12-Nov-18	Bullet payment on redemption date i.e., 12.11.18
Series "H" of 2013-14 - OPT II	25.00	16-Jan-14	50.00	-	50.00	9.8% p.a	16-Jan-19	Bullet payment on redemption date i.e., 16.01.19
Series "E" of 2012-13	10.00	11-Jan-13	450.00	-	450.00	9.0% p.a.	11-Jan-23	10 years from Deemed date of Allotment, redemption date is 11th Jan 23
Series "C" of 2013-14	10.00	29-May-13	110.00	-	110.00	8.35% p.a	29-May-23	Bullet payment on redemption date i.e., 29.05.23
Series "A" of 2011-12	10.00	18-Oct-11	500.00	-	500.00	9.70% p.a.	18-Oct-28	At the end of 17 years from the date of allotment, Put call option at the end of 10 years
Series "A" of 2014-15 - OPT I	25.00	26-May-14	52.50	-	52.50	9.7471% p.a	29-Apr-16	Bullet payment on redemption date i.e., 29.04.16



**L&T Infrastructure Finance Company Limited**

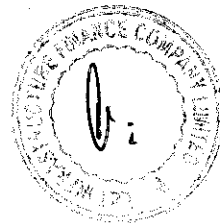
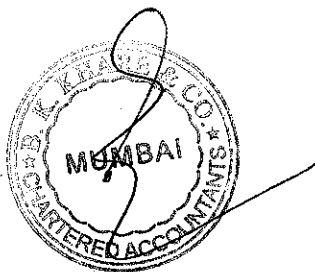
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 4a**

**As at 31-03-2015**

**A) Secured, Redeemable, Non Convertible Debentures (privately placed)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2015 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "A" of 2014-15 - OPT II	25.00	26-May-14	12.50	-	12.50	9.7544% p.a.	11-May-16	Bullet payment on redemption date i.e., 11.05.16
Series "A" of 2014-15 - OPT III	25.00	26-May-14	35.00	-	35.00	9.75% p.a.	26-May-16	Bullet payment on redemption date i.e., 26.05.16
Series "B" of 2014-15	25.00	06-Jun-14	100.00	-	100.00	9.50% p.a.	6-Jun-17	Bullet payment on redemption date i.e., 06.06.17
Series "C" of 2014-15 - OPT I	25.00	13-Jun-14	78.75	-	78.75	9.25% p.a.	13-Jun-19	Bullet payment on redemption date i.e., 13.06.19
Series "D" of 2014-15 - OPT III	25.00	18-Jun-14	19.50	-	19.50	9.25% p.a.	18-Jun-19	Bullet payment on redemption date i.e., 18.06.19
Series "E" of 2014-15 - OPT III	25.00	26-Jun-14	40.25	-	40.25	9.50% p.a.	26-Jul-16	Bullet payment on redemption date i.e., 26.07.16
Series "E" of 2014-15 - OPT IV	25.00	26-Jun-14	4.75	-	4.75	9.30% p.a.	26-Jun-19	Bullet payment on redemption date i.e., 26.06.19
Series "F" of 2014-15	25.00	04-Jul-14	15.00	-	15.00	9.30% p.a.	4-Jul-19	Bullet payment on redemption date i.e., 04.07.19
Series "G" of 2014-15 - OPT II	25.00	31-Jul-14	10.00	-	10.00	9.45% p.a.	31-Jul-17	Bullet payment on redemption date i.e., 31.07.17
Series "I" of 2014-15 - OPT I	25.00	11-Sep-14	100.75	-	100.75	9.50% p.a.	11-Sep-19	Bullet payment on redemption date i.e., 11.09.19
Series "I" of 2014-15 - OPT II	25.00	11-Sep-14	16.75	-	16.75	9.55% p.a.	11-Sep-17	Bullet payment on redemption date i.e., 11.09.17
Series "I" of 2014-15 - OPT II	25.00	19-Sep-14	11.00	-	11.00	9.55% p.a.	19-Sep-17	Bullet payment on redemption date i.e., 19.09.17
Series "I" of 2014-15 - OPT III	25.00	19-Sep-14	5.00	-	5.00	9.50% p.a.	19-Sep-19	Bullet payment on redemption date i.e., 19.09.19
Series "K" of 2014-15 - OPT II	25.00	26-Sep-14	15.00	-	15.00	9.55% p.a.	26-Sep-17	Bullet payment on redemption date i.e., 26.09.17
Series "K" of 2014-15 - OPT III	25.00	26-Sep-14	16.00	-	16.00	9.50% p.a.	26-Sep-19	Bullet payment on redemption date i.e., 26.09.19
Series "L" of 2014-15	25.00	21-Oct-14	10.50	-	10.50	9.15% p.a.	21-Oct-19	Bullet payment on redemption date i.e., 21.10.19



L&T Infrastructure Finance Company Limited

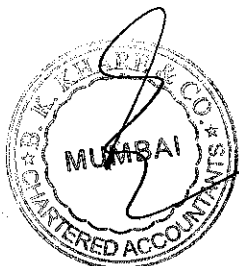
Notes Forming Part of the Reformatted Standalone Financials Information

Note 4a

As at 31-03-2015

A) Secured, Redeemable, Non Convertible Debentures (privately placed)

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2015 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "M" of 2014-15	25.00	03-Nov-14	100.00	-	100.00	9.27% p.a	16-Dec-16	18.12.15 (If call option exercised) and 16.12.16 (if call option not exercised)
Series "O" of 2014-15 - OPT II	25.00	10-Dec-14	100.00	-	100.00	9.05% p.a	19-Dec-16	18.12.15 (If call option exercised) and 19.12.16 (if call option not exercised)
Series "O" of 2014-15 - OPT III	25.00	10-Dec-14	150.00	-	150.00	9.05% p.a	17-Mar-17	17.03.16 (If call option exercised) and 17.03.17 (if call option not exercised)
Series "P" of 2014-15	25.00	17-Dec-14	400.00	-	400.00	9.25% p.a	10-Jun-16	10.06.15 (If call option exercised) and 10.06.16 (if call option not exercised)
Series "Q" of 2014-15	25.00	22-Dec-14	300.00	-	300.00	9.15% p.a	12-Sep-16	10.09.15 (If call option exercised) and 12.09.16 (if call option not exercised)
Series "T" of 2014-15 - OPT I	25.00	21-Jan-15	5.00	-	5.00	8.60% p.a	19-Jan-18	Bullet payment on redemption date i.e., 19.01.18
Series "T" of 2014-15 - OPT II	25.00	21-Jan-15	145.00	-	145.00	8.65% p.a	21-Jan-20	Bullet payment on redemption date i.e., 21.01.20
Series "V" of 2014-15 - OPT I	25.00	02-Mar-15	100.00	-	100.00	9.05% p.a	2-Mar-17	Bullet payment on redemption date i.e., 02.03.17
Series "V" of 2014-15 - OPT II	25.00	02-Mar-15	10.00	-	10.00	9.057% p.a	15-Mar-17	Bullet payment on redemption date i.e., 15.03.17
Series "V" of 2014-15 - OPT III	25.00	02-Mar-15	37.00	-	37.00	9.0406% p.a	17-Apr-17	Bullet payment on redemption date i.e., 17.04.17
Series "V" of 2014-15 - OPT IV	25.00	02-Mar-15	5.00	-	5.00	9.0242% p.a	17-Aug-17	Bullet payment on redemption date i.e., 17.08.17
Series "V" of 2014-15 - OPT V	25.00	02-Mar-15	10.00	-	10.00	9.0246% p.a	4-Sep-17	Bullet payment on redemption date i.e., 04.09.17
Series "V" of 2014-15 - OPT VI	25.00	02-Mar-15	50.00	-	50.00	9.0575% p.a	5-Mar-18	Bullet payment on redemption date i.e., 05.03.18
Series "W" of 2014-15 - OPT I	25.00	20-Mar-15	7.00	-	7.00	8.9919% p.a	2-May-17	Bullet payment on redemption date i.e., 02.05.17
Series "W" of 2014-15 - OPT II	25.00	20-Mar-15	20.00	-	20.00	8.9949% p.a	2-May-17	Bullet payment on redemption date i.e., 02.05.17
Series "W" of 2014-15 - OPT III	25.00	20-Mar-15	30.00	-	30.00	8.9749% p.a	20-Sep-17	Bullet payment on redemption date i.e., 20.09.17
Series "W" of 2014-15 - OPT IV	25.00	20-Mar-15	70.00	-	70.00	8.9753% p.a	29-Sep-17	Bullet payment on redemption date i.e., 29.09.17
Series "X" of 2014-15	25.00	24-Mar-15	75.00	-	75.00	9.0014% p.a	26-Feb-18	Bullet payment on redemption date i.e., 26.02.18
<b>Total (A)</b>			<b>4,335.25</b>	<b>686.00</b>	<b>3,649.25</b>			



**L&T Infrastructure Finance Company Limited**

**Notes Forming Part of the Reformatted Standalone Financials Information**

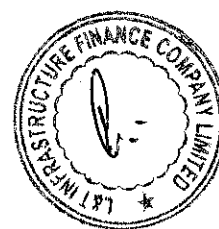
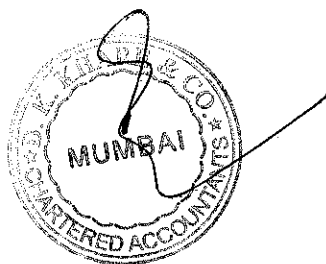
**As at 31-03-2015**

**B) Long Term Infrastructure Bonds - Secured, Redeemable, Non Convertible Debentures (public issue)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.2015 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Redeemable term
Series 2010A - 1	0.01	02-Dec-10	19.08	-	19.08	7.75% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 7 years from the date of allotment.
Series 2010A - 2	0.01	02-Dec-10	47.17	-	47.17	7.75% p.a. compounded annually payable at maturity	
Series 2010A - 3	0.01	02-Dec-10	62.90	62.90	-	7.50% p.a. payable annually	
Series 2010A - 4	0.01	02-Dec-10	127.06	127.06	-	7.50% p.a. compounded annually payable at maturity	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years from the date of allotment.
Series 2011A - 1	0.01	23-Mar-11	90.69	90.69	-	8.20% p.a. payable annually	
Series 2011A - 2	0.01	23-Mar-11	309.31	309.31	-	8.30% p.a. compounded annually payable at maturity	
Series 2011 B - 1	0.01	10-Jan-12	151.85	-	151.85	9% p.a. payable annually	At the end of 10 years from the date of allotment. Buyback option available to the investors at the end of 5 years and 7 years from the date of allotment.
Series 2011 B - 2	0.01	10-Jan-12	377.56	-	377.56	9% p.a. compounded annually payable at maturity	
Series 2012 A - 1	0.01	24-Mar-12	121.29	-	121.29	8.70% p.a. payable annually	
Series 2012 A - 2	0.01	24-Mar-12	357.55	-	357.55	8.70% p.a. compounded annually payable at maturity	
<b>Total (B)</b>			<b>1,664.46</b>	<b>589.96</b>	<b>1,074.50</b>		
<b>Total Redeemable non convertible debentures (secured) (A+B)</b>			<b>5,999.71</b>	<b>1,275.96</b>	<b>4,723.75</b>		
The debentures covered in (A) and (B) above are secured by mortgage of an immovable property created under the terms of it's operating lease arrangement and hypothecation of specific receivables.							

**C) Unsecured, Redeemable, Non Convertible Debentures (privately placed)**

Series	Face Value per debenture (₹ lakh)	Date of allotment	Balance as at 31.03.15 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Interest Rate (%)	Date of redemption	Redeemable term
Series "A" 2012-13	100.00	30-Apr-12	200.00	-	200.00	9.90%	29-Apr-22	Bullet payment on redemption date i.e., 29th Apr 22
Series "I" 2013-14	100.00	29-Jan-14	50.00	-	50.00	10.35%	29-Jan-24	Bullet payment on redemption date i.e., 29.01.24
Series "J" 2013-14	100.00	31-Jan-14	25.00	-	25.00	9.73%	31-Jan-24	Bullet payment on redemption date i.e., 31.01.24
Series "K" 2013-14	100.00	10-Feb-14	20.00	-	20.00	9.73%	9-Feb-24	Bullet payment on redemption date i.e., 09.02.24
Series "L" 2013-14	100.00	18-Feb-14	20.00	-	20.00	9.73%	16-Feb-24	Bullet payment on redemption date i.e., 16.02.24
Series "O" 2013-14	100.00	04-Mar-14	5.00	-	5.00	9.73%	4-Mar-24	Bullet payment on redemption date i.e., 04.03.24
Series "M" 2013-14	100.00	14-Mar-14	30.00	-	30.00	9.73%	14-Mar-24	Bullet payment on redemption date i.e., 14.03.24
Series "N" 2014-15	10.00	13-Nov-14	100.00	-	100.00	9.10%	13-Nov-24	Bullet payment on redemption date i.e., 13.11.24
Series "S" 2014-15	10.00	19-Jan-15	125.00	-	125.00	8.75%	17-Jan-25	Bullet payment on redemption date i.e., 17.01.25
Series "U" 2014-15	10.00	18-Feb-15	225.00	-	225.00	8.75%	18-Feb-25	Bullet payment on redemption date i.e., 18.02.25
<b>Total (C)</b>			<b>800.00</b>	<b>-</b>	<b>800.00</b>			



**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

Note 4b

As at 31-03-2015

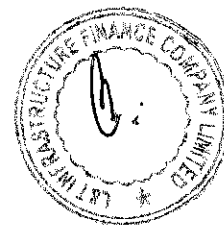
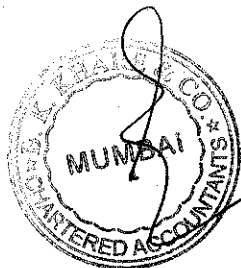
**Term loans from bank (Secured)**

Repayment terms	Balance as at 31.03.15 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	3,145.00	325.00	2,820.00	15 months to 5 years	Base Rate plus Spread (0% to 0.25%)
Equated annual installments	200.00	100.00	100.00	4 year	Base Rate
Equated semi annual installments	2,561.23	649.18	1,912.05	5 years to 6 years	Base Rate plus Spread (0% to 0.10%)
Equated quarterly installments	3,108.35	891.65	2,216.70	5 years to 7 years	Base Rate plus Spread (0% to 0.75%)
<b>Total</b>	<b>9,014.58</b>	<b>1,965.83</b>	<b>7,048.75</b>		

Above loans are secured by first exclusive charge on specific receivables.

**Term loans from bank (Unsecured)**

Repayment terms	Balance as at 31.03.15 (₹ crore)	Current Maturities (₹ crore)	Non Current Portion (₹ crore)	Tenure	Range of rate of interest
Bullet repayment	1,699.00	-	1,699.00	15 months	Base Rate plus Spread (0% to 0.25%)
<b>Total</b>	<b>1,699.00</b>	<b>-</b>	<b>1,699.00</b>		



**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 5: Other long-term liabilities**

Deferred income on loan processing  
Interest accrued but not due on Bonds/Debentures  
Unamortised discount on Debentures Loan  
**Total other long-term liabilities**

As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
39.87	40.30	38.64	33.25
330.88	501.35	255.97	272.89
0.05	0.17	0.49	-
<b>370.80</b>	<b>541.82</b>	<b>295.10</b>	<b>306.14</b>

**Note 6: Long-term provisions**

For contingent provisions against standard assets  
For interest capitalised on restructured assets  
(Includes ₹ Nil in FY 2017-18, ₹ Nil in FY 2016-17, ₹ 27.64 crore in FY 2015-16,  
₹ Nil in FY 2014-15 converted to Investments)  
**Total long-term provisions**

As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
75.74	72.92	63.36	57.55
21.32	51.36	173.65	134.05
<b>97.06</b>	<b>124.28</b>	<b>237.01</b>	<b>191.60</b>

**Note 7: Short-term borrowings**

**(I) Secured\***

Bank overdraft/ Cash Credit

**(II) Unsecured**

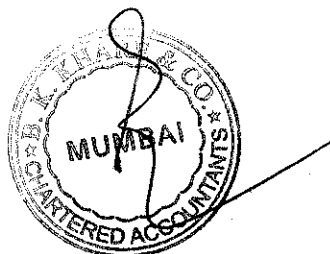
Commercial paper  
(Net of unexpired discount FY 2017-18 ₹ 64.58 crore, FY 2016-17 ₹ 30.35 crore,  
FY 2015-16 ₹ 38.77 crore, FY 2014-15 ₹ NIL)

**Total short-term borrowings**

(I+II)

\*Secured by first exclusive charge on specific receivables.

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
	-	4.21	121.64	183.20
<b>Total I</b>	<b>-</b>	<b>4.21</b>	<b>121.64</b>	<b>183.20</b>
	2,350.42	935.14	1,161.23	-
<b>Total II</b>	<b>2,350.42</b>	<b>935.14</b>	<b>1,161.23</b>	<b>-</b>
	<b>2,350.42</b>	<b>939.35</b>	<b>1,282.87</b>	<b>183.20</b>



**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 8 : Trade Payable**

Micro, Small and Medium Enterprises (See note below)  
 Other than Micro and Small Enterprises

As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
0.82	0.49	11.83	12.17
<b>0.82</b>	<b>0.49</b>	<b>11.83</b>	<b>12.17</b>

Note: Based on the information received by the Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the balance sheet date and hence, disclosures relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

**Note 9 : Other current liabilities**

Current maturities of long-term debt (refer note 4)  
 Interest accrued but not due on debentures  
 Interest accrued but not due on other borrowings  
 Deferred income on loan processing  
 Dividend Payable  
 Dividend distribution tax payable  
 Other Payables:  
 Advance from customers  
 Sundry creditors for capital goods\*  
 Accrued expenses  
 Unclaimed infrastructure bonds application money  
 Unclaimed interest on infrastructure bonds  
 Cash margin collected  
 Statutory liabilities  
 Unamortised discount on Debentures Loan

As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
2,936.19	1,925.07	2,677.76	3,241.79
940.37	586.79	573.39	352.56
2.19	0.33	3.48	6.47
14.35	13.75	7.54	8.31
151.46	86.00	-	-
30.83	17.51	-	-
13.81	29.30	17.40	30.23
0.00	-	-	0.05
17.41	14.29	13.38	9.16
0.63	0.71	0.74	0.78
13.61	10.87	16.67	9.81
-	-	1.68	-
13.75	5.20	2.48	2.72
0.02	0.36	0.46	-
<b>4,134.62</b>	<b>2,690.18</b>	<b>3,314.98</b>	<b>3,662.38</b>

**Total other current liabilities**

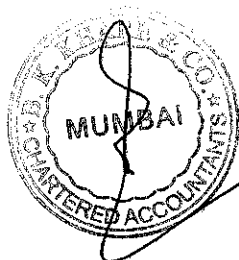
\*Amount less than ₹0,000

Note: ₹0.62 crore in FY 2017-18, ₹ Nil in FY 2016-17, FY 2015-16, FY 2014-15 was due to be transferred to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013. Same is duly deposited within allowable limit of 30 days from due date for transfer.

**Note 10: Short-term provisions**

For employee benefits:  
 Gratuity (net liability)  
 Compensated absences  
 Others:  
 For contingent provisions against standard assets  
**Total short-term provisions**

As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
-	0.27	0.14	1.27
1.80	1.82	1.80	1.46
8.64	4.44	4.69	4.01
<b>10.44</b>	<b>6.53</b>	<b>6.63</b>	<b>6.74</b>





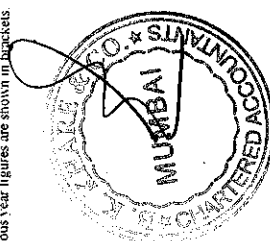
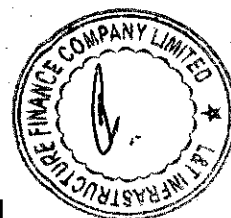
L&T Infrastructure Finance Company Limited  
Notes Forming Part of the Reformatted Standalone Financials Information  
Note 11: Fixed assets (at cost less depreciation)

Description	Gross Block				Depreciation & Amortisation				Net Book Value	
	Opening as at 01.04.2014	Additions during the year	Deductions during the year	Closing as at 31.03.2015	Up to 01.04.2014	Charge during the year	Deductions / Adjustments	Up to 31.03.2015	As at 31.03.2015	
Tangible Computers	2.53 (1.84)	0.37 (0.70)	- (0.01)	2.90 (2.53)	1.14 (0.87)	0.72 (0.27)	- (0.00)	1.86 (1.14)	1.04 (1.39)	
Furniture and Fittings	0.25 (0.14)	0.04 (0.11)	- (0.25)	0.29 (0.25)	0.07 (0.06)	0.03 (0.01)	- (0.07)	0.10 (0.18)	0.19 (0.18)	
Office Equipment	0.58 (0.34)	0.07 (0.04)	- (0.58)	0.65 (0.58)	0.11 (0.08)	0.28 (0.03)	- (0.11)	0.39 (0.11)	0.26 (0.47)	
<b>Total tangible assets (A)</b>	<b>3.36 (2.52)</b>	<b>0.48 (0.85)</b>	<b>- (0.01)</b>	<b>3.84 (3.36)</b>	<b>1.32 (1.01)</b>	<b>1.03 (0.31)</b>	<b>- (0.00)</b>	<b>2.45 (1.32)</b>	<b>1.49 (2.04)</b>	
Intangible Computer Software	5.54 (4.99)	0.23 (0.55)	- (5.54)	5.77 (5.54)	3.78 (2.22)	1.42 (1.56)	- (3.78)	5.20 (3.78)	0.57 (1.76)	
<b>Total intangible assets (B)</b>	<b>5.54 (4.99)</b>	<b>0.23 (0.55)</b>	<b>- (5.54)</b>	<b>5.77 (5.54)</b>	<b>3.78 (2.22)</b>	<b>1.42 (1.56)</b>	<b>- (3.78)</b>	<b>5.20 (3.78)</b>	<b>0.57 (1.76)</b>	
<b>Total (A+B)</b>	<b>8.90 (7.51)</b>	<b>0.71 (1.40)</b>	<b>- (0.01)</b>	<b>9.61 (8.90)</b>	<b>5.10 (3.23)</b>	<b>2.45 (1.87)</b>	<b>- (0.00)</b>	<b>7.65 (5.10)</b>	<b>2.06 (3.80)</b>	

Note: Previous year figures are shown in brackets.

Description	Gross Block				Depreciation & Amortisation				Net Book Value	
	Opening as at 01.04.2015	Additions during the year	Deductions during the year	Closing as at 31.03.2016	Up to 01.04.2015	Charge during the year	Deductions / Adjustments	Up to 31.03.2016	As at 31.03.2016	
Tangible Computers	2.90 (2.53)	0.52 (0.37)	- (0.01)	3.42 (2.90)	1.86 (1.14)	0.52 (0.72)	- (0.00)	2.38 (1.86)	1.04 (1.04)	
Furniture and Fittings	0.29 (0.25)	- (0.04)	- (0.29)	0.29 (0.29)	0.10 (0.07)	0.03 (0.03)	- (0.19)	0.13 (0.10)	0.16 (0.19)	
Office Equipment	0.65 (0.58)	0.02 (0.07)	- (0.65)	0.67 (0.65)	0.39 (0.11)	0.14 (0.28)	- (0.39)	0.53 (0.39)	0.14 (0.26)	
<b>Total tangible assets (A)</b>	<b>3.84 (3.36)</b>	<b>0.54 (0.48)</b>	<b>- (0.30)</b>	<b>4.38 (3.84)</b>	<b>2.35 (1.32)</b>	<b>0.69 (1.03)</b>	<b>- (1.49)</b>	<b>3.04 (2.35)</b>	<b>1.34 (1.49)</b>	
Intangible Computer Software	5.77 (5.54)	0.52 (0.23)	- (5.77)	6.29 (5.77)	5.20 (3.78)	0.49 (1.42)	- (5.20)	5.69 (5.20)	0.60 (0.57)	
<b>Total intangible assets (B)</b>	<b>5.77 (5.54)</b>	<b>0.52 (0.23)</b>	<b>- (5.77)</b>	<b>6.29 (5.77)</b>	<b>5.20 (3.78)</b>	<b>0.49 (1.42)</b>	<b>- (5.20)</b>	<b>5.69 (5.20)</b>	<b>0.60 (0.57)</b>	
<b>Total (A+B)</b>	<b>9.61 (8.90)</b>	<b>1.06 (0.71)</b>	<b>- (0.61)</b>	<b>10.67 (9.61)</b>	<b>7.55 (5.10)</b>	<b>1.18 (2.45)</b>	<b>- (7.55)</b>	<b>8.73 (7.55)</b>	<b>1.94 (2.06)</b>	

Note: Previous year figures are shown in brackets.

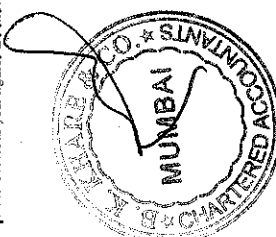
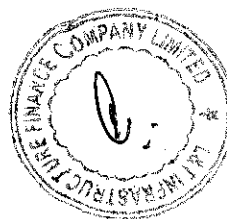


Description	Gross Block				Depreciation & Amortisation				Net Book Value	
	Opening as at 01.04.2016	Additions during the year	Deductions during the year	Closing as at 31.03.2017	Up to 01.04.2016	Charge during the year	Deductions / Adjustments	Up to 31.03.2017	As at	
									31.03.2017	
Tangible Computers	3.42 (2.90)	0.12 (0.52)	-	3.54 (3.42)	2.38 (1.86)	0.46 (0.52)	-	2.84 (2.38)	0.70 (1.04)	
Furniture and Fittings	0.29 (0.29)	-	0.02 (0.29)	0.27 (0.29)	0.13 (0.10)	0.02 (0.03)	0.01 (0.13)	0.14 (0.13)	0.13 (0.16)	
Office Equipment	0.67 (0.65)	0.02 (0.02)	0.01 (0.01)	0.68 (0.67)	0.53 (0.39)	0.07 (0.14)	0.01 (0.53)	0.59 (0.53)	0.09 (0.14)	
<b>Total tangible assets (A)</b>	<b>4.38</b> <b>(3.84)</b>	<b>0.14</b> <b>(0.54)</b>	<b>0.03</b> <b>-</b>	<b>4.49</b> <b>(4.39)</b>	<b>3.04</b> <b>(2.35)</b>	<b>0.55</b> <b>(0.69)</b>	<b>0.02</b> <b>-</b>	<b>3.57</b> <b>(3.04)</b>	<b>0.92</b> <b>(1.34)</b>	
Intangible Computer Software	6.29 (5.77)	0.95 (0.52)	-	7.24 (6.29)	5.69 (5.20)	0.51 (0.49)	-	6.20 (5.69)	1.04 (0.60)	
<b>Total intangible assets (B)</b>	<b>6.29</b> <b>(5.77)</b>	<b>0.95</b> <b>(0.52)</b>	<b>-</b> <b>-</b>	<b>7.24</b> <b>(6.29)</b>	<b>5.69</b> <b>(5.20)</b>	<b>0.51</b> <b>(0.49)</b>	<b>-</b> <b>-</b>	<b>6.20</b> <b>(5.69)</b>	<b>1.04</b> <b>(0.60)</b>	
<b>Total (A+B)</b>	<b>10.67</b> <b>(9.61)</b>	<b>1.09</b> <b>(1.05)</b>	<b>0.03</b> <b>-</b>	<b>11.73</b> <b>(10.67)</b>	<b>8.72</b> <b>(7.55)</b>	<b>1.06</b> <b>(1.18)</b>	<b>0.02</b> <b>-</b>	<b>9.76</b> <b>(8.73)</b>	<b>1.96</b> <b>(1.94)</b>	

Note: Previous year figures are shown in brackets

Description	Gross Block				Depreciation & Amortisation				Net Book Value	
	Opening as at 01.04.2017	Additions during the year	Deductions during the year	Closing as at 31.03.2018	Up to 01.04.2017	Charge during the year	Deductions / Adjustments	Up to 31.03.2018	As at	
									31.03.2018	
Tangible Computers	3.54 (3.42)	- (0.12)	(1.00) -	2.54 (3.54)	2.84 (2.38)	0.34 (0.46)	(0.87) -	2.31 (2.84)	0.23 (0.70)	
Furniture and Fittings	0.27 (0.29)	- (0.08)	(0.02) (0.02)	0.19 (0.27)	0.14 (0.13)	0.02 (0.02)	(0.03) (0.01)	0.13 (0.14)	0.07 (0.07)	
Office Equipment	0.68 (0.67)	0.01 (0.02)	- (0.01)	0.69 (0.68)	0.59 (0.53)	0.03 (0.07)	- (0.01)	0.62 (0.59)	0.07 (0.10)	
Vehicles	-	0.80	-	0.80	-	0.14	-	0.14	0.66	
<b>Total tangible assets (A)</b>	<b>4.49</b> <b>(4.38)</b>	<b>0.81</b> <b>(0.14)</b>	<b>(1.07)</b> <b>(0.03)</b>	<b>4.22</b> <b>(4.49)</b>	<b>3.57</b> <b>(3.04)</b>	<b>0.53</b> <b>(0.53)</b>	<b>(0.90)</b> <b>(0.02)</b>	<b>3.20</b> <b>(3.57)</b>	<b>1.03</b> <b>(0.92)</b>	
Intangible Computer Software	7.24 (6.29)	1.62 (0.95)	-	8.86 (7.24)	6.20 (5.69)	0.60 (0.51)	-	6.80 (6.20)	2.06 (1.04)	
<b>Total intangible assets (B)</b>	<b>7.24</b> <b>(6.29)</b>	<b>1.62</b> <b>(0.95)</b>	<b>-</b> <b>-</b>	<b>8.86</b> <b>(7.24)</b>	<b>6.20</b> <b>(5.69)</b>	<b>0.60</b> <b>(0.51)</b>	<b>-</b> <b>-</b>	<b>6.80</b> <b>(6.20)</b>	<b>2.06</b> <b>(1.04)</b>	
<b>Total (A+B)</b>	<b>11.73</b> <b>(10.67)</b>	<b>2.43</b> <b>(1.09)</b>	<b>(1.07)</b> <b>(0.03)</b>	<b>13.09</b> <b>(11.73)</b>	<b>9.77</b> <b>(8.73)</b>	<b>1.13</b> <b>(1.00)</b>	<b>(0.90)</b> <b>(0.02)</b>	<b>10.00</b> <b>(9.77)</b>	<b>3.09</b> <b>(1.96)</b>	

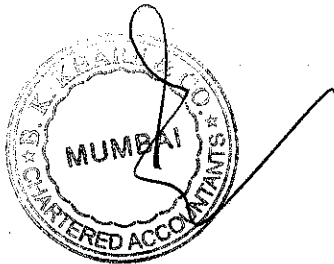
Note: Previous year figures are shown in brackets.



**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 12: Non-current investments**

	Face Value ₹	As at 31-03-2018 Quantity ₹ crore	As at 31-03-2017 Quantity ₹ crore	As at 31-03-2016 Quantity ₹ crore	As at 31-03-2015 Quantity ₹ crore
<b>(A) Trade investment, valued at cost, fully paid:</b>					
<b>(I) Investments in Subsidiaries:</b>					
<b>(i) Debentures or Bonds</b>					
<b>Cumulative Compulsory Convertible Debentures (CCCDs)</b>					
L&T Infra Investment Partners Advisory Private Limited	1,000	-	-	-	30,000
<b>Equity shares (Unquoted)</b>					
L&T Infra Investment Partners Advisory Private Limited	10	50,00,000	5.00	50,00,000	5.00
L&T Infra Investment Partners Trustee Private Limited	10	1,00,000	0.10	1,00,000	0.10
<b>(ii) Investments in Associates:</b>					
<b>Equity shares (Unquoted)</b>					
Feedback Infra Private Limited	10	-	37,90,000	37.90	37,90,000
L&T Infra Debt Fund Limited	10	23,70,36,157	301.76	22,76,00,000	267.90
<b>(B) Non Trade investment, valued at cost, fully paid:</b>					
<b>(i) investments in others:</b>					
<b>(i) Debentures or Bonds</b>					
<b>Compulsory Convertible Debentures (CCDs)</b>					
Tikona Digital Networks Private Limited	2,840	5,79,772	164.66	5,79,772	164.66
Bhoruka Power Corporation Limited	1,00,000	21,971	219.71	21,971	219.71
<b>Multiple Option Exchangeable Debentures (MOEDs)</b>					
Mission Holdings Private Limited	1,00,000	-	5.50	55.00	5.50
<b>(ii) Equity shares (Unquoted)</b>					
Tikona Digital Networks Private Limited	10	605	0.17	605	0.17
Bhoruka Power Corporation Limited	10	100	0.01	100	0.01
Bhoruka Power Holdings Private Limited	10	-	-	-	100
Bhoruka Power India Investments Private Limited	10	10	0.00	10	0.00
Soma Tollways Private Limited	10	64,13,216	329.10	64,13,216	329.10
Mission Holdings Private Limited	10	100	0.00	100	0.00
Indian Highways Management Company Limited	10	15,00,000	1.50	15,00,000	1.50
<b>(iii) Preference shares:</b>					
<b>Cumulative Redeemable Preference Shares</b>					
Anrak Aluminium Limited	10	-	-	6,25,00,000	62.50
<b>Cumulative Compulsorily Convertible Preference Shares</b>					
SKS Input Power Limited	10	97,73,621	9.22	97,73,621	9.22
<b>(iv) Units of fund</b>					
LICHFL Urban Development Fund	10,000	10,000	7.17	10,000	7.29
L&T Infra Investments Partner Fund					
Class B	100	2,03,76,473	203.76	2,31,42,361	231.42
Class C	100	5,00,000	5.00	5,00,000	5.00
Class D	10	10,000	0.01	10,000	0.01
<b>(v) Security Receipts</b>					
Phoenix ARC Private Limited					
Phoenix Trust FY 14-9	1,000	11,08,935	110.89	11,08,935	110.89
Edelweiss Asset Reconstruction Company Limited					
EARC Trust - SC 105 Trust	976.26	11,90,000	116.18	11,90,000	116.18
EARC Trust - SC 132 Trust	1,000	8,500	0.85	8,500	0.85
EARC Trust - SC 258 Trust	995.66	25,83,490	257.23	25,83,490	257.23
JM Financial Asset Reconstruction Company Limited					
JM Financial (JM/FARC) Trust	984.76	26,21,651	258.17	-	-
<b>Total non-current investments</b>		<b>1,990.49</b>	<b>1,820.26</b>	<b>1,476.19</b>	<b>1,074.37</b>
Less: Provision for diminution in the value of investments		69.31	55.45	41.58	27.70
<b>Net non-current investments</b>		<b>1,921.18</b>	<b>1,764.81</b>	<b>1,434.61</b>	<b>1,046.67</b>
<b>Note 1:</b>					
a) Aggregate amount of unquoted investments		1,990.49	1,820.26	1,476.19	1,074.37
b) Aggregate amount of quoted investments and market value thereof		-	-	-	-
c) Aggregate amount of listed but not quoted investments		-	-	-	-

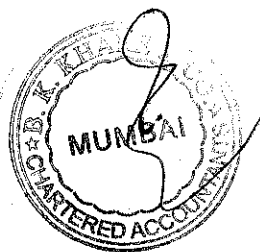


**L&T Infrastructure Finance Company Limited**
**Notes Forming Part of the Reformatted Standalone Financials Information**
**Note 13: Deferred tax assets (net)**

In compliance with the Accounting Standard (AS) 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the Company has provided for deferred (tax liability) (net) in the Statement of Profit and Loss on account of timing differences. The major components of deferred tax assets and liabilities arising on account of timing differences are:

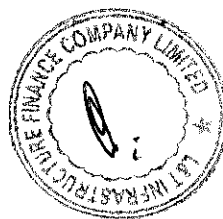
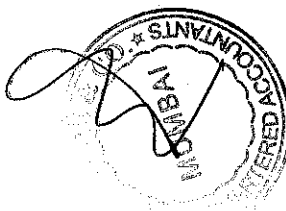
Component	As at 31-03-2018		As at 31-03-2017		As at 31-03-2016		As at 31-03-2015	
	Assets (Audited) ₹ crore	Liabilities (Audited) ₹ crore	Assets (Audited) ₹ crore	Liabilities (Audited) ₹ crore	Assets (Audited) ₹ crore	Liabilities (Audited) ₹ crore	Assets (Audited) ₹ crore	Liabilities (Audited) ₹ crore
Timing difference between book balance and tax balance of fixed assets	-	0.22	-	0.15	-	0.20	-	0.22
Provision on loan assets/interest receivable	431.43	-	333.52	-	134.50	-	71.35	-
Employee benefits	0.63	-	0.62	-	0.62	-	1.01	-
Others	1.01	-	0.98	-	-	-	9.62	-
	<u>433.07</u>	<u>0.22</u>	<u>335.12</u>	<u>0.15</u>	<u>135.12</u>	<u>0.20</u>	<u>81.98</u>	<u>0.22</u>
<b>Net Deferred Tax Asset</b>	<b>432.85</b>		<b>334.97</b>		<b>134.92</b>		<b>81.76</b>	

Note : No deferred tax liability has been recognised on Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961 based on the Management's evaluation that possibility of withdrawal there from is remote.



**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**  
**Note 14: Long-term loans and advances towards financing activities**

	Non current As at 31-03-2018 ₹ crore	Current As at 31-03-2018 ₹ crore	Non current As at 31-03-2017 ₹ crore	Current As at 31-03-2017 ₹ crore	Non current As at 31-03-2016 ₹ crore	Current As at 31-03-2016 ₹ crore	Non current As at 31-03-2015 ₹ crore	Current As at 31-03-2015 ₹ crore
Term Loans	18,822.25	2,302.26	18,852.25	1,168.70	18,150.81	1,452.74	15,628.77	1,230.78
Debentures	2,257.35	101.42	1,844.14	92.03	1,863.70	46.51	1,945.84	25.09
<b>Gross Loans</b>	<b>21,079.60</b>	<b>2,403.68</b>	<b>20,696.39</b>	<b>1,260.73</b>	<b>20,014.51</b>	<b>1,499.25</b>	<b>17,574.61</b>	<b>1,255.87</b>
Less: Provision for contingencies	437.98	-	262.34	-	49.11	-	17.11	-
Less: Provision against Restructured Assets	66.84	-	80.56	-	92.25	-	92.27	-
Less: Provision against Non Performing Assets	558.04	-	417.72	-	134.78	-	90.89	-
Less: Provision against Interest capitalised on Non Performing Assets	97.37	-	123.11	-	21.66	-	21.66	-
<b>Net Loans</b>	<b>19,919.37</b>	<b>2,403.68</b>	<b>19,812.66</b>	<b>1,260.73</b>	<b>19,716.71</b>	<b>1,499.25</b>	<b>17,352.68</b>	<b>1,255.87</b>
Less: Amount disclosed under the "Note 20"	-	2,403.68	-	1,260.73	-	1,499.25	-	1,255.87
<b>The above amount includes:</b>								
Secured	20,799.40	2,403.68	20,416.19	1,260.73	19,734.31	1,499.25	17,424.61	1,255.87
Unsecured	280.20	-	280.20	-	280.20	-	150.00	-
<b>Total</b>	<b>21,079.60</b>	<b>2,403.68</b>	<b>20,696.39</b>	<b>1,260.73</b>	<b>20,014.51</b>	<b>1,499.25</b>	<b>17,574.61</b>	<b>1,255.87</b>



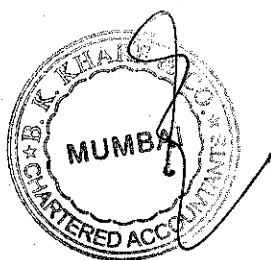
**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 15: Long-term loans and advances**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
Security deposits (Unsecured, considered good)	7.21	7.21	7.32	5.32
Others:				
Forward contract receivable	-	-	10.73	26.55
Prepaid expenses	2.52	0.26	0.24	-
Advance payment of Service tax (under protest)	4.55	4.55	4.55	-
Advance payment of Income Tax (net of provision for tax FY 2017-18 ₹ 1138.70 crore, FY 2016-17 ₹ 1036.78 crore, FY 2015-16 ₹ 732.26 crore, FY 2014-15 ₹ 567.83 crore)	318.39	265.90	242.94	183.74
Unamortised loss on sale of NPAs (refer note 42(4)(ii))	-	-	-	55.76
Advances recoverable in cash or in kind or for value to be received	-	-	-	5.05
<b>Total other long term loans and advances</b>	<b>332.67</b>	<b>277.92</b>	<b>265.78</b>	<b>276.42</b>

**Note 16: Other non-current assets**

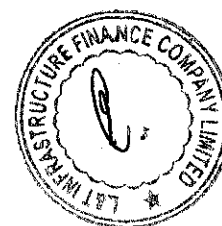
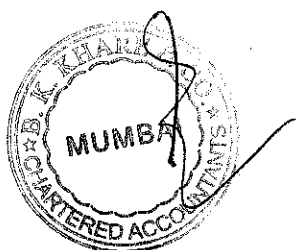
	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
Others:				
(Secured, considered good)				
Accrued interest on debentures (Net of provision on interest receivable FY 2017-18 ₹ Nil, FY 2016-17 ₹ 21.14 crore, FY 2015-16 ₹ 30.02 crore, FY 2014-15 ₹ Nil)	42.66	133.46	161.22	137.96
Gratuity (Net Asset)	0.13	-	-	-
(Unsecured, considered good)				
Accrued interest on debentures	63.34	40.84	21.28	4.36
Accrued Interest on loans towards financing activities	0.64	15.00	4.24	-
Unamortised Premium on Debenture loan	0.02	-	5.96	-
<b>Total other non-current assets</b>	<b>106.79</b>	<b>189.30</b>	<b>192.70</b>	<b>142.32</b>



**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 17: Current Investments**

Note 17: Current Investments	Face Value	As at 31-03-2018		As at 31-03-2017		As at 31-03-2016		As at 31-03-2015	
	₹	Quantity	₹ crore	Quantity	₹ crore	Quantity	₹ crore	Quantity	₹ crore
(A) Non Trade investment, valued at lower of cost or market value, fully paid:									
(I) Equity shares									
Quoted									
C&C Construction Limited	10	-	-	-	-	25,78,789	3.87	21,37,801	8.48
B.L. Kashyap & Sons Limited	1	-	-	-	-	5,31,910	0.28	78,71,522	4.13
Unity Infra Project	2	6,94,370	1.91	6,94,370	1.91	6,94,370	1.91	-	-
Monnet Ispat & Energy Limited	10	17,98,245	6.15	17,98,245	6.15	17,98,245	6.15	-	-
Shiv Vam Oil Gas and Energy Limited	10	14,96,658	2.40	14,96,658	2.40	-	-	-	-
Gol Offshore Limited	10	97,91,408	42.90	97,91,408	42.90	-	-	-	-
KSK Energy Ventures Limited	10	1,06,88,253	11.61	-	-	-	-	-	-
Unquoted									
Coastal Projects Limited	10	78,96,884	22.10	78,96,884	22.10	78,96,884	22.10	3,28,526	14.82
ICOMM Tele Limited	10	41,667	0.50	41,667	0.50	41,667	0.50	41,667	0.50
VMC Systems Limited	10	1,73,653	4.02	1,73,653	4.01	1,73,653	4.02	1,73,653	4.02
Hanjer Biotech Energies Private Limited	10	2,08,716	9.44	2,08,716	9.44	2,08,716	9.44	2,08,716	9.44
Soma Enterprises Limited	10	5,00,000	0.50	29,46,155	84.51	68,159	0.73	-	-
Medacti Healthcare Services Private Limited	10	16,35,003	0.50	16,35,003	0.50	16,35,003	0.50	-	-
Warasgaon Lakeview Hotels Limited	10	-	-	63,849	5.72	-	-	-	-
KSK Mahanadi Power Co. Ltd.	10	62,21,868	6.22	-	-	-	-	-	-
NSL Tidong Power Generation Private Limited	10	6,27,72,331	62.77	-	-	-	-	-	-
NSL Sugars Limited	10	29,25,656	2.92	-	-	-	-	-	-
Athena Chattargarh Power Limited	10	6,93,00,000	69.30	-	-	-	-	-	-
Supreme Best Value Kolhapur(Shirohi) Sangli Tollways Private Limited	10	5,026	0.01	-	-	-	-	-	-
(II) Preference shares									
Sew Vizag Coal Terminal Private Limited	10	7,03,833	0.70	7,03,833	0.70	-	-	-	-
Non Trade investment, valued at cost, fully paid:									
(II) Preference shares (Current maturity)									
KSK Energy Ventures Limited	10	-	-	-	-	-	-	3,40,00,000	34.00
(III) Investment in mutual funds									
L&T Liquid Fund Direct Plan- Growth	1,000	-	-	11,23,998	250.00	12,04,205	250.00	-	-
Reliance Liquid Fund	1,000	-	-	3,41,530	135.00	-	-	-	-
UTI-Money Market Fund	1,000	-	-	7,43,282	135.00	-	-	-	-
(IV) Investment in Debenture/Bonds									
NSL Sugars Ltd.	100	21,32,310	21.32	-	-	-	-	-	-
U. P. Power Corporation Ltd	10,00,000	221	22.10	-	-	-	-	-	-
Indian Overseas Bank (Perpetual Bond)	10,00,000	-	-	-	-	3,249	324.90	3,249	324.90
Soma Enterprises Limited	10	6,61,58,871	66.16	-	-	-	-	-	-
Devan Housing Finance Limited (Perpetual Debt)	10,00,000	-	-	290	29.00	-	-	-	-
(V) Investment in Share Application Money									
Shiv Vam Oil Gas and Energy Limited	-	-	-	-	-	-	33.47	-	2.40
NSL Tidong Power Generation Private Limited	-	-	-	-	62.77	-	-	-	-
Total Current Investments									
			353.53		792.61		657.87		402.69
Less: Provision for diminution in value of investments									
			94.92		54.59		53.14		26.06
Net Current Investments									
			258.61		738.02		604.73		376.63
Note :									
a) Aggregate amount of unquoted investments									
			192.72		679.98		258.66		43.20
b) Aggregate amount of quoted investments and market value thereof									
			22.47		29.04		19.17		8.53
c) Aggregate amount of listed but not quoted investments									
			43.42		29.00		324.90		324.90



**L&T Infrastructure Finance Company Limited**  
Notes Forming Part of the Reformatted Standalone Financials Information

**Note 18: Trade receivables**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
(Unsecured, considered good)				
Unsecured - outstanding for a period of less than Six months from the date when they become payable	49.18	42.33	-	2.59
(Unsecured, considered doubtful)				
Outstanding for a period of more than Six months from the date when they become payable	-	-	-	-
Doubtful	1.46	1.22	1.02	0.98
Less: Allowance for bad and doubtful debts	1.46	1.22	1.02	0.98
<b>Total trade receivables</b>	<b>49.18</b>	<b>42.33</b>	<b>-</b>	<b>2.59</b>

**Note 19: Cash and Bank balances**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
<b>Cash and cash equivalents as defined in AS - 3</b>				
Cash on hand*	-	0.00	0.00	0.00
Balances with Banks				
In Current Account	358.24	106.66	39.62	0.04
Balances with Banks in Fixed Deposit Account (with original maturity of less than three months)	-	-	-	250.00
<b>Others</b>				
In earmarked accounts				
-unclaimed infrastructure bonds application money	0.63	0.72	0.74	0.78
-unclaimed interest on infrastructure bonds	13.61	10.87	16.67	9.81
Balances with Banks in Fixed Deposit Account (with original maturity of more than three months)	-	-	-	-
<b>Total Cash and Bank balance</b>	<b>372.48</b>	<b>118.25</b>	<b>57.03</b>	<b>260.63</b>

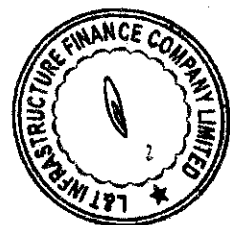
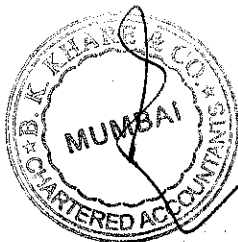
\*Amount less than 50,000

**Note 20: Current maturities of long - term loans towards financing activities**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
(Secured, considered good) (refer Note 14)				
Current maturities of long - term loans towards financing activities	2,403.68	1,260.73	1,499.26	1,255.86
<b>Total current maturities of long - term loans towards financing activities</b>	<b>2,403.68</b>	<b>1,260.73</b>	<b>1,499.26</b>	<b>1,255.86</b>

**Note 21: Short term loans and advances - others**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
(Unsecured, considered good)				
Security deposits	-	-	1.08	3.08
Receivable from related parties (refer note 31)	0.13	0.44	1.57	0.09
<b>Others</b>				
Prepaid expenses	2.51	1.14	0.99	0.60
Forward contract receivable	-	10.03	21.46	36.27
Other advances	0.78	0.37	2.52	-
Inter Corporate Deposit Given	52.00	35.00	-	-
Unamortised loss on sale of NPAs (refer note 42(4)(ii))	-	139.45	55.77	119.46
Less: Provision for Unamortised loss on sale of NPA	-	(139.45)	-	-
Other advances recoverable in cash or in kind or for value to be received	-	-	-	1.01
<b>Total other short term loans and advances</b>	<b>55.42</b>	<b>46.98</b>	<b>83.39</b>	<b>160.51</b>





**L&T Infrastructure Finance Company Limited**  
**Notes Forming Part of the Reformatted Standalone Financials Information**

**Note 22: Other current assets**

(Secured, considered good)

Accrued Interest on loans towards financing activities  
 (Net of provision on interest receivable FY 2017-18 ₹ 0.79 crore, FY 2016-17 ₹ 40.43 crore, FY 2015-16 ₹ 56.47 crore, FY 2014-15 ₹ Nil)

Accrued income on debentures  
 (Net of provision on interest receivable FY 2017-18 ₹ Nil, FY 2016-17 ₹ 53.00 crore, FY 2015-16 ₹ Nil, FY 2014-15 ₹ Nil)

(Unsecured, considered good)

Accrued Interest on loans towards financing activities

Accrued income on Debenture loan

Unamortised Premium on Debenture loan

Unamortised premium on Investment in Bonds/Debentures

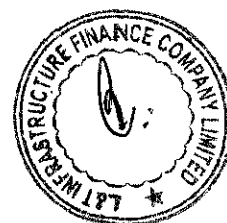
Accrued interest on investment in Debentures/ Fixed Deposit

Accrual of Fee Income

Assets acquired in settlement of claims

**Total other current assets**

	As at 31-03-2018 ₹ crore	As at 31-03-2017 ₹ crore	As at 31-03-2016 ₹ crore	As at 31-03-2015 ₹ crore
	21.41	76.31	152.34	124.97
	139.58	26.97	18.25	11.92
	27.95	1.11	1.90	-
	0.65	0.65	0.66	0.09
	0.00	-	1.34	-
	0.39	-	-	-
	0.09	1.89	5.07	5.04
	0.14	0.16	1.71	2.13
	169.65	169.65	78.95	78.95
<b>Total other current assets</b>	<b>359.86</b>	<b>276.74</b>	<b>260.22</b>	<b>223.10</b>



**L&T Infrastructure Finance Company Limited**
**Notes Forming Part of the Reformatted Standalone Financials Information**
**Note 23: Revenue from operations**
**Interest and dividend income**

 Interest on loans and advances towards financing activities  
 Less : Provision made for interest receivables

Interest on debentures

Interest on bank deposits/ ICD/ Bonds

Dividend income from preference shares

**Other operating income**

Fee Income

Gain / (loss) on loans sell down of loan assets/ amortisation of premium

Other Income from preference shares

**Total revenue from operations**

Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
1,844.75	2,237.85	2,176.68	1,729.04
(113.78)	28.07	75.84	(14.66)
<b>1,958.53</b>	<b>2,209.78</b>	<b>2,100.84</b>	<b>1,743.70</b>
197.04	263.43	228.13	242.18
29.37	41.84	38.98	10.70
0.00	-	3.62	7.22
<b>373.49</b>	<b>90.59</b>	<b>1.36</b>	<b>46.54</b>
6.85	12.27	15.04	7.26
-	30.15	33.00	28.84
<b>2,565.28</b>	<b>2,648.06</b>	<b>2,420.97</b>	<b>2,086.44</b>

**Note 24: Other income**

Gain / (loss) on sale/Dividend and other income off/on Investments

Dividend/other income on current investments

Dividend income on long term investment

Gain / (loss) on sale of long term Investments

Income on long term investments

Asset Management fee/ Corporate Support Charges/ Hold period fee

Others

**Total other income**

Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
24.36	14.50	5.54	3.21
-	0.70	4.04	12.91
0.66	0.57	0.57	0.76
119.41	-	-	12.84
-	-	-	-
5.44	10.58	3.04	-
19.27	4.01	1.99	1.15
<b>169.14</b>	<b>30.36</b>	<b>15.18</b>	<b>30.87</b>

**Note 25: Employee benefit expenses**

Salaries

Contribution to provident and other funds

Gratuity Expense

Staff Welfare Expenses

Expenses on Employees Stock Option Plans

Reimbursement of costs of staff on deputation

**Total employee benefit expenses**

Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
33.12	28.95	28.01	27.95
1.38	1.25	1.14	1.18
0.55	0.54	0.40	1.08
1.00	0.58	0.64	0.49
-	-	0.01	(0.23)
-	(0.04)	0.20	0.84
<b>36.05</b>	<b>31.28</b>	<b>30.40</b>	<b>31.31</b>

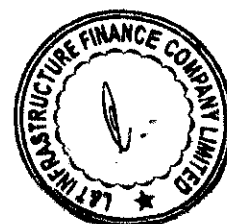
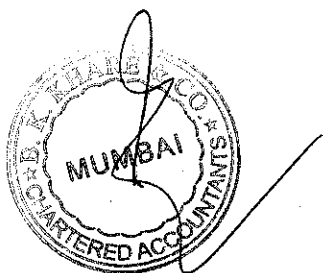
**Note 26: Finance cost**

Interest expenses

Other borrowing costs

**Total finance cost**

Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
1,709.54	1,815.00	1,739.47	1,434.01
18.23	11.27	8.26	5.88
<b>1,727.77</b>	<b>1,826.27</b>	<b>1,747.73</b>	<b>1,439.89</b>



**L&T Infrastructure Finance Company Limited**
**Notes Forming Part of the Reformatted Standalone Financials Information**
**Note 27: Other expenses**

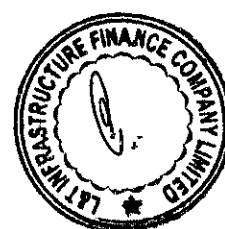
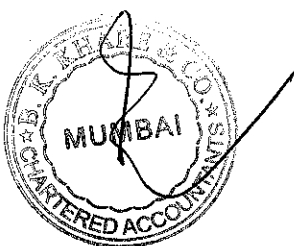
	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
Rent	12.75	11.98	6.76	6.32
Property maintenance and other charges	4.92	1.74	1.17	1.07
Telephone and communication	0.88	1.15	1.13	0.66
Printing & stationery	0.07	0.15	0.31	0.20
Membership & subscription	0.12	0.47	0.74	0.88
Training and conference	0.10	0.08	0.17	0.14
Travelling and conveyance	1.16	0.88	2.27	2.31
Professional fees	29.58	14.92	12.98	15.43
Auditors' remuneration	0.45	0.53	0.68	0.55
Directors' fees	0.31	0.25	0.21	0.19
Commission to Non-executive Directors	0.63	0.87	0.52	0.46
Rates and taxes	0.15	0.62	0.18	0.10
Brand license Fee	4.38	2.40	13.00	11.59
Support charges	-	-	3.76	5.38
Management fees	2.13	4.67	3.31	7.81
Repairs & maintenance - IT Assets	2.36	1.49	1.98	2.01
Corporate Social Responsibility Expenses	4.53	7.02	7.77	5.56
Miscellaneous expenses	0.83	1.73	1.59	1.20
<b>Total other expenses</b>	<b>65.35</b>	<b>50.95</b>	<b>58.53</b>	<b>61.86</b>

Note (a): Auditors' Remuneration comprises the following (net of service tax/ GST set off):

	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
Statutory Audit Fee	0.15	0.15	0.21	0.41
Limited Review fee	0.15	0.15	0.17	-
Tax audit Fee	0.04	0.04	0.05	0.05
Other services	0.08	0.13	0.22	0.06
Reimbursement of expenses	0.01	0.01	0.00	0.01
Service tax / GST (net of input credit)	0.02	0.05	0.03	0.03
	<b>0.45</b>	<b>0.53</b>	<b>0.68</b>	<b>0.56</b>

**Note 28: Provisions and contingencies**

	Year ended 31-03-2018 ₹ crore	Year ended 31-03-2017 ₹ crore	Year ended 31-03-2016 ₹ crore	Year ended 31-03-2015 ₹ crore
Provision for standard assets	182.66	206.48	38.49	(9.78)
Provision against restructured assets	(13.72)	(11.69)	(0.02)	24.19
Provision against non-performing assets	114.58	384.39	43.89	(9.05)
Provision for diminution in value of Investments	42.82	13.32	42.96	41.67
Provision for Bad and doubtful debts	-	-	0.03	2.55
Bad debt write off	495.82	157.44	119.45	213.26
<b>Total provisions and contingencies</b>	<b>822.16</b>	<b>749.94</b>	<b>244.80</b>	<b>262.84</b>



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**29 Contingent Liabilities and commitments:**

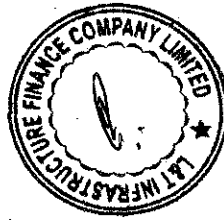
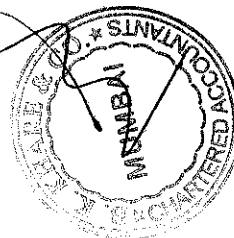
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
<b>Contingent Liabilities:</b>				
a) Claim against the Company not acknowledged as debt:				
- Income Tax matter in dispute*	7.95	7.95	7.95	49.57
- Sales tax/ VAT / Service Tax matter in dispute*	4.65	4.65	4.65	4.54
- Legal matter in dispute*	0.01	Nil	Nil	Nil
b) Bank Guarantees:	229.18	50.00	0.93	8.00
c) Other money for which the Company is contingently liable				
- Liability toward Letter of Comfort	333.79	500.82	Nil	225.28
- Liability toward Letter of Credit	1,208.40	241.76	138.58	272.82
<b>Commitments</b>				
a) Other Commitments				
Undisbursed Commitment	132.62	621.62	743.18	1,698.82
Capital Commitment	172.76	165.17	Nil	Nil

\*For FY 2017-18, FY 2018-17, FY 2015-16, FY 2014-15 In respect of disputes, the company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

**30 Segment Reporting : Accounting Standard (AS) 17**

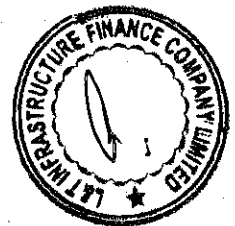
**FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15**

The Company's main business is to provide finance for infrastructure projects. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of Accounting Standard (AS) 17 on 'Segment Reporting'.



**L&T Infrastructure Finance Company Limited**  
Notes forming part of the Reformatted Standalone Financial Information

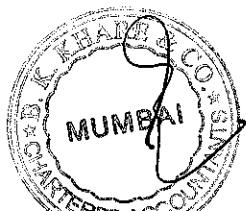
31 Related Party Disclosures: Accounting Standard - 18	2017-18	2016-17	2015-16	2014-15
(a) List of Related Parties (with whom transactions were carried out during the respective periods)				
<b>A. Ultimate Holding Company</b>				
1. Larsen & Toubro Limited	✓	✓	✓	✓
<b>B. Holding Company</b>				
2. L&T Finance Holdings Limited	✓	✓	✓	✓
<b>C. Subsidiary company:</b> (with whom transactions were carried out during the respective periods)				
3. L&T Infra Investment Partners Advisory Private Limited	✓	✓	✓	✓
4. L&T Infra Investment Partners Trustee Private Limited	-	-	✓	✓
<b>D. Fellow Subsidiary Companies</b> (with whom transactions were carried out during the respective periods)				
5. L&T Finance Limited (earlier known as Family Credit Limited)	✓	✓	✓	✓
6. L&T Sargent & Lundy Limited	✓	✓	✓	✓
7. L&T InfoTech Limited	✓	✓	✓	✓
8. L&T Capital Markets Limited	✓	-	-	-
9. L&T Housing Finance Limited	✓	✓	✓	✓
10. L&T Electromech LLC	✓	✓	✓	✓
15. L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	✓	✓	✓	✓
12. L&T Investment Management Limited	✓	✓	✓	✓
13. L&T ENC Hydorcarbon Limited	✓	✓	✓	✓
14. L&T Infrastructure Engineering Limited	-	✓	-	-
15. L&T FinCorp Limited	-	-	✓	✓
16. L&T Shipduiking Limited	-	-	✓	✓
17. Nabha Power Limited	-	-	✓	✓
18. L&T Infrastructure Development Projects Limited	-	-	✓	✓
19. Family Credit Limited	-	-	✓	✓
<b>E. Associates:</b> (with whom transactions were carried out during the respective periods)				
20. L&T Infra Debt Fund Limited	✓	✓	✓	✓
21. Feedback Infra Private Limited (up to March 14, 2018)	✓	✓	✓	✓
<b>D. Key Management Personnel</b> (with whom transactions were carried out during the respective periods)				
22. Mr. Virender Pankaj	✓	✓		
23. Mr. Gopalakrishnan Krishnamurthy (up to May 25, 2016)	-	✓	✓	✓
24. Mr. Suneet Maheshwari	-	-	-	✓
✓ Transaction during the year(s)				



**L&T Infrastructure Finance Company Limited**  
Notes forming part of the Reformatted Standalone Financial Information

**31 (b) Disclosure of related party transactions :-**

Sr. No.	Nature of Transaction*	2017-18	2016-17	2015-16	₹ in Crore 2014-15
<b>Transactions</b>					
<b>1</b>	<b>Interest expenditure on inter corporate borrowings</b>				
	L&T Finance Holdings Limited	6.71	3.34	3.04	0.96
	L&T Finance Limited (Erstwhile Family Credit Limited)	0.02	0.34	0.01	0.35
	L&T Housing Finance Limited	0.08	0.08	-	0.01
	L&T Investment Management Limited	0.04	-	-	-
	L&T Capital Markets Limited	0.02	-	-	-
	L&T Infra Investment Partners Advisory Pvt. Ltd.	0.08	-	-	-
	L&T Fincorp Limited	-	-	-	0.06
	Family credit Limited	-	-	0.01	0.00
<b>2</b>	<b>Fee Income</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited)	2.12	0.78	-	-
	L&T Housing Finance Limited	0.32	0.04	-	-
	L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	0.01	-	-	-
<b>3</b>	<b>Dividend income received</b>				
	Feedback Infra Private Limited	0.66	0.57	0.57	0.76
<b>4</b>	<b>Interim Dividend to Holding Company</b>				
	L&T Finance Holdings Limited	151.46	86.00	-	119.41
<b>5</b>	<b>Sitting Fees received</b>				
	Feedback Infra Private Limited (Erstwhile Feedback Infrastructure Services Private Limited)	0.03	0.01	0.01	-
<b>6</b>	<b>Premium on Sale of Loan assets</b>				
	L&T Finance Limited (Erstwhile L&T Fincorp Limited)	-	-	3.07	-
<b>7</b>	<b>Asset Management Fee/ Corporate Support Charges</b>				
	L&T Infra Debt Fund Limited	0.27	6.11	3.05	0.70
	L&T Infra Investment Partners Advisory Pvt. Ltd.	5.18	4.48	-	-
<b>8</b>	<b>Reimbursement of staff cost/ESOP</b>				
	L&T Finance Holdings Limited	-	-	0.01	0.57
	L&T Investment Management Limited	-	-	0.18	0.25
<b>9</b>	<b>Support charges paid</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited)	-	-	2.78	5.07
	L&T Finance Holdings Limited	-	-	0.73	-
<b>10</b>	<b>Rent and maintenance charges paid</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited)	0.17	0.24	2.59	2.89
	L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	14.49	11.03	1.37	0.43
	Larsen & Toubro Limited	-	-	0.13	-
<b>11</b>	<b>Brand license fees</b>				
	Larsen & Toubro Limited	4.38	2.23	12.10	10.91
<b>12</b>	<b>Management fees</b>				
	L&T Finance Holdings Limited	1.96	4.34	3.09	7.35
<b>13</b>	<b>Professional fees and other expenses paid</b>				
	L&T Sargent & Lundy Limited	0.09	0.01	0.03	0.01
	Larsen & Toubro Limited	0.66	0.47	0.47	0.59
	L&T InfoTech Limited	0.50	0.26	0.44	0.35
	Feedback Infra Private Limited (Erstwhile Feedback Infrastructure Services Private Limited)	-	0.19	0.23	-
	L&T Finance Holdings Limited	0.08	-	0.21	-
	L&T Infrastructure Engineering Limited	-	0.05	-	-
	L&T Electromech LLC	-	-	-	0.01
	L&T Finance Limited	-	-	-	0.06
	L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	-	-	-	0.08
<b>14</b>	<b>Fee Income</b>				
	Nabha Power Limited	-	-	-	1.72
	L&T Infra Investment Partners Advisory Pvt. Ltd.	-	-	-	7.30
<b>15</b>	<b>Interest income on Cumulative compulsory convertible debenture (CCCD)</b>				
	L&T Infra Investment Partners Advisory Pvt. Ltd.	-	-	0.08	0.66
<b>16</b>	<b>Sale of loan Assets</b>				
	L&T Infra Debt Fund Limited	903.06	509.12	1,362.06	313.45
	L&T Finance Limited (Erstwhile L&T FinCorp Limited)	963.00	-	489.24	214.03
	L&T Housing Finance Limited	529.42	-	-	-
<b>17</b>	<b>Purchase of loan Assets</b>				
	L&T Finance Limited	662.12	-	-	334.24
<b>18</b>	<b>Sale of investments</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited) (Net)	330.00	239.74	-	-
	L&T Housing Finance Limited (Net)	-	84.94	-	-

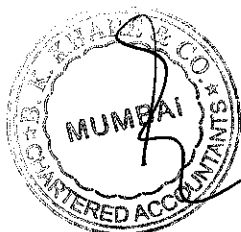


**L&T Infrastructure Finance Company Limited**  
Notes forming part of the Reformatted Standalone Financial Information

		₹ in Crore			
Sr. No.	Nature of Transaction*	2017-18	2016-17	2015-16	2014-15
19	<b>Inter corporate borrowing taken</b>				
	L&T Finance Holdings Limited	4,073.00	2,701.35	4,773.60	691.25
	L&T Finance Limited (Erstwhile Family Credit Limited)	100.00	677.52	47.00	399.75
	L&T Housing Finance Limited	212.00	89.00	-	23.00
	L&T Investment Management Limited	47.20	-	-	-
	L&T Capital Markets Limited	7.15	-	-	-
	L&T Infra Investment Partners Advisory Pvt. Ltd.	16.40	-	-	-
	L&T Fincorp Limited	-	-	-	30.00
	Family Credit Limited	-	-	10.00	2.00
20	<b>Inter corporate borrowing repaid</b>				
	L&T Finance Holdings Limited	4,073.00	2,701.35	4,773.60	691.25
	L&T Finance Limited (Erstwhile Family Credit Limited)	100.00	677.52	47.00	399.75
	L&T Housing Finance Limited	212.00	89.00	-	23.00
	L&T Investment Management Limited	47.20	-	-	-
	L&T Capital Markets Limited	7.15	-	-	-
	L&T Infra Investment Partners Advisory Pvt. Ltd.	16.40	-	-	-
	L&T Fincorp Limited	-	-	-	30.00
	Family Credit Limited	-	-	10.00	2.00
21	<b>Inter corporate deposit given</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited)	1,370.00	813.50	-	-
	L&T Housing Finance Limited	338.00	31.00	-	-
	L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	52.00	-	-	-
22	<b>Inter corporate deposit recovered</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited)	1,405.00	778.50	-	-
	L&T Housing Finance Limited	338.00	31.00	-	-
23	<b>Outstanding balance of Inter corporate deposit given</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited)	-	35.00	-	-
24	<b>Interest accrued on Inter corporate deposit given</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited)	-	0.01	-	-
	L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	0.01	-	-	-
25	<b>Redemption of Cumulative compulsory convertible debenture</b>				
	L&T Infra Investment Partners Advisory Private Limited	-	-	3.00	13.00
26	<b>Investment in Equity Shares</b>				
	L&T Infra Debt Fund Limited	33.86	-	120.90	-
27	<b>Capital infusion</b>				
	L&T Finance Holdings Limited	450.00	220.00	80.00	-
28	<b>Key management personnel - remuneration</b>				
	Mr. Gopalakrishnan Krishnamurthy	-	0.69	2.05	1.37
	Mr. Virender Pankaj	1.77	0.87	0.00	0.00
29	<b>Trade receivables</b>				
	L&T Shipbuilding Limited	-	-	-	2.53
30	<b>Interest Receivables</b>				
	L&T Infra Investment Partners Advisory Pvt. Ltd.	-	-	-	0.61
31	<b>Account payable</b>				
	Larsen & Toubro Limited	0.07	0.15	13.01	11.17
	L&T Electromech LLC	0.02	0.02	0.02	0.01
	L&T InfoTech Limited	-	0.05	0.22	0.01
	L&T ENC Hydrocarbon Limited	0.02	0.02	-	0.01
	L&T Infra Debt Fund Limited	-	0.03	-	-
	L&T Finance Limited (Erstwhile Family Credit Limited)	0.67	-	0.04	-
	L&T Housing Finance Limited	-	0.00	-	-
	L&T Investment Management Limited	0.01	-	-	0.00
	Feedback Infra Private Limited	-	-	0.11	-
	L&T Financial Consultants Limited (Erstwhile L&T Vrindavan Properties Limited)	0.01	-	-	0.03
	L&T Finance Holdings Limited	-	-	-	0.01
	L&T FinCorp Limited	-	-	0.01	0.07
	L&T Infra Investment Partners Advisors Pvt. Ltd.	-	-	-	0.01
32	<b>Account receivable</b>				
	L&T Finance Limited (Erstwhile Family Credit Limited)	0.14	0.44	0.03	-
	L&T Infra Debt Fund Limited	-	-	1.52	-
	L&T Finance Holdings Limited	-	-	0.01	-
	L&T General Insurance Company Limited	-	-	-	-

\* Transactions shown above are excluding of Service Tax/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.



**L&T Infrastructure Finance Company Limited**  
Notes forming part of the Reformatted Standalone Financial Information

**32 Operating Lease :**

- (i) FY 2017-2018  
The Company holds certain premises under operating leases. Rent includes net expenses of ₹12.75 Crore.  
FY 2016-2017  
The Company holds certain premises under operating leases. Rent includes net expenses of ₹11.98 Crore.  
FY 2015-2016  
The Company holds certain premises under operating leases. Rent includes net expenses of ₹6.76 Crore.  
FY 2014-2015  
The Company holds certain premises under operating leases. Rent includes net expenses of ₹6.32 Crore.  
The committed lease rentals in the future are:

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

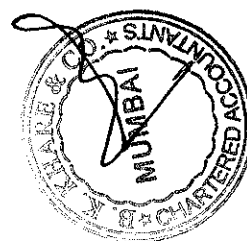
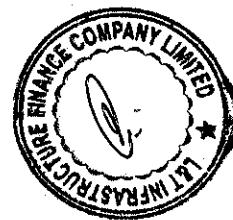
Particulars	2017-2018	2016-2017	2015-2016	2014-2015
- Within one year	10.39	12.26	11.90	0.45
- Later than one year and not later than five years	47.00	13.95	26.21	0.23
- Later than five years	-	-	-	-
<b>Total</b>	<b>57.39</b>	<b>26.21</b>	<b>38.11</b>	<b>0.68</b>

**33 Earnings Per Share:**

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
<b>Basic</b>				
Profit after tax as per statement of profit and loss (₹ in Crore)	75.89	42.21	240.04	225.47
Weighted average number of equity shares outstanding during the year (Nos.)	89,50,35,792	84,66,30,988	83,49,53,265	82,92,33,000
<b>Basic Earning Per Share (₹)</b>	<b>0.85</b>	<b>0.50</b>	<b>2.87</b>	<b>2.72</b>
<b>Diluted</b>				
Profit after tax as per statement of profit and loss (₹ in Crore)	75.89	42.21	240.04	225.47
Weighted average number of equity shares outstanding (Nos.)	89,50,35,792	84,66,30,988	83,49,53,265	82,92,33,000
<b>Diluted Earning Per Share (₹)</b>	<b>0.85</b>	<b>0.50</b>	<b>2.87</b>	<b>2.72</b>
<b>Nominal value of shares (₹)</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

**34 Expenditure in foreign currency:**

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
Professional Fees	0.25	1.57	1.71	4.26
Other Expenses	5.50	0.17	0.00	0.17





Other notes forming part of the reformatted standalone financial information

35 Employee Benefits:

i) Defined Contribution Plans :

Charge recognised in the Statement of Profit and Loss are as follows :

	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Provident fund contributions	1.39	1.25	1.14	1.18

(₹ in Crore)

ii) Defined Benefit Gratuity Plans :

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

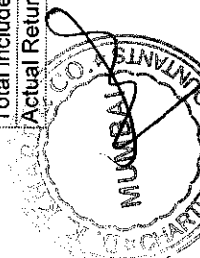
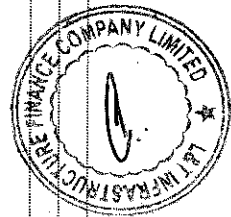
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Present Value of Defined Benefit Obligation				
- Wholly Funded	1.89	1.57	1.45	-
- Unfunded Obligations	-	-	-	1.27
Less: Fair value of Plan Assets	(2.02)	(1.30)	(1.31)	-
Unrecognised Past Service Costs	-	-	-	-
Amount to be recognised as liability or (asset)	(0.13)	0.27	0.14	1.27
Amounts reflected in the Balance Sheet				
Liability	-	0.27	0.14	1.27
Assets	0.13	-	-	-
Net liability or (asset) bifurcated as follows:				
Current	-	0.27	0.14	1.27
Non Current	(0.13)	-	-	-

(₹ in Crore)

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

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
1 Current Service Cost	0.39	0.38	0.32	0.19
2 Interest on Defined Benefit Obligation	0.14	0.14	0.11	0.10
3 Expected Return on Plan Assets	(0.11)	(0.11)	-	-
4 Actuarial Losses/(Gains)	0.12	0.13	(0.03)	0.49
5 Past Service Cost	-	-	-	0.30
Total included in Employee Benefit Expenses	0.55	0.54	0.40	1.08
Actual Return on Plan Assets	0.12	0.10	0.05	-

(₹ in Crore)



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

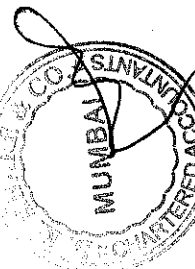
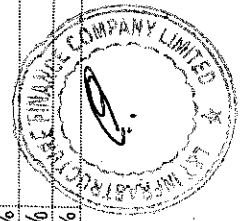
Particulars	Gratuity Plan			
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Opening balance of the present value of Defined Benefit Obligation	1.57	1.45	1.26	0.97
Add: Current Service Cost	0.39	0.38	0.32	0.19
Add: Interest Cost	0.14	0.14	0.11	0.10
Add/(less): Actuarial Losses/(Gain)	0.13	0.13	0.02	0.49
Past Service Cost	-	-	-	0.30
Liability Assume on acquisition / (Settled on Divestitures)	(0.00)	0.04	0.00	(0.58)
Less: Benefits paid	(0.35)	(0.57)	(0.27)	(0.20)
Closing balance of the present value of Defined Benefit Obligation	1.89	1.57	1.44	1.27

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

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	1.30	1.31	-	-
Add: Expected Return on plan assets	0.11	0.11	-	-
Add/(less): Actuarial gains/(losses)	0.01	(0.01)	0.05	-
Add: Contributions by Employer	0.95	0.46	1.53	0.20
Add: Assets acquired on acquisition	-	-	-	-
Less: Benefits Paid	(0.35)	(0.57)	(0.27)	(0.20)
Closing balance of the plan assets	2.02	1.30	1.31	-

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
	%	%	%	%
1 Government of India Securities	0%	0%	0%	0%
2 Corporate Bonds	0%	0%	0%	0%
3 Special Deposit Scheme	0%	0%	0%	0%
4 Equity Shares of Listed Companies	0%	0%	0%	0%
5 Property	0%	0%	0%	0%
6 Insurer Managed Funds	100%	100%	100%	100%
7 Others	0%	0%	0%	0%



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

**f) Financial assumptions at the valuation date :**

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)	7.60%	7.40%	7.90%	7.90%
2 Expected rate of return on assets (per annum)	7.50%	8.00%	8.00%	Not Applicable
3 Salary escalation rate (per annum)	9.00%	6.00%	7.00%	7.00%
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

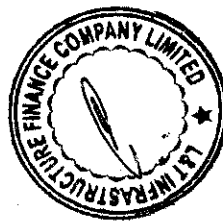
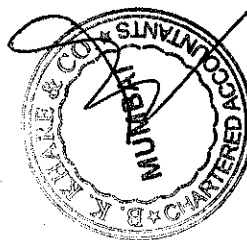
**g) Experience Adjustments:**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Defined Benefit Obligation	1.89	1.57	1.45	1.26
Plan Assets	2.02	1.30	1.31	-
Surplus/(Deficit)	0.13	(0.27)	(0.14)	(1.26)
Experience Adjustments on Plan Liabilities	0.01	0.03	0.02	0.30
Experience Adjustments on Plan Assets	0.01	(0.01)	0.05	-

The contributions expected to be made by the company is as follows:

Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Contribution	0.10	0.10	0.04	0.04

**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.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information**

36

Appropriations to the Special Reserve under Section 36(1) (viii) of the Income Tax Act, 1961 and the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out of distributable profits of the Company.

37

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.

38

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.

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) Hanjer Biotech Energies Private Limited	3,25,096	3,25,096	3,25,096	3,25,096
ii) VMC Systems Ltd	1,79,608*	1,79,608*	1,79,608*	1,79,608*
iii) KSK Energy Ventures Limited	5,27,937	2,26,813	2,26,813	-
iv) KSK Mahanadi Power Co Limited	5,96,052	-	-	-
v) Coastal Projects Limited	-	-	-	3,29,245
vi) C&C Constructions Limited	-	-	-	13,68,799

\*Excluding 5,38,128 shares held on behalf of L&T Finance Limited (Erstwhile Family Credit Limited)

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**Foreign currency exposure**

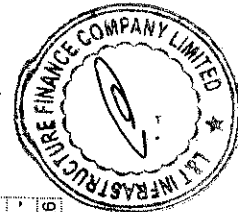
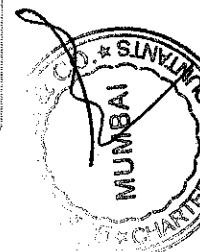
The Company has entered into currency swap transactions with a view to convert its USD borrowings into Indian rupee borrowing. Accordingly, the Company has revalued the foreign currency borrowing and currency swap at the balance sheet date in previous year. Same is Nil in current year as ECB was repaid before March 31, 2018.

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	Nil	USD 5,000,000	USD 15,000,000	USD 45,000,000
Assets – Currency Swap Contracts	Nil	USD 5,000,000	USD 15,000,000	USD 45,000,000

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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:

Financial Year	₹ in Crore			
	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	1.67	1.67	1.67	-
2016-17	1.67	1.67	1.67	-
2015-16	1.67	1.67	0.01	-
2014-15	1.93	1.66	(0.23)	0.26



**L&T Infrastructure Finance Company Limited**  
Notes forming part of the Reformatted Standalone Financial Information

**41 FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15**

During the year the Company has charged-off securities issue expenses net of tax ₹ 3.85 Crore (FY 2016-17 ₹ 1.77 Crore, FY 2015-16 ₹ 4.16 Crore, FY 2014-15 ₹ 3.37 Crore) and share issue expenses of ₹ 0.45 Crore (previous years Nil) to the Securities Premium Account in accordance with Section 52 of the Companies Act, 2013.

**42 FY 2017-18 ; FY 2016-17 :**

The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of Master Direction - Non-Banking Financial Company - Systemically Important, Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

**FY 2015-16 & FY 2014-15**

The following additional information (other than what is already disclosed elsewhere) is disclosed in terms of Master Direction - Non-Banking Financial Company - Systemically Important, Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2015.

**1. Capital :**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
(i) CRAR (%)	20.87%	19.69%	19.85%	16.48%
(ii) CRAR - Tier I Capital (%)	13.80%	12.89%	13.94%	12.23%
(iii) CRAR - Tier II Capital (%)	6.87%	6.80%	5.91%	4.25%
(iv) Amount of subordinated debt raised during the year as Tier-II capital	6,000.00	29,000.00	42,250.00	45,000.00
(v) Amount raised during the year by issue of Perpetual Debt Instruments (₹ in Crore)	-	-	230.00	-

**2. Investments :**

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	2,344.02	2,612.88	2,134.06	1,477.06
(b) Outside India	-	-	-	-
(ii) Provisions for Depreciation				
(a) In India	164.23	110.04	96.72	53.76
(b) Outside India	-	-	-	-
(iii) Net Value of Investments				
(a) In India	2,179.79	2,502.84	2,037.34	1,423.30
(b) Outside India	-	-	-	-
(2) Movement of provisions held towards depreciation on investments				
(i) Opening balance	110.04	96.72	53.76	12.08
(ii) Add : Provisions made during the year	54.19	13.32	42.96	41.68
(iii) Less : Write-off / write-back of excess provisions during the year	-	-	-	-
(iv) Closing balance	164.23	110.04	96.72	53.76

**3. Derivatives :**

Particulars	2017-18	2016-17	2015-2016	2014-2015
(i) The notional principal of swap agreements	-	32.43	99.38	281.25
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	10.03	32.18	62.82
(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	-	32.45	32.18	62.82

**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, FY 2016-17, FY 2015-16 and FY 2014-15)**

**(A) 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) No transaction for Special Purpose Vehicle during the FY 2017-18, FY 2016-17, FY 2015-16 and FY 2014-15.**

**II) Financial asset sold to Securitisation/Reconstruction company for Asset reconstruction:**

Particulars	2017-18	2016-17	2015-16	2014-15
1 No. of accounts sold	7	2	1	7
2 Aggregate value (net of provision) of accounts sold to SC/RC (₹ Crore)	436.96	489.87	15.00	384.93
3 Aggregate consideration (₹ Crore)	367.72	303.94	15.00	146.01
4 Additional consideration realized in respect of accounts transferred in earlier years (₹ Crore)	-	-	-	-
5 Aggregate Gain/(Loss) over net book Value (₹ Crore)	(69.24)	(185.93)	-	(238.92)

(For FY 2017-18, FY 2016-17)

\*During the previous year, the Company sold certain Non Performing Assets (NPA) to Reconstruction Company (RC). In terms of notification DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016, any shortfall of sale value over the Net Book Value of Non Performing Loans has been spread over a period of four quarters for the loans which has been sold in previous financial year.

(For FY 2015-16, FY 2014-15)

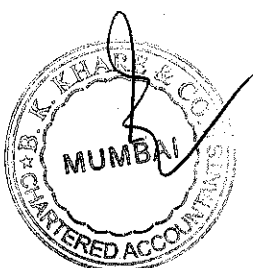
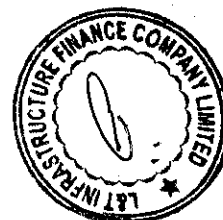
\*During the previous year, the Company sold certain Non Performing Assets (NPA) to Reconstruction Company (RC). In terms of notification DBOD.B.P.B.C.No.98/21.04.132/2013-14 dated February 26, 2014 applicable to Banks and Financial Institutions, any shortfall of sale value over the Net Book Value of Non Performing Loans has been spread over a period of two years.

**III) Details of Assignment transactions undertaken by NBFC:**

During the current and previous year no assignment transaction has been undertaken.

**IV) 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



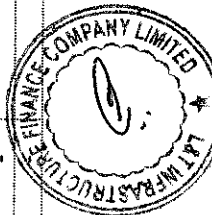
## 5. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

March 31, 2018	One 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	58.02	46.81	316.63	892.09	1,090.13	2,808.39	4,620.43	13,650.78	23,483.28
Investments	-	-	-	-	353.53	-	-	1,990.49	2,344.02
Borrowings*	75.00	1,010.00	1,483.75	785.00	1,932.85	10,623.61	2,190.25	3,093.00	21,193.46
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities*	-	-	-	-	-	-	-	-	-
* Including ECB loan	-	-	-	-	-	-	-	-	-

March 31, 2017	One 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	64.29	33.98	134.09	298.16	730.20	3,034.82	3,556.91	14,104.66	21,957.11
Investments	573.36	-	62.77	-	156.48	-	-	1,820.26	2,612.87
Borrowings*	120.83	75.63	713.03	901.63	1,053.30	10,322.35	4,767.83	2,591.00	20,545.61
Foreign Currency assets	-	-	-	10.03	-	-	-	-	10.03
Foreign Currency liabilities	-	-	-	32.43	-	-	-	-	32.43
* Including ECB loan	-	-	-	-	-	-	-	-	-

March 31, 2016	One 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	179.68	49.24	130.16	375.73	764.44	3,463.97	4,008.50	12,542.04	21,513.76
Investments	262.21	-	33.47	-	362.18	-	62.50	1,413.69	2,134.06
Borrowings*	188.73	47.50	837.48	800.87	1,964.40	10,382.66	3,177.49	2,799.00	20,198.14
Foreign Currency assets	-	-	-	10.73	10.73	10.73	-	-	32.18
Foreign Currency liabilities	-	-	-	33.13	33.13	33.13	-	-	99.38
* Including ECB loan	-	-	-	-	-	-	-	-	-

March 31, 2015	One 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	73.25	53.57	99.19	345.69	684.16	3,300.99	3,809.78	10,463.85	18,830.48
Investments	8.53	-	1.10	34.00	333.00	-	-	1,046.67	1,423.30
Borrowings	261.00	262.50	679.17	478.75	1,560.37	11,045.40	1,414.31	1,995.00	17,696.50
Foreign Currency assets	-	18.57	-	8.85	8.85	26.55	-	-	62.82
Foreign Currency liabilities	-	125.00	-	31.25	31.25	93.75	-	-	281.25



6. Exposures

(i) Exposure to Real Estate Sector

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	-	-	-	-
(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	3,611.66	2,519.28	1,177.15	1,533.04
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -				
	a. Residential	-	-	-	-
	b. Commercial Real Estate	-	-	-	114.12
Total Exposure to Real Estate Sector		3,611.66	2,519.28	1,177.15	1,647.15

(ii) Exposure to Capital Market

(iv) 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;	1,530.39	1,277.39	1,040.48	668.83	
(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;	100.00	-	-	-	
(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;	418.47	487.82	574.09	643.66	
(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;	50.31	94.45	197.53	416.88	
(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;	150.00	255.20	306.01	125.00	
(vii) bridge loans to companies against expected equity flows / issues;	52.65	94.71	94.79	-	
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	47.18	327.43	329.46	334.39	
<b>Total Exposure to Capital Market</b>	<b>2,349.00</b>	<b>2,537.00</b>	<b>2,542.37</b>	<b>2,183.76</b>	

(iii) Financing of parent company products: FY 2017-18 : NIL, FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL

(iv) Details of Single borrower limit (SBL)/ Group borrower limit (GBL) exceeded by NBFC: FY 2017-18 : NIL, FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL

(v) Unsecured Advances (net off provision):

(v) Unsecured Advances (net of 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	150.00	150.00	150.00	-	
Debentures	130.20	130.20	130.20	150.00	
<b>Total</b>	<b>280.20</b>	<b>280.20</b>	<b>280.20</b>	<b>150.00</b>	

7. Registration obtained from other financial sector regulators : No registration has been obtained from other financial sector regulators.

8. Penalties imposed by RBI and other regulators : No penalties have been imposed by RBI or other regulators during the year. (FY 2017-18: NIL, FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL)

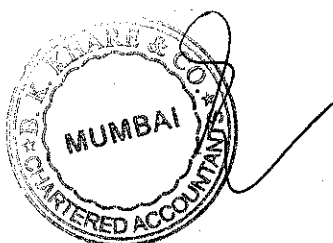
9. Ratings assigned by credit rating agencies and migration of ratings during the year

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+	ICRA A1+	CARE A1+	ICRA A1+	CARE A1+	ICRA A1+
(ii) Non-Convertible Debentures		CARE AAA (Stable)	ICRA AA+ (Stable) *	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)
(iii) Bank Loans :		CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)
(iv) Subordinate Debts		CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)
(v) Infra Bonds		CARE AAA (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)	CARE AA+ (Stable)	ICRA AA+ (Stable)
(vi) Perpetual Debt		CARE AA+ (Stable)	ICRA AA (Stable)	CARE AA (Stable)	ICRA AA (Stable)	CARE AA (Stable)	ICRA AA (Stable)	CARE AA (Stable)	ICRA AA (Stable)
(vii) Non Fund Based Bank Limits		-	ICRA A1+	-	ICRA A1+	-	ICRA A1+	-	ICRA A1+

FY 2017-18

1. CARE Ratings Ltd. has upgraded our long term rating from CARE AA+ (Stable) in FY 2016-17 to CARE AAA (Stable) during the year FY 2017-18.

2. In the year FY 2017-18, the Company had approached INDIA RATINGS for new rating, post their credit assessment they have assigned rating of AAA (Stable) for Non convertible debenture.



10. Provisions and Contingencies :

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
Provision for depreciation on Investments	42.82	13.32	42.97	41.67
Provision towards Non Performing Assets	114.58	384.39	43.89	(9.05)
Provision made towards Income tax				
- Current Tax	103.95	176.77	166.63	101.29
- Deferred Tax	(97.89)	(200.06)	(53.15)	(7.66)
Other Provision and Contingencies (with details)				
Restructure Accounts	(13.72)	(11.69)	(0.02)	24.19
Amortisation of loss on sale of Non-Performing Assets	495.82	157.44	119.45	213.26
Bad & doubtful debts	-	-	0.04	2.55
Provision for Standard Assets	182.66	206.48	38.49	(9.78)*

\* During the previous year ended March 31, 2015, the company has adjusted ₹ 8.95 crore on account of provision for standard assets charged earlier on assets other than standard assets

11. 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

12. Concentration of Advances, Exposures and NPAs

(i) Concentration of Deposit

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 depositors	N.A.	N.A.	N.A.	N.A.
Percentage of deposit to twenty largest depositors to total deposit of NBFC	N.A.	N.A.	N.A.	N.A.

(ii) Concentration of Advances

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	7,346.54	7,045.14	6,660.82	6,236.22
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	31.30%	32.09%	30.99%	33.17%

(iii) Concentration of Exposures

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	10,861.80	9,963.95	9,021.56	8,758.32
Percentage of Total Exposure to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	27.12%	25.08%	25.99%	29.19%

(iv) Concentration of NPA

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	655.21	664.94	352.07	280.33

(v) Sector-wise NPAs

Particulars	Percentage of Non Performing Assets 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	-	-	-	-
2 MSME	-	-	-	-
3 Corporate borrowers	5.75%	5.30%	2.36%	1.91%
4 Services	-	-	-	-
5 Unsecured personal loans	-	-	-	-
6 Auto loans	-	-	-	-
7 Other personal loans	-	-	-	-

13. Non-Performing Assets

Particulars	2017-18	2016-17	2015-16	2014-15
(i) Net NPAs to Net Advances (%)	3.04%	2.91%	1.64%	1.32%
(ii) Movement of NPAs (Gross)				
(a) Opening balance	1,163.36	507.32	358.62	524.47
(b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	-	-	-
(c) Additions during the year	734.50	1,216.42	158.34	489.73
(d) Reductions during the year	547.73	560.38	9.64	655.59
(e) Closing balance	1,350.13	1,163.36	507.32	358.62
(iii) Movement of Net NPAs				
(a) Opening balance	622.53	350.88	246.06	425.44
(b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation	-	-	-	-
(c) Additions during the year	309.74	772.87	110.43	311.11
(d) Reductions during the year	237.56	501.22	5.61	490.48
(e) Closing balance	694.71	622.53	350.88	246.06
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)				
(a) Opening balance	540.83	156.44	112.55	99.04
(b) Reclassification of interest capitalized	-	-	-	-
(c) Provisions made during the year	236.28	443.55	47.92	18.78
(d) Write-off / write-back of excess provisions	121.68	59.16	4.03	159.84
(e) Closing balance	655.41	540.83	156.44	112.55

14. Overseas Assets: Nil (Previous Year Nil)

15. Off Balance sheet Special purpose Vehicles (SPV) sponsored (which are required to consolidated as per accounting norms): FY 2017-18: NIL; FY 2016-17: NIL; FY 2015-16: NIL; FY 2014-15: NIL

16. Disclosure of Customer Complaints

Particulars	2017-18	2016-17	2015-16	2014-15
(i) No. of complaints pending at the beginning of the year	12	1	-	-
(ii) No. of complaints transferred from Transferor company	-	-	-	-
(iii) No. of complaints received during the year	184	174	-	-
(iv) No. of complaints redressed during the year	196	163	-	-
(v) No. of complaints pending at the end of the year	-	12	-	-

17. Postponements of revenue recognition: FY 2017-18: NIL; FY 2016-17: NIL; FY 2015-16: NIL; FY 2014-15: NIL; FY 2013-14: NIL  
Note: In respect of Non performing assets, the revenue is recognised in terms of applicable RBI's master directions for respective years.



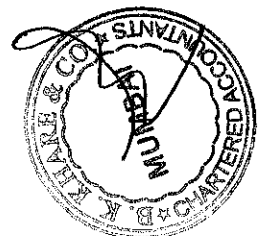
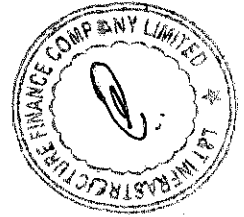


**L&T Infrastructure Finance Company Limited**  
Notes forming part of the Reformatting Standalone Financial Information as at March 31, 2018

**Note 42(18): Movement of Restructured Accounts:**

Particulars	Under CDR Mechanism						Others						Total			
	Standard	SubStandard	Doubtful	Loss	Total		Standard	SubStandard	Doubtful	Loss	Total		Standard	SubStandard	Doubtful	Loss
<b>Restructured Accounts as on April 1, 2017</b>																
No. of borrowers	2	3	5	-	10		12	-	-	-	15		14	3	8	-
Amount outstanding Restructured facility only	48	291	537	-	1,016		1,284	-	-	-	1,446		1,472	291	699	-
Amount outstanding other facility	27	4	21	-	52		312	-	-	-	312		339	4	22	-
Provision thereon	41	117	268	-	426		88	-	-	-	164		128	117	344	-
<b>Movement in balance for accounts appearing under opening balance</b>																
No. of borrowers	2	3	3	-	8		10	-	-	-	13		12	3	6	-
Amount outstanding Restructured facility only	(71)	(145)	(1)	-	(217)		(250)	-	-	-	(313)		(321)	(143)	(64)	-
Amount outstanding other facility	(24)	(4)	2	-	(26)		168	-	-	-	168		143	(4)	1	-
Provision thereon	(10)	(33)	51	-	8		(33)	-	-	-	(46)		(44)	(33)	47	-
<b>Fresh restructuring during the year</b>																
No. of borrowers	-	-	-	-	-		-	-	-	-	1		-	1	-	-
Amount outstanding Restructured facility only	-	-	-	-	-		-	-	-	-	138		-	138	-	-
Amount outstanding other facility	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Provision thereon	-	-	-	-	-		-	-	-	-	39		-	39	-	-
<b>Upgradations to restructured standard category during the FY</b>																
No. of borrowers	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Amount outstanding other facility	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-
<b>Restructured standard advances which came 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</b>																
No. of borrowers	-	(2)	2	-	-		-	-	-	-	-		-	(2)	2	-
Amount outstanding Restructured facility only	-	(146)	146	-	-		-	-	-	-	-		-	(146)	146	-
Amount outstanding other facility	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Provision thereon	-	(84)	84	-	-		-	-	-	-	-		-	(84)	84	-
<b>Write-offs of restructured accounts during the FY</b>																
No. of borrowers	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Amount outstanding other facility	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-
<b>Restructured Accounts as on March 31, 2018</b>																
No. of borrowers	2	-	7	-	9		9	-	-	-	12		11	1	9	-
Amount outstanding Restructured facility only	117	-	682	-	799		1,034	-	-	-	1,271		1,151	138	761	-
Amount outstanding other facility	3	-	23	-	26		480	-	-	-	480		484	-	23	-
Provision thereon	31	-	413	-	444		54	-	-	-	155		85	39	475	-

Note: There were no restructuring during the year under SME debt Restructuring Mechanism



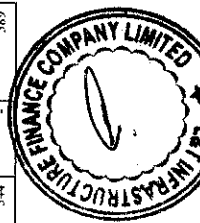
**L&T Infrastructure Finance Company Limited**

**Notes forming part of the Reformatted Standalone Financial Information as at March 31, 2017**

**Note 42(18): Movement of Restructured Accounts:**

Particulars	Under CDR Mechanism				Others				Total			
	Standard	SubStandard	Doubtful	Loss	Standard	SubStandard	Doubtful	Loss	Standard	SubStandard	Doubtful	Loss
No. of borrowers	8	1	2	-	11	9	2	1	12	17	3	-
Restructured Accounts as on April 1, 2016	820	164	42	-	1,026	755	88	79	922	1,574	251	-
Amount outstanding Restructured facility only	182	-	-	-	182	238	1	-	239	420	1	-
Amount outstanding other facility	189	37	29	-	255	61	11	16	88	250	48	-
Provision thereon	5	1	2	-	8	9	1	-	10	14	2	-
No. of borrowers	(4)	(0)	(1)	-	(5)	(99)	(5)	-	(104)	(104)	(5)	-
Movement in balance for accounts appearing under opening balance	(132)	-	2	-	(130)	9	(0)	-	9	(123)	(0)	-
Amount outstanding Restructured facility only	(25)	53	143	-	171	(5)	0	49	44	(30)	53	192
Amount outstanding other facility	-	-	-	-	-	4	-	-	4	-	-	-
Provision thereon	-	-	-	-	-	647	-	-	647	-	-	-
No. of borrowers	-	-	-	-	-	81	-	-	81	-	-	-
Fresh restructuring during the year	-	-	-	-	-	32	-	-	32	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
No. of borrowers	(1)	-	-	-	(1)	(1)	-	-	(1)	(2)	-	-
Upgradations to restructured standard category during the FY	(4)	-	-	-	(4)	(18)	-	-	(18)	(22)	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	(16)	-	-	(16)	-	-	-
Amount outstanding other facility	-	-	-	-	-	(1)	-	-	(1)	-	-	-
Provision thereon	(0)	-	-	-	(0)	-	-	-	-	-	-	-
No. of borrowers	(5)	2	3	-	-	-	(2)	2	-	(5)	5	-
Degradations of restructured accounts during the FY	(623)	127	496	-	-	-	(83)	83	-	(623)	44	579
Amount outstanding Restructured facility only	(23)	4	20	-	1	-	(0)	0	-	(23)	3	20
Amount outstanding other facility	(123)	27	97	-	1	-	(11)	11	-	(123)	16	108
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
No. of borrowers	2	3	5	-	10	12	-	3	15	14	3	8
Restructured Accounts as on March 31, 2017	188	291	557	-	1,016	1,284	-	162	1,446	1,472	291	609
Amount outstanding Restructured facility only	27	4	21	-	52	312	-	0	312	339	4	22
Amount outstanding other facility	41	117	268	-	426	88	-	76	164	128	117	344
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Total	589	589	589	589	589	589	589	589	589	589	589	589

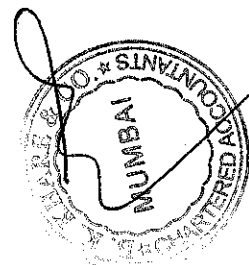
Note: There were no restructurings during the year under SME debt Restructuring Mechanism.



**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information as at March 31, 2016**  
**Note 42(18): Movement of Restructured Accounts:**

Particulars	Under CDR Mechanism				Others				Total			
	Standard	SubStandard	Doubtful	Loss	Standard	SubStandard	Doubtful	Loss	Standard	SubStandard	Doubtful	Loss
Restructured Accounts												
No. of borrowers	8	2	1	-	11	10	1	-	11	18	3	-
Amount outstanding Restructured facility only	824	189	17	-	1,030	604	59	-	663	1,428	249	-
Amount outstanding other facility	172	-	-	-	-	75	15	-	89	246	15	-
Provision thereon	166	43	10	-	222	48	8	-	56	214	54	-
Movement in balance for accounts appearing under opening balance												
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	(4)	(1)	-	-	(5)	(17)	-	-	-	-	-	-
Amount outstanding other facility	11	-	-	-	11	9	53	-	(7)	(11)	(1)	-
Provision thereon	22	1	-	-	23	10	(1)	-	9	32	0	-
Fresh restructuring during the year												
No. of borrowers	-	-	-	-	-	2	-	-	2	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	283	-	-	283	-	-	-
Amount outstanding other facility	-	-	-	-	-	85	-	-	85	-	-	-
Provision thereon	-	-	-	-	-	15	-	-	15	-	-	-
Upgradations to restructured standard category during the FY												
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Downgradations of restructured accounts during the FY												
No. of borrowers	-	(1)	1	-	-	(1)	1	-	-	-	-	-
Amount outstanding Restructured facility only	-	(25)	25	-	-	(108)	28	-	-	(108)	4	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	(9)	18	-	-	(11)	3	-	-	(11)	6	-
Write-offs of restructured accounts during the FY*												
No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding other facility	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-
Restructured Accounts as on March 31, 2016	8	1	2	-	11	9	2	-	12	17	3	-
Amount outstanding Restructured facility only	820	164	42	-	1,025	754	88	-	921	1,574	251	-
Amount outstanding other facility	182	-	-	-	182	168	70	-	238	350	70	-
Provision thereon	189	37	29	-	255	61	11	-	88	250	44	-

Note: There were no restructuring during the year under SME debt Restructuring Mechanism.  
 \* Excluding the figure of standard restructuring advances which do not attract higher provisioning or higher risk.  
 \* Include the loan sold to ARC



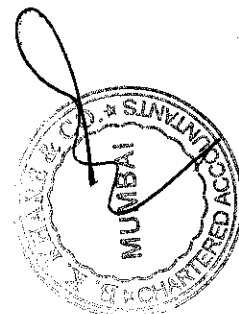
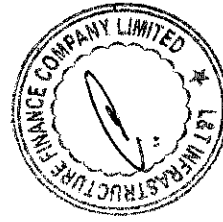
**L&T Infrastructure Finance Company Limited**  
**Notes forming part of the Reformatted Standalone Financial Information as at March 31, 2015**  
**Note 42(18): Movement of Restructured Accounts:**

Particulars	Under CDR Mechanism						Others						Total			
	Standard	SubStandard	Doubtful	Loss	Total		Standard	SubStandard	Doubtful	Loss	Total		Standard	SubStandard	Doubtful	Loss
Restructured Accounts as on April 1, 2014*	8	2	1	-	11		7	-	-	-	7		15	2	1	-
No. of borrowers	744	199	33	-	976		402	-	-	-	402		1,146	199	33	-
Amount outstanding Restructured facility only	160	-	-	-	160		54	-	-	-	54		214	-	-	-
Amount outstanding other facility	116	44	9	-	169		32	-	-	-	32		148	44	9	-
Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-
No. of borrowers	34	-	-3	-	31		-9	-	-	-	-9		25	-	-3	-
Amount outstanding Restructured facility only	12	-	-	-	12		15	-	-	-	15		27	-	-	-
Amount outstanding other facility	37	24	3	-	64		0	-	-	-	0		37	24	3	-
Provision thereon	3	-	-	-	3		5	-	-	-	5		8	-	-	-
No. of borrowers	275	-	-	-	275		313	59	-	-	372		588	59	-	-
Amount outstanding Restructured facility only	-	-	-	-	-		6	15	-	-	21		6	15	-	-
Amount outstanding other facility	53	-	-	-	53		30	8	-	-	38		83	8	-	-
Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-
No. of borrowers	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Amount outstanding other facility	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-
No. of borrowers	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Amount outstanding Restructured facility only	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Amount outstanding other facility	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Provision thereon	-	-	-	-	-		-	-	-	-	-		-	-	-	-
No. of borrowers	-3	2	1	-	-1		-1	1	-	-	-		-4	3	1	-
Amount outstanding Restructured facility only	-229	209	20	-	0		-55	54	-	-	-1		-284	264	20	-
Amount outstanding other facility	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Provision thereon	-39	44	10	-	15		-10	12	-	-	2		-49	56	10	-
No. of borrowers	-	-2	-1	-	-3		-1	-1	-	-	-2		-1	-3	-1	-
Amount outstanding Restructured facility only	-	-218	-33	-	-251		-47	-54	-	-	-101		-47	-273	-33	-
Amount outstanding other facility	-	-	-	-	-		-	-	-	-	-		-	-	-	-
Provision thereon	-	-67	-12	-	-79		-5	-12	-	-	-17		-	-	-	-
No. of borrowers	8	2	1	-	11		10	1	-	-	11		18	3	1	-
Amount outstanding Restructured facility only	824	189	17	-	1,030		604	59	-	-	663		1,428	249	17	-
Amount outstanding other facility	172	-	-	-	172		75	15	-	-	90		246	15	-	-
Provision thereon	166	45	10	-	221		48	8	-	-	56		214	54	10	-
Total																
Restructured Accounts as on March 31, 2015																
No. of borrowers																
Amount outstanding Restructured facility only																
Amount outstanding other facility																
Provision thereon																
Total																

Note: There were no restructuring during the year under SME debt Restructuring Mechanism.

\* Excluding the figure of standard restructuring advances which do not attract higher provisioning or higher risk.

#Include the loan sold to ARC



The following information is disclosed in terms of RBI circular DER No.BP-EC-34/21.04.132/2016-17 dated November 10, 2016

43  
1. Disclosure on flexible structuring of existing loans:

Period	No of borrowers taken up for flexible restructuring	Amount of loans outstanding / taken up for flexible restructuring	Exposure weighted average duration of loans taken up for flexible restructuring
		Classified as Standard	Before applying flexible structuring After applying flexible structuring
FY 14-15	NA	NA	NA
FY 15-16	1	54.81	15
FY 16-17	4	550.65	13
FY 17-18	-	550.65	23

2. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

Period	No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date	Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending	Amount outstanding as on the reporting date with respect to accounts where equity has taken place
		Classified as standard	Classified as NPA	Classified as standard
FY 14-15	NA	NA	NA	NA
FY 15-16	NA	NA	NA	NA
FY 16-17	13	317.97	NA	308.13
FY 17-18	6	1,162.42	761.45	400.97

3. Disclosures on change in ownership outside SDR Scheme (accounts which are currently under the stand-still period)

Period	No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date	Amount outstanding as on the reporting date with respect to accounts where pledge of debt to equity/involvement of equity shares is pending	Amount outstanding as on the reporting date with respect to accounts where equity/involvement of equity shares has taken place	Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity
		Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
FY 14-15	NA	NA	NA	NA	-
FY 15-16	NA	NA	NA	NA	-
FY 16-17	4	109.48	109.48	NA	-
FY 17-18	3	818.54	368.67	418.87	-

4. Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):- Nil

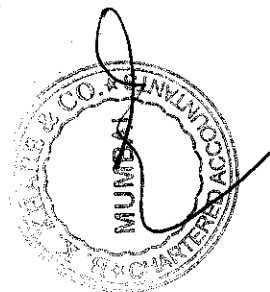
5. Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2016:

No. of accounts where S4A has been applied	Aggregate amount outstanding	In Part A	In Part B	Provision Held
Classified as Standard	189.63	98.72	90.91	76.41
Classified as NPA	-	-	-	-

Note: As on March 31, 2017, March 31, 2016 and March 31, 2015 : Not applicable

44 The details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 is as under:

	SBNs	Other Denomination notes	Total
Closing cash in hand as on	-	0.00	0.00
(+) Permitted Receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on	-	0.00	0.00



Schedule to the Balance Sheet of a non-deposit taking non-banking financial company  
FY 2017-18; FY 2016-17: (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)  
FY 2015-16; FY 2014-15: (as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

Liabilities Side:

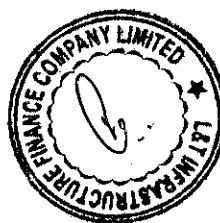
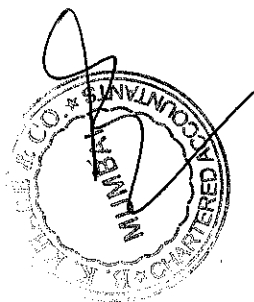
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
Debentures:								
(a) - Secured	9,283.54	-	8,894.00	-	-	-	6,597.13	-
- Unsecured	2,431.97	-	2,324.63	-	1,523.62	-	828.04	-
(Other than falling within the meaning of Public Deposits)	-	-	-	-	-	-	-	-
(b) Deferred Credits	-	-	-	-	-	-	-	-
(c) Term Loans	-	-	-	-	-	-	-	-
(d) Inter-Corporate Loans and borrowings	8,400.94	-	9,443.38	-	10,989.03	-	10,333.92	-
(e) Commercial Paper (Net off unexpired discounting charges)	-	-	-	-	-	-	-	-
(f) Other Loans	2,350.42	-	935.15	-	1,161.23	-	-	-
(i) Foreign Currency Loan	-	-	-	-	-	-	-	-
ii) Bank Overdraft, Cash credit & Working Capital Demand Loan	0.04	-	32.68	-	100.17	-	285.86	-
Total	22,466.91	-	21,634.08	-	21,030.98	-	18,328.42	-

Assets Side:

2. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(a) Secured (net of provision)	22,042.85	-	20,793.18	-	20,935.77	-	18,428.52	-
(b) Unsecured	280.20	-	280.20	-	280.20	-	150.00	-

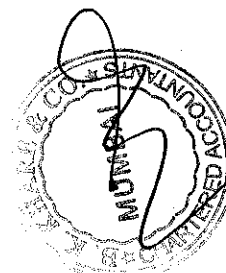
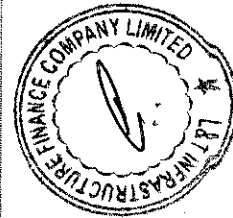


3. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities

Particulars	Amount Outstanding			As at March 31, 2015	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	(₹ in Crore)
(i) Lease assets including lease rentals under sundry debtors:					
(a) Financial Lease	-	-	-	-	-
(b) Operating Lease (net of provision)	-	-	-	-	-
(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	-	-	-	-	-

4. Break-up of Investments (net off diminution):

Particulars	Amount Outstanding			As at March 31, 2015	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	(₹ in Crore)
<b>Current Investments</b>					
1 Quoted					
(i) Shares:					
(a) Equity	64.97	53.36	12.21	12.61	
(b) Preference	-	-	-	-	
(ii) Debentures and Bonds	-	-	-	-	
(iii) Units of Mutual Funds	109.58	29.00	324.90	324.90	
(iv) Government Securities	-	-	-	-	
(v) Others (please specify)	-	-	-	-	
2 Unquoted					
(i) Shares:					
(a) Equity	178.28	126.78	37.28	28.77	
(b) Preference	0.70	0.70	-	34.00	
(ii) Debentures and Bonds	-	-	-	-	
(iii) Units of Mutual Funds	-	-	-	-	
(iv) Government Securities	-	520.00	250.00	-	
(v) Others (share application money)	-	62.77	-	2.40	
<b>Long Term Investments</b>					
1 Quoted					
(i) Shares:					
(a) Equity	-	-	-	-	
(b) Preference	-	-	-	-	
(ii) Debentures and Bonds	-	-	-	-	
(iii) Units of Mutual Funds	-	-	-	-	
(iv) Government Securities	-	-	-	-	
2 Unquoted					
(i) Shares:					
(a) Equity	637.64	641.68	541.14	191.68	
(b) Preference	9.22	9.22	71.72	93.75	
(ii) Debentures and Bonds	384.37	439.37	439.37	442.36	
(iii) Units of Mutual Funds	215.95	243.72	196.05	115.83	
(iv) Government Securities	-	-	-	-	
(v) Others (Security receipts)	743.32	486.27	227.92	230.74	



## 5. Borrower group-wise classification of assets financed as in (3) and (4) above (see footnote 2 below):

Category	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Secured (net of provision)	Unsecured	Secured (net of provision)	Unsecured	Secured (net of provision)	Unsecured	Secured (net of provision)	Unsecured
1 Related Parties **								
(a) Subsidiaries	-	-	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-	-	-
2 Other than related parties	22,042.85	280.20	20,793.18	280.20	20,935.77	280.20	18,428.52	150.00
<b>Total</b>	<b>22,042.85</b>	<b>280.20</b>	<b>20,793.18</b>	<b>280.20</b>	<b>20,935.77</b>	<b>280.20</b>	<b>18,428.52</b>	<b>150.00</b>

\*\* As per Accounting Standard issued by the Institute of Chartered Accountants of India (see footnote 3 below)

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

Category	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	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	5.10	5.10	5.10	5.10	5.10	5.10	8.10	8.10
(b) Companies in the same group	-	-	-	-	-	-	-	-
(c) Other related parties	301.76	301.76	305.80	305.80	305.80	305.80	184.90	184.90
2 Other than related parties	2,037.17	1,872.93	2,301.98	2,191.94	1,823.16	1,728.44	1,230.30	1,230.30
<b>Total</b>	<b>2,344.03</b>	<b>2,179.79</b>	<b>2,612.88</b>	<b>2,502.84</b>	<b>2,134.06</b>	<b>2,037.34</b>	<b>1,477.06</b>	<b>1,423.30</b>

## 7. Other Information

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)	Market value/Breakup Value/ Fair Value / NAV	Book Value (Net of Provision)
(i) Gross Non-Performing Assets		1,350.13		1,163.36		507.32		358.62
(a) Related parties		-		-		-		-
(b) Other than related parties		1,350.13		1,163.36		507.32		358.62
(ii) Net Non-Performing Assets		694.71		622.53		350.88		246.05
(a) Related parties		-		-		-		-
(b) Other than related parties		694.71		622.53		350.88		246.05
(iii) Assets acquired in satisfaction of debt (Gross)		991.91		751.59		399.69		122.74

## Footnotes:

FY 2017-18; FY 2016-17; FY 2015-16; FY 2014-15

1 As defined in paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms have been applied as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, as amended.

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 (4) above.

4 Previous year figures have been regrouped/ reclassified wherever necessary.

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company LimitedDinanath Dubhashi  
Chairperson  
DIN 03545900Place: Mumbai  
Date: December 2, 2019Sachin Joshi  
Sachin Joshi  
Chief Financial OfficerAnkit Sheth  
Company Secretary

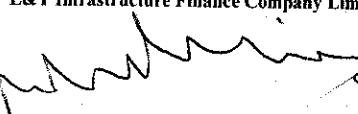


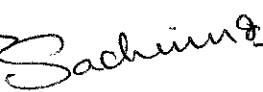
**L&T Infrastructure Finance Company Limited**  
Statement of dividend (Standalone basis)

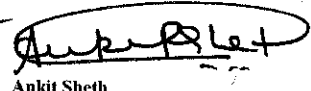
Annexure V

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)		989.91	892.08	846.25	829.23
Shares outstanding at the end of the year		98,99,13,695.00	89,20,87,609.00	84,62,54,276.00	82,92,33,000.00
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00	10.00
Dividend on Equity Shares (₹ per Equity Share)	(b)	1.53	0.96	-	1.44
Total dividend on Equity Shares (₹ in crore)		151.46	86.00	-	119.41
Dividend Declared Rate (In %)	(c=b/a)	15.30%	9.64%	0.00%	14.40%
Dividend tax (gross) on dividend (₹ in crore)		30.83	17.51	-	23.88

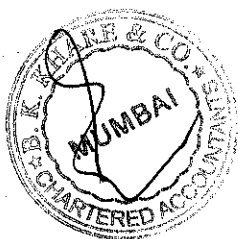
For and on behalf of the board of directors of  
L&T Infrastructure Finance Company Limited

  
**Dinanath Dubhashi**  
Chairperson  
(DIN : 03545900)

  
**Sachinn Joshi**  
Chief Financial Officer

  
**Ankit Sheth**  
Company Secretary

Place: Mumbai  
Date : December 2, 2019



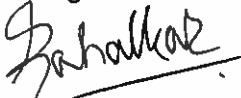
**INDEPENDENT AUDITOR'S REVIEW REPORT****The Board of Directors****L&T Infrastructure Finance Company Limited.**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **L&T Infrastructure Finance Company Limited** ("the Company") for the quarter & six months ended September 30, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on October 18, 2019. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results, prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 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 **B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Shirish Rahalkar**

Partner

Membership No. 111212

UDIN: 19111212 AAAALB6701

Mumbai, October 18, 2019

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Cathedral Road,  
Chennai - 600086,  
India

**L&T Infrastructure Finance Company Limited**  
Condensed Balance sheet as at September 30, 2019

(₹ in crore)

Particulars	As at September 30, 2019	As at March 31, 2019
	Unaudited	Audited
<b>ASSETS</b>		
<b>1 Financial assets</b>		
(a) Cash and cash equivalents	292.29	22.04
(b) Bank balance other than (a) above	121.07	14.42
(c) Derivative financial instruments	-	-
(d) Receivables		
(i) Trade receivables	26.56	59.12
(ii) Other receivables	8.86	1.75
(e) Loans	24,738.91	24,736.95
(f) Investments	1,980.00	2,080.54
(g) Other financial assets	6.05	5.12
<b>2 Non-financial assets</b>		
(a) Current tax assets (net)	310.97	377.24
(b) Deferred tax assets (net)	630.33	921.51
(c) Property, plant and equipment	0.38	0.70
(d) Intangible assets under development	11.14	10.10
(e) Other intangible assets	2.10	2.48
(f) Other non-financial assets	177.14	176.80
<b>Total Assets</b>	<b>28,305.80</b>	<b>28,408.77</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>1 Financial liabilities</b>		
(a) Payables - 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	9.18	13.65
(b) Payables - 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	0.58	0.40
(c) Debt securities	9,779.36	12,932.50
(d) Borrowings (other than debt securities)	12,599.72	9,562.29
(e) Subordinated liabilities	1,919.87	1,928.61
(f) Other financial liabilities	43.53	33.81
<b>2 Non-financial liabilities</b>		
(a) Provisions	1.86	2.86
(b) Other non-financial liabilities	3.45	4.29
<b>3 Equity</b>		
(a) Equity share capital	1,255.30	1,255.30
(b) Other equity	2,692.95	2,675.06
<b>Total Liabilities and Equity</b>	<b>28,305.80</b>	<b>28,408.77</b>
See selected explanatory notes forming part of the condensed financial statements		

In terms of our report attached,  
For B.K.Khare & Co.  
Chartered Accountants

*Shirish Rahalkar*

Shirish Rahalkar  
Partner  
Membership No : 111212  
Firm Registration No : 105102W



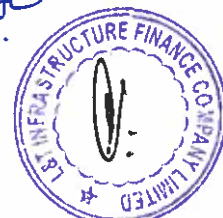
For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

*Dinanath Dubhashi*  
Dinanath Dubhashi  
Chairperson  
(DIN 03545900)

Place: Mumbai  
Date : October 18, 2019

*Sachinn Joshi*  
Sachinn Joshi  
Chief Financial Officer

*Ankit Sheth*  
Ankit Sheth  
Company Secretary



(₹ In crore)

Particulars		Three months ended September 30, 2019	Three months ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018
		Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenue from operations</b>					
(i) Interest income		741.50	583.63	1,465.59	1,258.91
(ii) Fees and commission income		12.09	104.68	57.78	215.09
(iii) Net gain on fair value changes		(5.39)	-	-	-
(iv) Net gain on derecognition of financial instruments under amortised cost category		10.16	(0.01)	13.91	-
(i) Total revenue from operations		758.36	688.30	1,537.28	1,474.00
<b>Other Income</b>					
(II) Other Income		14.84	14.05	37.17	23.62
(III) Total income (I + II)		773.20	702.35	1,574.45	1,497.62
<b>Expenses</b>					
(i) Finance costs		491.28	478.08	1,017.92	942.57
(ii) Net loss on fair value changes		67.80	93.67	67.80	194.64
(iii) Net loss on derecognition of financial instruments under amortised cost category		-	7.91	-	7.91
(iv) Impairment on financial instruments		38.32	(14.20)	35.17	70.39
(v) Employee benefits expenses		10.61	13.66	22.41	26.24
(vi) Depreciation, amortization and impairment		0.30	0.24	0.61	0.47
(vii) Other expenses		12.48	7.21	35.50	33.89
(IV) Total expenses		620.79	586.57	1,179.41	1,276.11
(V) Profit before tax (III - IV)		152.42	115.79	395.04	221.51
<b>Tax expense</b>					
(1) Current tax		80.60	11.89	87.30	38.77
(2) Deferred tax		(62.61)	46.30	33.35	54.84
(VII) Net profit before impact of rate change on opening deferred tax (V-VI)		134.43	57.60	274.39	127.90
Impact of change in the rate on opening deferred tax		257.75	-	257.75	-
(VIII) Profit/(Loss) after tax (VII - VIII)		(123.32)	57.60	16.64	127.90
<b>Other comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss					
Remeasurements of the net defined benefit Plans		0.37	-	0.37	-
Income tax relating to items that will not be reclassified to profit or loss		(0.09)	-	(0.09)	-
(ii) Items that will be reclassified to profit or loss					
Effective portion of gain and losses on hedging instrument in cash flow hedge		-	-	-	-
Change in fair value of debt instruments measured at fair value through other comprehensive income		0.56	(1.22)	0.97	(1.22)
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
(VIII) Other comprehensive Income for the year (net of tax)		0.84	(1.22)	1.25	(1.22)
(IX) Total comprehensive Income for the year (VII + VIII)		(122.49)	56.38	17.89	126.68
<b>Basic earnings per equity share (₹) (* not annualised)</b>		(0.98)	0.58	0.13	1.29
<b>Diluted earnings per equity share (₹) (* not annualised)</b>		(0.98)	0.58	0.13	1.29
See selected explanatory notes forming part of the condensed financial statements					

In terms of our report attached.  
For B.K.Khare & Co.  
Chartered Accountants

*Sahakar*

Shirish Rahalkar  
Partner  
Membership No : 111212  
Firm Registration No : 105102W



For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

*Dinanath Dubhashi*  
Dinanath Dubhashi  
Chairperson  
(DIN 03545906)

Place: Mumbai  
Date : October 18, 2019

*Sachinn Joshi*  
Sachinn Joshi  
Chief Financial Officer

*Ankit Sheth*  
Ankit Sheth  
Company Secretary



Particulars	(₹ in crore)	
	For the period ended September 30, 2019 Unaudited	For the period ended September 30, 2018 Unaudited
<b>A. Cash flows from operating activities</b>		
Profit before taxation	395.04	221.51
Adjustments for:		
Provision for expected credit loss	(206.67)	(153.46)
Provision for diminution in value of investments	52.51	160.16
Bad debts and advances written off	258.50	220.87
Interest accrued on borrowing	116.83	(103.39)
Issue exp on borrowing	1.46	1.50
Depreciation and amortisation	0.61	0.47
(Gain) / loss on sale of investments	(20.39)	45.67
Interest accrued/capitalised/unamort premium or discount on Investment	(4.99)	(8.33)
	592.90	385.00
Movements in working capital:		
(Increase)/decrease in trade and other receivables	25.45	(77.60)
Increase/(decrease) in financial liabilities	9.72	27.31
Increase/(decrease) in other non-financial liabilities	(0.84)	(30.04)
(Increase)/decrease in other non-financial assets	(0.34)	2.05
(Increase)/decrease in financial assets	(0.94)	(204.51)
Increase/(decrease) in trade and other payables	(4.29)	3.42
Increase/(decrease) in provisions	(0.63)	0.08
(Increase)/decrease in loans and advances towards financing activities	(53.79)	(654.97)
Increase/(decrease) in other liabilities		
Cash (used in)/generated from operations	567.26	(549.25)
Direct taxes refund/(paid) [net]	(21.04)	(38.04)
Net cash (used in)/from operating activities (A)	546.22	(587.29)
<b>B. Cash flows from investing activities</b>		
Payments to acquire financial assets	(0.94)	(2.48)
Change in other bank balance not available for immediate use	(106.65)	(135.28)
Current investments not considered as cash and cash equivalents	20.39	17.10
Purchase of investments:		
- Units of funds	(0.22)	(16.05)
- Security receipts	(218.79)	
- Bond/Debentures	(25.00)	(199.62)
Redemption/sale of investment:		
- Units of funds	0.11	2.82
- Security receipts	105.52	20.10
- Bond/Debentures	192.35	14.96
Net cash (used in)/from investing activities (B)	(33.23)	(298.45)
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of share capital (including share premium)	0.00	897.71
Payment for share issue costs	-	-
Payment for debt issue costs	(0.00)	(0.05)
Proceeds from borrowings	12,815.20	22,337.30
Repayment of borrowings	(13,057.94)	(22,497.04)
Dividend paid on equity shares	-	(151.46)
Dividend distribution tax	-	(30.83)
Net cash (used in)/from financing activities (C)	(242.74)	555.63
<b>Net Increase/(decrease) in cash and cash equivalents (A + B + C)</b>	270.25	(330.11)
Cash and cash equivalents at the beginning of the year	22.04	358.24
<b>Cash and cash equivalents at the end of the year</b>	292.29	28.13

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. Net cash used in operating activity is determined after adjusting the following:

Interest received	1,394.71	1,040.67
Dividend received	-	-
Interest paid	949.59	1,040.59

In terms of our report attached.

For B.K. Khare & Co.  
Chartered Accountants

*Rahalkar*

Shirish Rahalkar  
Partner  
Membership No : 111212  
Firm Registration No : 105102W



For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

*[Signature]*

Dinanath Dubhashi  
Chairperson  
(DIN 03545900)



*[Signature]*

A. Equity share capital

Particulars	As at September 30, 2019		As at September 30, 2018	
	Number of shares	₹ in crore	Number of shares	₹ in crore
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	1,255,300,609	1,255.30	989,913,695	989.91
Add: Shares issued during the year	-	-	183,386,914	183.39
Issued, subscribed and fully paid up equity shares outstanding at the end of the year	1,255,300,609	1,255.30	1,173,300,609	1,173.30

B. Other Equity

Particulars	Reserves and Surplus			Item of other comprehensive income		Total
	Debt redemption reserve	Securities premium account	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	General reserve	Retained earnings	
Balance at April 1, 2018	297.47	1,134.51	384.90	67.13	491.41	1,409.98
Profit for the year	-	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	127.90	127.90
Total comprehensive income for the year	-	-	-	-	(1.22)	(1.22)
Issue of equity shares	-	715.21	-	-	(1.22)	715.21
Share issue costs, net of income tax	-	(0.95)	-	-	-	(0.95)
Transfer from retained earnings	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Transfer from debt redemption reserve	-	-	-	-	-	-
Balance at September 30, 2018	297.47	1,848.77	384.90	67.13	(837.58)	2,250.93
Balance at March 31, 2019	314.06	2,168.22	431.28	96.39	(877.01)	2,675.06
Profit for the year	-	-	-	-	-	-
Other comprehensive income for the period, net of income tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	16.64	16.64
Issue of equity shares	-	-	-	-	0.28	0.28
Transfer from retained earnings	-	-	-	-	16.92	16.92
Transfer to general reserve	-	-	-	-	-	-
Transfer from debt redemption reserve	-	-	-	-	-	-
Balance at September 30, 2019	314.06	2,168.22	431.28	96.39	(860.09)	2,692.95

In terms of our report attached

For B.K.Khare & Co.  
Chartered Accountants



Shrisha Rahalkar  
Partner

Membership No : 111212  
Firm Registration No : 105102W

For and on behalf of the Board of Directors of  
L&T Infrastructure Finance Company Limited

*[Signature]*

Dinanath Dudhathi  
Chairperson  
(DIN 03545900)



*[Signature]*

Sachin Joshi  
Chief Financial Officer

Ankit Sheth  
Company Secretary

Place: Mumbai  
Date : October 18, 2019

**Corporate Information:**

L&T Infrastructure Finance Company Limited (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is also a Public Financial Institution (PFI) notified under section 4A of the Companies Act, 1956. The Company received a Certificate of Registration from the Reserve Bank of India ('RBI') on 10th January 2007 to commence / carry on the business of Non-Banking Financial Institution ('NBFI') and was subsequently classified as Infrastructure Finance Company vide Certificate of Registration dated 7th July 2010.

These condensed financial statement of L&T Infrastructure Finance Company Limited (the 'Company') have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 'Interim Financial Reporting', these condensed financial statement should be read in conjunction with the annual financial statement of the company as at March 31, 2019. In the opinion of the management, all adjustments which are necessary for a fair presentation have been included. The accounting policies followed in the presentation of the condensed financial statement are consistent with those followed in the presentation of the annual financial statement. The result of the interim periods are not necessarily an indication of the result that may be expected for any interim period/year.

**Disclosures pursuant to Ind AS 37 "Contingent liabilities and Commitments"****i) Contingent liabilities**

Particulars	As at September 30, 2019 ₹ Crore	As at March 31, 2019 ₹ Crore
(a) Claims against the Company not acknowledged as debt:		
1. Income Tax matter in dispute*	7.95	7.95
2. Service Tax matter in dispute*	4.65	4.65
3. Legal matter in dispute	6.17	6.17
(b) Bank and Other Guarantees	302.81	461.03
(c) Other money for which the Company is contingently liable:		
1. Liability towards Letter of Comfort	461.45	299.85
2. Liability towards Letter of Credit	257.15	28.58
<b>Total</b>	<b>1,040.18</b>	<b>808.22</b>

\*In respect of disputes, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

**ii) Commitments**

Particulars	As at September 30, 2019 ₹ Crore	As at March 31, 2019 ₹ Crore
Undisbursed commitment	104.96	85.62
Capital commitment	5.07	5.39
<b>Total</b>	<b>1,150.20</b>	<b>899.22</b>

**Earnings per share (Not annualised):**

Basic and Diluted	For the period ended September 30, 2019	For the period ended September 30, 2018
Profit after tax for the period (₹ Crore)	257.75	-
Profit available for distribution to equity shareholders (₹ Crore)		
Weighted average number of equity shares for computation of Basic earnings per share	1,255,300,609	991,420,985
Weighted average number of equity shares for computation of diluted earnings per share	1,255,300,609	991,420,985
Number of equity shares outstanding		
Basic earnings per share (₹)	2.05	-
Diluted earnings per share (₹)	2.05	-
Nominal Value of Shares (₹)	10	10

Appropriations to the Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 and the Special Reserve under Section 45-IC of Reserve Bank of India Act, 1934 are carried out annually.

Appropriation to the Debenture Redemption Reserve created in terms of Section 71 of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 is carried out annually.

**Summary of issues, repurchases and repayments of borrowings as at September 30, 2019:**

Particulars	Debt securities	Borrowings (other than Debt Securities)	Subordinated Liabilities
Balance as at March 31, 2019	12,932.50	9,562.29	1,928.61
Changes from financing cash flows	-3,258.50	3,015.73	0.00
Others	105.35	21.70	-8.74
Balance as at September 30, 2019	9,779.36	12,599.72	1,919.87

(₹ in crore)





## Note 8 Disclosure pursuant to Ind AS 108 "Operating Segment"

(₹ in crore)

Sr. No.	Particulars	Half Year ended		Year ended
		September 30,	September 30,	March 31,
		2019	2018	2019
		Unaudited	Unaudited	Audited
	<b>Gross segment revenue from continuing operations</b>			
a	Housing Business	284.74	225.33	452.78
b	Wholesale Business	1,195.17	1,174.40	2,213.77
c	Defocused Business	57.37	74.26	150.63
	<b>Total</b>	<b>1,537.28</b>	<b>1,474.00</b>	<b>2,817.18</b>
	<b>Segment Result (Profit/(loss) before tax)</b>			
a	Housing Business	112.71	133.17	249.44
b	Wholesale Business	273.35	63.13	129.64
c	Defocused Business	8.98	25.20	42.79
d	Others	-	-	0.01
	<b>Profit before tax</b>	<b>395.04</b>	<b>221.51</b>	<b>421.88</b>
	<b>Segment assets</b>			
a	Housing Business	4,120.36	2,951.94	3,679.95
b	Wholesale Business	22,416.77	19,648.80	21,940.88
c	Defocused Business	827.38	1,782.10	1,489.20
	<b>Segment assets</b>	<b>27,364.51</b>	<b>24,382.84</b>	<b>27,110.03</b>
d	Unallocated	941.30	1,286.30	1,298.74
	<b>Total segment assets</b>	<b>28,305.80</b>	<b>25,669.14</b>	<b>28,408.77</b>
	<b>Segment liabilities</b>			
a	Housing Business	3,649.10	2,691.09	3,320.23
b	Wholesale Business	20,055.46	17,929.20	19,814.56
c	Defocused Business	653.00	1,624.63	1,343.63
	<b>Segment liabilities</b>	<b>24,357.55</b>	<b>22,244.92</b>	<b>24,478.42</b>
d	Unallocated	-	-	-
	<b>Total segment liabilities</b>	<b>24,357.55</b>	<b>22,244.92</b>	<b>24,478.42</b>
	<b>Capital employed (Segment assets less segment liabilities)</b>			
a	Housing Business	471.27	260.85	359.73
b	Wholesale Business	2,361.31	1,719.60	2,126.32
c	Defocused Business	174.38	157.47	145.57
	<b>Segment Network</b>	<b>3,006.95</b>	<b>2,137.92</b>	<b>2,631.62</b>
e	Unallocated	941.30	1,286.30	1,298.74
	<b>Total capital employed</b>	<b>3,948.25</b>	<b>3,424.22</b>	<b>3,930.36</b>

- (i) The company has identified operating segments is 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) Segment composition :

**Housing Business** comprises of Home Loans, Loan against Property and Real Estate Finance.

**Wholesale Business** comprises of Infrastructure Finance.

**Defocused Business** comprises of Structured Corporate Loans, Debt Capital Market, Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

**Others** comprises of Asset Management, Wealth Management etc.

**Unallocated** represents tax assets and tax liabilities





Note 9 Disclosure of related parties/related party transactions 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. Subsidiary Companies

3. L&T Infrastructure Investment Partners Advisory Private Limited  
4. L&T Infrastructure Investment Partners

D. Fellow Subsidiary Companies

5. L&T Finance Limited  
6. L&T Infotech Limited  
7. L&T Capital Markets Limited  
8. L&T Housing Finance Limited  
9. L&T Investment Management Limited  
10. L&T Financial Consultants Limited  
11. L&T Electromech LLC  
12. L&T ENG Hydrocarbon Limited  
13. L & T Infrastructure Engineering Limited  
14. L&T Sargent & Lundy Limited

E. Associates

15. L&T Infra Debt Fund Limited

F. Key Management Personnel

16. Mr. Virender Pankaj (Ceased to be KMP with effect from 11th July 2019)  
17. Mr. Thomas Mathew T.  
18. Mr. Rishi Mandawat  
19. Ms Nishi Vasudeva

(b) Disclosure of related party transactions :

(₹ in crore)

Sr. No.	Nature of Transaction*	For the Period Ended Sept 2019	For the Period Ended Sept 2018
1	Inter corporate deposits borrowed		
	L&T Finance Holdings Limited	909.57	2,378.75
	L&T Finance Limited	1,282.00	75.00
	L&T Housing Finance Limited	250.00	-
	L&T Investment Management Limited	1,026.00	-
	Larsen & Toubro Limited	1,000.00	-
2	Inter corporate deposits repaid (including interest)		
	L&T Finance Holdings Limited	308.70	2,378.75
	L&T Finance Limited	982.00	75.00
	L&T Housing Finance Limited	125.00	-
	L&T Investment Management Limited	721.40	-
3	Interest expense on inter corporate deposits		
	L&T Finance Holdings Limited	2.64	3.70
	L&T Finance Limited	0.57	0.04
	L&T Housing Finance Limited	0.21	-
	L&T Investment Management Limited	2.67	-
	Larsen & Toubro Limited	0.98	-
4	Inter corporate deposits given		
	L&T Finance Limited	200.00	410.00
	L&T Housing Finance Limited	-	10.00
	L&T Finance Holdings Limited	-	469.00
	L&T Financial Consultants Limited	-	-
5	Inter corporate deposits received back		
	L&T Finance Limited	200.00	410.00
	L&T Housing Finance Limited	-	10.00
	L&T Finance Holdings Limited	-	469.00
	L&T Financial Consultants Limited	-	52.00
6	Interest received on inter corporate deposits		
	L&T Finance Limited	0.16	0.35
	L&T Housing Finance Limited	-	0.01
	L&T Finance Holdings Limited	-	0.44
	L&T Financial Consultants Limited	-	0.13
7	Asset management fee/corporate support charges		
	L&T Infra Debt Fund Limited	-	-
	L&T Infrastructure Investment Partners Advisory Private Limited	2.97	2.78
8	Corporate support charges paid		
	L&T Finance Holdings Limited	7.62	1.07
9	Branch sharing cost paid to		
	L&T Finance Limited	0.09	0.12
	L&T Financial Consultants Limited	7.83	7.54



(₹ in crore)

Sr. No.	Nature of Transaction*	For the Period Ended Sept 2019	For the Period Ended Sept 2018
10	Professional fees and other expenses paid		
	Larsen & Toubro Limited	0.16	0.23
	Larsen & Toubro Infotech Limited	0.15	-
11	Processing Fee paid to		
	L&T Infra Debt Fund Limited	0.68	-
12	Processing Fee received from		
	L&T Finance Limited	3.53	-
	L&T Housing Finance Limited	0.55	-
13	Sale of loan portfolio		
	L&T Infra Debt Fund Limited	143.76	155.84
14	Purchase of loan portfolio		
	L&T Finance Limited	872.51	-
	L&T Housing Finance Limited	158.54	-
15	Brand license fees		
	Larsen & Toubro Limited	0.86	6.99
16	Interest Income on Investment in NCD		
	L&T Finance Limited	0.22	-
17	ESOP Cost		
	L&T Finance Holdings Limited	1.69	5.07
18	Interest on security deposit		
	L&T Financial Consultants Limited	0.03	0.15

19 Compensation paid to key managerial personnel\*\*

(₹ in crore)

Name of Key Management Personnel	For the six month ended September 30, 2019				For the six month ended September 30, 2018			
	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. Virender Pankaj	1.22	-	-	1.22	0.99	-	-	0.99
Mr. S.H.Bhojani	-	-	-	-	0.02	-	-	0.02
Mr. A.K.Jain	-	-	-	-	0.02	-	-	0.02
Mr. Pradip Roy	-	-	-	-	0.01	-	-	0.01
Mr. Pradeep Kumar Panja	-	-	-	-	0.01	-	-	0.01
Mr. Thomas Mathew T.	0.03	-	-	0.03	0.02	-	-	0.02
Mr. Rishi Mandawat	0.02	-	-	0.02	0.01	-	-	0.01
Ms Nishi Vasudeva	0.03	-	-	0.03	0.01	-	-	0.01

(c) Amount due to/from related parties:

(₹ in crore)

S. No.	Nature of transactions	As at September 30, 2019	As at March 31, 2019
1	Inter corporate borrowings payable		
	L&T Finance Holdings Limited	600.85	-
	L&T Finance Limited	300.00	-
	L&T Housing Finance Limited	125.00	-
	L&T Investment Management Limited	304.60	-
	Larsen & Toubro Limited	1,000.00	-
2	Accrued Interest on Inter corporate borrowings		
	L&T Finance Holdings Limited	0.74	-
	L&T Finance Limited	0.07	-
	L&T Housing Finance Limited	0.12	-
	L&T Investment Management Limited	1.03	-
	Larsen & Toubro Limited	0.89	-
3	Investment in NCD		
	L&T Finance Limited	25.00	-
4	Accrued Interest on Investment in NCD		
	L&T Finance Limited	4.38	-
5	Brand license fees payable		
	Larsen & Toubro Limited	0.92	12.65
6	Security deposit receivables		
	L&T Financial Consultants Limited	5.14	5.14
7	Account payable		
	Larsen & Toubro Limited	-	0.17
	L&T Electromech LLC	0.01	0.01
	Larsen & Toubro Infotech Limited	-	0.02
	L&T ENC Hydrocarbon Limited	0.02	0.02
	L&T Infra Debt Fund Limited	0.52	0.33
	L&T Finance Limited	0.01	0.03
	L&T Finance Holdings Limited	1.48	1.02
	L&T Housing Finance Limited	-	0.03
	L&T Financial Consultants Limited	6.36	-
8	Account receivable		
	Larsen & Toubro Limited	0.36	-
	L&T Infra Debt Fund Limited	-	0.38
	L&T Infra Investment Partners	-	1.08
	L&T Infra Investment Partners Advisory Private Limited	1.74	0.03
	L&T Housing Finance Limited	2.96	-
	L&T Finance Limited	3.82	0.04



Note 10 : Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures:"

Stage wise gross carrying amount and expected credit loss - Loans:

Sr. No.	Particulars	Loss allowance measured at 12 month ECL	Loss allowance measured at lifetime ECL	
			Financial assets for which credit risk has increased significantly and credit not impaired	Financial assets for which credit risk has increased significantly and credit impaired
I	As on March 31, 2019			
	Estimated gross carrying amount at default	11,013.08	1,073.65	4,196.52
	Expected Credit Loss	(35.24)	(90.22)	(2,605.04)
	Carrying amount net of impairment provision	10,977.84	983.43	1,591.48
II	As on September 30, 2019			
	Estimated gross carrying amount at default	10,568.62	977.31	3,842.44
	Expected Credit Loss	(26.30)	(79.74)	(2,374.24)
	Carrying amount net of impairment provision	10,532.32	897.57	1,468.19

Note 11 : Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures:"

(a) Category-wise classification for applicable financial assets:

Sr. No.	Particulars	As at September 30, 2019		As at March 31, 2019	
I	Measured at fair value through Profit or Loss (FVTPL):				
	(i) Investment in equity instruments	332.23		333.67	
	(ii) Investment in preference shares	9.77		9.77	
	(iii) Investment in mutual funds				
	(iv) Investment in bonds/Debentures	542.57		545.17	
	(v) Investment in Security receipt	459.85		396.54	
	(vi) Investments in Units of fund	275.26		276.25	
	(vii) Loans	11,845.83		11,184.20	
	Sub-total (I)	13,465.51		12,745.61	
II	Measured at amortised cost:				
	(i) Loans	12,893.09		13,552.75	
	(ii) Trade receivables	26.56		59.12	
	(iii) Other receivables	8.86		1.75	
	(iv) Other financial assets	6.05		5.12	
	(v) Cash and cash equivalents and bank balances	413.36		36.46	
	(vi) Investment in bonds/Debentures			189.01	
	Sub-total (II)	13,347.92		13,844.21	
III	Measured at fair value through Other Comprehensive Income (FVTOCI):				
	(i) Investment in bonds/Debentures	52.31		22.29	
	(ii) Investments in Units of fund	0.96		0.98	
	Sub-total (III)	53.27		23.27	
	Total (I+II+III)	26,866.70		26,613.09	

Note: Investment in subsidiary and associates is not included in the above disclosure

(b) Category-wise classification for applicable financial liabilities:

Sr. No.	Particulars	As at September 30, 2019		As at March 31, 2019	
I	Measured at fair value through Profit or Loss (FVTPL):				
	(i) Derivative Instruments not designated as cash flow hedges				
	(ii) Embedded derivatives not designated as cash flow hedges				
	Sub-total (I)				
II	Measured at amortised cost:				
	(i) Borrowings	24,298.95		24,423.40	
	(ii) Trade payables	9.18		13.65	
	(iii) Other payables	0.58		0.40	
	(iv) Other financial liabilities	43.33		33.81	
	Sub-total (II)	24,352.03		24,471.26	
III	Measured at fair value through Other Comprehensive Income (FVTOCI):				
	(i) Derivative Instruments designated as cash flow hedges				
	(ii) Embedded derivatives designated as cash flow hedges				
	Sub-total (III)				
	Total (I+II+III)	24,352.03		24,471.26	



(c) Fair value of financial assets and financial liabilities measured at amortised cost:

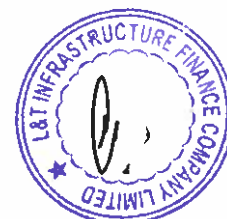
Particulars	As at September 30, 2019		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Loans	12,893.09	12,893.09	13,552.75	13,552.75
Government securities			189.01	188.64
<b>Total</b>	<b>12,893.09</b>	<b>12,893.09</b>	<b>13,741.76</b>	<b>13,741.39</b>
Financial liabilities:				
Debt securities	9,779.36	9,925.86	12,932.50	13,041.09
Borrowings (other than debt securities)	12,599.72	12,641.58	9,562.29	9,563.70
Subordinated liabilities	1,919.87	1,893.92	1,928.61	1,865.75
<b>Total</b>	<b>24,298.95</b>	<b>24,461.36</b>	<b>24,423.40</b>	<b>24,470.54</b>

Note: 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:

As at 31-03-2019		(₹ in crore)			
	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	13,552.75	13,552.75	Discounted cashflow approach
Government securities	-	188.64	-	188.64	
<b>Total</b>	-	<b>188.64</b>	<b>13,552.75</b>	<b>13,741.39</b>	
Financial liabilities:					
Debt securities	-	-	13,041.09	13,041.09	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	9,563.70	9,563.70	Discounted cashflow approach
Subordinated liabilities	-	-	1,865.75	1,865.75	Discounted cashflow approach
<b>Total</b>	-	-	<b>24,470.54</b>	<b>24,470.54</b>	

As at 30-09-2019		(₹ in crore)			
	Level 1	Level 2	Level 3	Total	Valuation technique for level 3 items
Financial assets:					
Loans	-	-	12,893.09	12,893.09	Discounted cashflow approach
Government securities	-	-	-	-	
<b>Total</b>	-	-	<b>12,893.09</b>	<b>12,893.09</b>	
Financial liabilities:					
Debt securities	-	-	9,925.86	9,925.86	Discounted cashflow approach
Borrowings (other than debt securities)	-	-	12,641.58	12,641.58	Discounted cashflow approach
Subordinated liabilities	-	-	1,893.92	1,893.92	Discounted cashflow approach
<b>Total</b>	-	-	<b>24,461.36</b>	<b>24,461.36</b>	



**L&T Infrastructure Finance Company Limited**

**Selected explanatory notes to Condensed financial statements for the period ended September 30, 2019:**

**(e) Fair value hierarchy of financial assets and financial liabilities at fair value:**

Particulars	As at 30-9-2019				As at 31-3-2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>								
<b>At FVTPL:</b>								
1 Equity shares	1.23	-	331.00	332.23	2.67	-	331.00	333.67
2 Preference shares	-	-	9.77	9.77	-	-	9.77	9.77
3 Mutual fund	-	-	-	-	-	-	-	-
Debt instruments viz.								
4 government securities, bonds and debentures	-	-	542.57	542.57	-	-	545.17	545.17
5 Security receipt	-	-	459.85	459.85	-	-	396.54	396.54
6 Units of fund	-	-	275.26	275.26	-	-	276.25	276.25
7 Loans	-	-	11,845.83	11,845.83	-	-	11,184.20	11,184.20
8 Derivative	-	-	-	-	-	-	-	-
<b>At FVTOCI</b>								
Debt instruments viz.								
1 government securities, bonds and debentures	-	52.51	-	52.51	-	22.29	-	22.29
2 Units of fund	-	0.96	-	0.96	-	0.98	-	0.98
<b>Total</b>	<b>1.23</b>	<b>53.47</b>	<b>13,464.28</b>	<b>13,518.99</b>	<b>2.67</b>	<b>23.27</b>	<b>12,742.93</b>	<b>12,768.87</b>

(₹ in crore)



Selected explanatory notes to Condensed financial statements for the period ended September 30, 2019:

(f) Movement of items measured using unobservable inputs (Level 3):

Particulars	Equity shares	Preference shares	Debt instruments	Security receipt	Units of fund	Loans	Total
Balance as at March 31, 2018	477.93	10.01	571.90	674.02	279.23	7,353.99	9,367.08
Addition during the year	565.76	0.00	9.62	0.00	6.48	6,651.29	7,233.16
Disposal during the year	-550.00	0.00	-15.07	-78.77	-9.98	(2,821.08)	(3,474.90)
Gains/(losses) recognised in Profit or Loss	(162.69)	(0.24)	(21.28)	(198.71)	0.52	(0.00)	(382.40)
Balance as at March 31, 2019	331.00	9.77	545.17	396.54	276.25	11,184.20	12,742.93
Addition during the year			221.00	221.00	2.15	1,895.42	2,118.58
Disposal during the year			(2.35)	(107.73)	(2.03)	(1,233.79)	(1,345.90)
Gains/(losses) recognised in Profit or Loss			(0.25)	(49.96)	(1.11)		(51.32)
Balance as at September 30, 2019	331.00	9.77	542.57	459.85	275.26	11,845.83	13,464.28
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period							
As at March 31, 2019	(132.48)	(0.70)	68.95	(268.01)	63.81	-	(268.43)
As at September 30, 2019			(0.25)	(49.96)	(1.11)		(51.32)



(₹ in crore)

## (g) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Sensitivity analysis of the fair value of financial assets and liabilities							
Particulars	Fair value as at		Rates for Sensitivity	Impact of Increase in Rates on Total Comprehensive Income			
	30 September 2019	31 March 2019		30 September 2019		31 March 2019	
				Favourable	Unfavourable		Favourable
Investments							
Equity shares	331.00	331.00	5.00%	16.55	-16.55	16.55	-16.55
Preference shares	9.77	9.77	5.00%	0.49	-0.49	0.49	-0.49
Debt instruments viz. government securities, bonds and debentures	542.57	545.17	0.25%	1.36	-1.36	1.36	-1.36
Security receipt	459.85	396.54	5.00%	22.99	-22.99	19.83	-19.83
Units of fund	275.26	276.25	5.00%	13.76	-13.76	13.81	-13.81
Loans	11,845.83	11,184.20	0.25%	29.61	-29.61	27.96	-27.96



- 12 The previous year's/period's figures have been regrouped / reclassified to conform to the current period's classification.

In terms of our report attached.  
For B.K.Khare & Co.



Shirish Rahalkar  
Partner  
Membership No : 111212



For and on behalf of the Board of Directors of



Dinanath Dubhashi  
Chairperson

Place: Mumbai  
Date : October 18, 2019



Sachinn Joshi  
Chief Financial Officer



Ankit Sheth  
Company Secretary





## 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	For the year ended March 31, 2018	For the year ended March 31, 2017
	(IND-AS)	(IND-AS)	(IGAAP)	(IGAAP)
Weighted average number of equity shares outstanding for computation of Basic Earning Per Share (A)	1,09,63,42,678.81	89,50,35,792.41	89,50,35,792	84,66,30,988
Add: Potential equity shares (B)	-	-	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	1,09,63,42,679	89,50,35,792	89,50,35,792	84,66,30,988
Profit after Tax attributable to equity shareholders [₹ in crore] (D)	297.00	226.05	145.15	98.34
Nominal Value of share [in ₹]	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00
Basic earnings per share [in ₹] (E=(D/A))	₹ 2.71	₹ 2.53	₹ 1.62	₹ 1.16
Diluted earnings per share [in ₹] (F=(D/C))	₹ 2.71	₹ 2.53	₹ 1.62	₹ 1.16

## 2. Return on Networth

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2018	For the year ended March 31, 2017
	(IND-AS)	(IND-AS)	(IGAAP)	(IGAAP)
Net Profit after tax [₹ in crore] (A)	297.00	226.05	145.15	98.34
Average networth [₹ in crore] (B) <Refer Annexure 1A>	3,353.31	2,323.62	3,275.34	3,007.02
Return on networth (A/B)	8.86%	9.73%	4.43%	3.27%

## 3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
	(IND-AS)	(IND-AS)	(IGAAP)	(IGAAP)
Number of equity shares (A)	1,25,53,00,609	98,99,13,695	98,99,13,695	89,20,87,609
Networth [₹ in crore] (B) <Refer Annexure 1A>	4,148.23	2,558.39	3,543.66	3,007.02
Net asset value per equity share (B/A)	33.05	25.84	35.80	33.71

## 4. Debt-equity ratio

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
	(IND-AS)	(IND-AS)	(IGAAP)	(IGAAP)
Debt [₹ in crore] (A) <Refer Annexure 1A>	24,423.40	22,449.69	21,193.46	20,545.60
Equity [₹ in crore] (B)	4,148.23	2,558.39	3,543.66	3,007.02
Debt-equity ratio (A/B)	5.89	8.77	5.98	6.83

## 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.

For and on behalf of **L&T Infrastructure Finance Company Limited**

In terms of our Report of factual findings in connection with agreed-upon procedures related to the Statement of Accounting Ratios of even date.

Sachinn Joshi  
Chief Financial Officer

Place: Mumbai  
Date: December 2, 2019

## Information Extracted From Reformatted Consolidated Financial Statements

₹ in crore

Particulars		As at March 31, 2019 (IND-AS)	As at March 31, 2018 (IND-AS)	As at April 1, 2017 (IND-AS)	As at March 31, 2018 (IGAAP)	As at March 31, 2017 (IGAAP)
Share Capital		1,255.30	989.91	892.09	989.91	892.08
Reserve and Surplus		2,892.93	1,568.48	1,196.75	2,553.75	2,114.94
<b>Total Equity</b>	<b>a</b>	<b>4,148.23</b>	<b>2,558.39</b>	<b>2,088.84</b>	<b>3,543.66</b>	<b>3,007.02</b>
Less :						
Unamortised premium on loans/ debentures		-	-	-	-	-
Deferred expenditure		-	-	-	-	-
<b>Total</b>	<b>b</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Networth (Refer Note a)</b>	<b>c=a-b</b>	<b>4,148.23</b>	<b>2,558.39</b>	<b>2,088.84</b>	<b>3,543.66</b>	<b>3,007.02</b>
<b>Average Networth (Refer Note b)</b>		<b>3,353.31</b>	<b>2,323.62</b>		<b>3,275.34</b>	<b>3,007.02</b>
Total Debt						
(i) Long-term borrowings		-	-	-	15,906.85	17,681.18
(ii) Short-term borrowings		-	-	-	2,350.42	939.35
(iii) Current maturities of long term borrowings		-	-	-	2,936.19	1,925.07
(iv) Debt securities		12,932.50	12,168.87	10,327.16	-	-
(v) Borrowings (Other than debt securities)		9,562.29	8,400.98	9,480.30	-	-
(vi) Subordinated Liabilities		1,928.61	1,879.84	1,811.56	-	-
<b>Total Debt</b>		<b>24,423.40</b>	<b>22,449.69</b>	<b>21,619.02</b>	<b>21,193.46</b>	<b>20,545.60</b>

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.

b) Average Networth means sum of opening and closing Networth divided by two.

c) 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 Consolidated Financial Statements of the Company as at and for the year ended 31st March 2019 and Information in respect of financial years as at and for the years ended 31st March 2018 and 31st March 2017 have been traced to the underlying Reformatted Consolidated Financial Statements dated 02 December 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 has been traced to the Standalone Financial Statements of the Company as at and for the year ended 31st March 2016.

## STATEMENT OF ACCOUNTING RATIOS (Standalone basis)

## 1. Basic and Diluted Earnings Per Share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	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
	(IND-AS)	(IND-AS)	(IGAAP)	(IGAAP)	(IGAAP)	(IGAAP)
Weighted average number of equity shares outstanding for computation of Basic Earning Per Share (A)	1,09,63,42,679	89,50,35,792	89,50,35,792	84,66,30,988	83,49,53,265	82,92,33,000
Add: Potential equity shares (B)	-	-	-	-	-	-
Weighted average number of equity shares used in computation of diluted earnings per share (C=A+B)	1,09,63,42,679	89,50,35,792	89,50,35,792	84,66,30,988	83,49,53,265	82,92,33,000
Profit after Tax attributable to equity shareholders [₹ in crore] (D)	231.89	138.18	75.89	42.21	240.04	225.47
Nominal Value of share [in ₹]	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00
Basic earnings per share [in ₹] (E=(D/A))	₹ 2.12	₹ 1.54	₹ 0.85	₹ 0.50	₹ 2.87	₹ 2.72
Diluted earnings per share [in ₹] (F=(D/C))	₹ 2.12	₹ 1.54	₹ 0.85	₹ 0.50	₹ 2.87	₹ 2.72

## 2. Return on Networth

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	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
	(IND-AS)	(IND-AS)	(IGAAP)	(IGAAP)	(IGAAP)	(IGAAP)
Net Profit after tax [₹ in crore] (A)	231.89	138.18	75.89	42.21	240.04	225.47
Average networth [₹ in crore] (B) <Refer Annexure 1A>	3,165.13	2,197.22	3,114.54	2,872.11	2,705.42	2,508.12
Return on networth (A/B)	7.33%	6.29%	2.44%	1.47%	8.87%	8.99%

## 3. Net Asset Value Per Equity Share

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	(IND-AS)	(IND-AS)	(IGAAP)	(IGAAP)	(IGAAP)	(IGAAP)
Number of equity shares (A)	1,25,53,00,609	98,99,13,695	98,99,13,695	89,20,87,609	84,62,54,276	82,92,33,000
Networth [₹ in crore] (B) <Refer Annexure 1A>	3,930.36	2,399.89	3,348.22	2,880.85	2,863.36	2,547.48
Net asset value per equity share (B/A)	31.31	24.24	33.82	32.29	33.84	30.72

## 4. Debt-equity ratio

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
	(IND-AS)	(IND-AS)	(IGAAP)	(IGAAP)	(IGAAP)	(IGAAP)
Debt [₹ in crore] (A) <Refer Annexure 1A>	24,423.40	22,449.69	21,193.46	20,545.60	20,198.14	17,696.50
Equity [₹ in crore] (B)	3,930.36	2,399.89	3,348.22	2,880.85	2,863.36	2,547.48
Debt-equity ratio (A/B)	6.21	9.35	6.33	7.13	7.05	6.95

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.

For and on behalf of **L&T Infrastructure Finance Company Limited**

In terms of our Report of factual findings in connection with agreed-upon procedures related to the Statement of Accounting Ratio of even date.

Sachinn Joshi  
Chief Financial Officer

Place: Mumbai  
Date: December 2, 2019

## Information Extracted From Reformatted Standalone Financial Statements

₹ in crore

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
		IND-AS	IND-AS	IND-AS	IGAAP	IGAAP	IGAAP	IGAAP
Share Capital		1,255.30	989.91	892.09	989.91	892.09	846.25	829.23
Reserve and Surplus		2,675.06	1,409.98	1,102.46	2,358.31	1,988.76	2,017.11	1,718.25
<b>Total Equity</b>	<b>a</b>	<b>3,930.36</b>	<b>2,399.89</b>	<b>1,994.55</b>	<b>3,348.22</b>	<b>2,880.85</b>	<b>2,863.36</b>	<b>2,547.48</b>
Less :								
Unamortised premium on loans/ debentures								
Deferred expenditure		-	-	-	-	-	-	-
<b>Total</b>	<b>b</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Networth (Refer Note a)</b>	<b>c=a-b</b>	<b>3,930.36</b>	<b>2,399.89</b>	<b>1,994.55</b>	<b>3,348.22</b>	<b>2,880.85</b>	<b>2,863.36</b>	<b>2,547.48</b>
<b>Average Networth (Refer Note b)</b>		<b>3,165.13</b>	<b>2,197.22</b>		<b>3,114.54</b>	<b>2,872.11</b>	<b>2,705.42</b>	<b>2,508.12</b>
Total Debt								
(i) Long-term borrowings		-	-	-	15,906.85	17,681.18	16,237.51	14,271.51
(ii) Short-term borrowings		-	-	-	2,350.42	939.35	1,282.87	183.20
(iii) Current maturities of long term borrowings		-	-	-	2,936.19	1,925.07	2,677.76	3,241.79
(iv) Debt securities		12,932.50	12,168.87	10,327.16	-	-	-	-
(v) Borrowings (Other than debt securities)		9,562.29	8,400.98	9,480.30	-	-	-	-
(vi) Subordinated Liabilities		1,928.61	1,879.84	1,811.56	-	-	-	-
<b>Total Debt</b>		<b>24,423.40</b>	<b>22,449.69</b>	<b>21,619.02</b>	<b>21,193.46</b>	<b>20,545.60</b>	<b>20,198.14</b>	<b>17,696.50</b>

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.

b) Average Networth means sum of opening and closing Networth divided by two.

c) 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 Financial Statements of the Company as at and for the year ended 31st March 2019 and Information in respect of financial years as at and for the year ended 31st March 2018, 31st March 2017, 31st March 2016 and 31st March 2015 have been traced to the underlying Reformatted Standalone Financial Statements dated 02 December 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 2013.

## 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 been no circumstances that materially or adversely affect 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 Finance Limited***

For further information, see the chapter titled "History, Main Objects and Key Agreements" on page 108.

- ii. ***Share Subscription and Share Purchase Agreement dated April 25, 2019 ("Share Subscription and Share Purchase Agreement") executed among our Company, L&T Infra Debt Fund Limited, APIS Growth II (Lavender) Limited, L&T Finance Holdings Limited and L&T Finance Limited***

For further information, see the chapter titled "History, Main Objects and Key Agreements" on page 108.

- iii. ***Change in tax rates***

Pursuant to the promulgation of the Taxation (Laws) Amendment Ordinance, 2019, an option was available to companies to avail a concessional tax rate of 25.17% (including surcharge and cess) for the year ended March 31, 2019 subject to specified deductions, incentives, and MAT credit etc. not being availed. Our Company will opt for lower tax rate of 25.17%. Our Company had undertaken accelerated provisions over the last 3 years which resulted in creation of deferred tax assets at the rate of 34.94%. Pursuant to the amendment, the deferred tax assets are to be revised at the rate of 25.17% leading to one-time Profit and Loss charge of 9.77% i.e. ₹ 257.75 crores, which has been accounted during the six months period ended September 30, 2019.

- iv. ***Private placement of Secured, Redeemable, Non-convertible Debentures***

Our Company has intimated NSE and BSE on November 26, 2019 regarding the proposed issue of secured, redeemable, non-convertible debentures of face value of ₹ 10,00,000 each, amounting to ₹ 1,250 crores, on a private placement basis.

## FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on September 30, 2019 are as follows:

Sr. No.	Nature of Borrowing	Amount (₹ in crore)	%
1.	Secured Borrowings	13,388.76	55.10%
2.	Unsecured Borrowings	10,910.19	44.90%
<b>Total borrowings</b>		<b>24,298.95</b>	<b>100.00%</b>

Particulars	As at Sep 30, 2019	%
Debt Securities	9,779.36	40.25%
Borrowings (Other than debt securities)	12,599.72	51.85%
Subordinated liabilities	1,919.87	7.90%
<b>Total borrowings</b>	<b>24,298.95</b>	<b>100%</b>

Set forth below, is a summary of the borrowings by our Company as at September 30, 2019 together with a brief description of certain significant terms of such financing arrangements.

### DETAILS OF SECURED BORROWINGS:

Our Company's secured borrowings (gross of unamortised discount of ₹ 0.00 crores and a gross premium of ₹ 0.00 crores) as on September 30, 2019 amount to ₹ 13,388.76 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 (as per sanction letter)
1.	Allahabad Bank	June 29, 2015	300.00	300.00	June 29, 2020	Term Loan to be repaid in bullet payment immediately at the end of 60 months from the date of each disbursement. Interest will be serviced separately on monthly basis, as and when due.
2.	Canara Bank	August 14, 2015	500.00	300.00	August 14, 2020	Repayment- 60 months from the date of each disbursement.
		August 28, 2015		200.00	August 28, 2020	
		September 28, 2015	500.00	250.00	September 28, 2020	
		September 30, 2015		100.00	September 30, 2020	
		December 02, 2015		150.00	December 02, 2020	
3.	HDFC Bank Limited	March 21, 2017	250.00	125.00	March 21, 2020	Repayment Initial Moratorium of 24 months repayment in 2 equal half yearly installment at the end of 30 <sup>th</sup> and 36 <sup>th</sup> month
4.	IIFCL	January 01, 2019	750.00	250.00	January 01, 2021	Repayment- three equal
				250.00	January 01, 2022	

				250.00	January 01, 2023	yearly installments after moratorium one year from the date of disbursement. Prepayment of refinance shall attract prepayment penalty of 2% of the outstanding balance refinance amount
		September 24, 2019	440.00	146.67	September 23, 2021	Repayment- 3 equal yearly installments from the date of disbursement.  The Borrower shall have an option to prepay in case the reset interest rate is not acceptable. In case of such prepayment ,the prepayment penalty 2% on the pre-paid amount shall not be levied if the prepayment is effected within 30 days of communication of the revised application reset interest.
				146.67	September 23, 2021	
				146.66	September 23, 2021	
5.	Karnataka Bank Ltd	March 31, 2017 March 16, 2018	400.00	300.00 100.00	March 31, 2020 March 31, 2020	Repayment in lumpsum on due date. i.e. 36 months.
6.	Punjab & Sind Bank	June 30, 2018	100.00	100.00	June 30, 2023	Repayment- 60 months i.e. 5 years from the date of first disbursement bullet repayment.
7.	State Bank of India	December 30, 2016 March 10, 2017 March 20, 2017	1,000.00	150.00 500.00 350.00	December 30, 2021 December 30, 2021 December 30, 2021	Bullet Repayment at the time of 5 <sup>th</sup> year from the date of first drawdown.

8.	Syndicate Bank	December 23, 2015	500.00	83.33	December 23, 2019	Repayment – The loan shall be repaid in 6 equal half yearly installments after completion of moratorium period of 2 years from the date of first drawdown/ drawdown of each tranche.
				83.33	June 23, 2020	
				83.35	December 23, 2020	
9.	Union Bank of India	September 29, 2014	500.00	25.00	December 31, 2019	Repayment- Quarterly, from succeeding quarter after moratorium period of 24 months. Interest to be services as and when charged, by end of the month.
				25.00	March 31, 2020	
				25.00	June 30, 2020	
				25.00	September 30, 2020	
				25.00	December 31, 2020	
				25.00	March 31, 2021	
		<b>TOTAL</b>	<b>5,240.00</b>	<b>4,515.01</b>		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 4,532.18 crores.

<b>Security</b>
<b>Allahabad Bank</b>
<i>Exclusive charge over specific book debts and future receivables of our Company. Security cover will be 1.10 times of the outstanding loan amount.</i>
<b>Canara Bank</b>
<i>Exclusive charge over specific future receivables of our Company. Security cover will be 1.11 times of the outstanding loan amount.</i>
<b>HDFC Bank Limited</b>
<i>Exclusive charge over specific receivables. The receivables hypothecated should not be overdue beyond 60 days.</i>
<b>IIFCL</b>
<i>The borrower shall endeavour to avoid having adverse balance (outstanding balance of refinance being over 80% of the o/s balance of the underlying project loans) in respect of refinance availed. In such a case, IIFCL reserves the right to levy additional Interest of 2% PA for the adverse balance period.</i>
<b>Karnataka Bank Ltd</b>
<i>Exclusive charge over specific book debts and future receivables of our Company. Security cover will be 1.10 times of the outstanding loan amount</i>
<b>Punjab &amp; Sind Bank</b>
<i>Exclusive charge over specific book debts and future receivables of our Company. Security cover will be 1.10 times of the outstanding loan amount.</i>
<b>State Bank of India</b>
<i>Exclusive charge over specific receivables/ book debts and future receivables of our 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.</i>
<b>Syndicate Bank</b>



<b>Security</b>
<i>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.</i>
<b>Union Bank of India</b>
<i>Exclusive charge over specific book debts and future receivables of our Company. Security cover will be 1.10 times of the outstanding loan amount.</i>

**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 (as per sanction letter)
1.	Allahabad Bank	January 28, 2019	450.00	125.00	January 28, 2020	Repayment a.) - On Demand
		September 23, 2019		325.00	September 08, 2020	
		March 11, 2019	500.00	200.00	March 11, 2020	Repayment b.) - Bullet Repayment at the end of the period of each drawdown. Maximum drawdown period 12 months for each tranche.
		May 29, 2019		300.00	May 29, 2020	
2.	Canara Bank	January 30, 2019	500.00	400.00	May 02, 2020	Repayment- Bullet repayment of each tranche of disbursement within a period of 15 months or at the end of 15 months (monthly interest to be paid as and when debited) Condition LOC facility will be reviewed before the expiry of 15 months from the sanction.
		April 03, 2019		100.00	July 03, 2020	Repayment- Bullet repayment of each tranche of disbursement within a period of 15 months or at the end of 15 months. (monthly interest to be paid as and

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule (as per sanction letter)
						when debited) Condition LOC facility will be reviewed before the expiry of 15 months from the sanction.
3.	Punjab & Sind Bank	January 15, 2019 September 21, 2018	200.00 (₹120.00 crores drawdown as WCDL)	1.00 78.00	April 15, 2020 December 21, 2019	Availability period of LOC limit of RS.200crs is for 12 months, the company can avail & pay the facility any number of times during said availability period. The facility would be availed for a minimum period of 180 days in a year.
4.	United Overseas Bank	July 24, 2019	100.00	50.00	October 22, 2019	Repayment on demand - Maximum tenor of each drawdown is 90 days.
	<b>Total</b>		<b>1,750.00</b>	<b>1,579.00</b>		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 1,579.00 crores.

<b>Security</b>
<b>Allahabad Bank</b>
<i>Exclusive first charge by way of hypothecation over specific book debts and future receivables of the Company that represents a security cover of 1.10 times the facility amount at all times.</i>
<b>Canara Bank</b>
<i>Exclusive charge over specific future receivables of the Company. Security cover will be 1.11 times of the outstanding loan amount.</i>
<b>Punjab and Sindh Bank</b>
<i>Exclusive charge by way of hypothecation over specific book debts and future receivables of the Company that represents a minimum-security cover of 1.0 time the facility amount at all times.</i>
<b>United Overseas Bank</b>
<i>New Exclusive hypothecation over book debts acceptable to the Bank. The book debts are to be charged in favour of United Overseas Bank Limited. The Borrower (or Security provider as the case may be ) shall execute a Hypothecation Agreement over all the book debts to be Pledged. The Borrower of Should maintain minimum asset coverage of 1.10 times at all times during the tenure of the facility.</i>

**Working Capital Demand Loans from Banks:**
*(₹ in crores)*

Lender's Name	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule (as per drawdown letter)
1.	ICICI Bank Limited	August 27, 2019	100.00	0.01	October 15, 2019	Maximum tenor of each tranche :90days or validity period of facility, whichever is earlier. Minimum tenor of each tranche: 7days. Principal amount of each tranche is to be repaid as bullet payment on the maturity date or in instalments as agreed upon, but within the validity period of the facility.
		September 30, 2019		81.66	November 18, 2019	
2.	Punjab & Sind Bank	August 30, 2019	200.00 (80.00 crores drawdown as LOC)	120.00	February 28, 2020	Bullet repayment after 90 days
	<b>Total</b>		<b>300.00</b>	<b>201.67</b>		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 201.69 crores.

<b>Security</b>
<b>ICICI Bank</b>
<i>The security for this facility is a first exclusive charge in favour of bank by way of hypothecation of the borrower's specific receivables</i>
<b>Punjab and Sindh Bank</b>
<i>Exclusive charge by way of hypothecation over specific book debts and future receivables of the Company that represents a minimum-security cover of 1.0 time the facility amount at all times.</i>

**Redeemable Non-Convertible Debentures (private placement):**

Our 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 ₹ 4,443.00 crores (excluding IND AS adjustments) 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	Issue Amount	Amount Outstanding as on Sep 30, 2019	Redemption Date
1.	Series "A" FY 2011-12	6210	CARE AAA, ICRA AAA	9.70%	October 18, 2011	10,00,000.00	500.00	500.00	October 18, 2028

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value	Issue Amount	Amount Outstanding as on Sep 30, 2019	Redemption Date
2.	Series "E" FY 2012-13	3652	CARE AAA, ICRA AAA	9.00%	January 11, 2013	10,00,000.00	450.00	450.00	January 11, 2023
3.	Series "C" FY 2013-14	3652	CARE AAA, ICRA AAA	8.35%	May 29, 2013	10,00,000.00	150.00	110.00	May 29, 2023
4.	Series "L" FY 14-15	1826	CARE AAA, ICRA AAA	9.15%	October 21, 2014	25,00,000.00	20.00	10.50	October 21, 2019
5.	SERIES "T" FY 14-15 OPT II	1826	CARE AAA, ICRA AAA	8.65%	January 21, 2015	25,00,000.00	200.00	145.00	January 21, 2020
6.	Series "B" FY 15-16	1827	CARE AAA, ICRA AAA	8.70%	April 20, 2015	25,00,000.00	200.00	101.50	April 20, 2020
7.	Series "E" FY 15-16	1827	CARE AAA, ICRA AAA	8.70%	April 27, 2015	25,00,000.00	100.00	33.25	April 27, 2020
8.	Series "J" of FY 2015-16 - Option 1	1827	CARE AAA, ICRA AAA	8.84%	May 19, 2015	25,00,000.00	100.00	31.00	May 19, 2020
9.	Series "J" of FY 2015-16 - Option 3	3653	CARE AAA, ICRA AAA	8.84%	May 19, 2015	25,00,000.00		44.50	May 19, 2025
10.	Series "K" of FY 2015-16 - Option 1	1827	CARE AAA, ICRA AAA	8.81%	May 22, 2015	25,00,000.00	150.00	15.00	May 22, 2020
11.	Series "K" of FY 2015-16 - Option 2	2555	CARE AAA, ICRA AAA	8.81%	May 22, 2015	25,00,000.00		11.00	May 20, 2022
12.	Series "L" of FY 2015-16 - Option 1	1827	CARE AAA, ICRA AAA	8.81%	May 25, 2015	25,00,000.00	125.00	10.00	May 25, 2020
13.	Series "M" of FY 2015-16 - Option 1	2557	CARE AAA, ICRA AAA	8.81%	May 26, 2015	25,00,000.00	50.00	15.00	May 26, 2022
14.	Series "M" of FY 2015-16 - Option 2	3653	CARE AAA, ICRA AAA	8.85%	May 26, 2015	25,00,000.00		20.00	May 26, 2025
15.	Series "N" of FY 2015-	1827	CARE AAA,	8.81%	May 29, 2015	25,00,000.00	100.00	40.00	May 29, 2020

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value	Issue Amount	Amount Outstanding as on Sep 30, 2019	Redemption Date
	16 - Option 1		ICRA AAA						
16.	Series "N" of FY 2015-16 - Option 2	2555	CARE AAA, ICRA AAA	8.81%	May 29, 2015	25,00,000.00		11.00	May 27, 2022
17.	Series "R" of FY 2015-16	3653	CARE AAA, ICRA AAA	8.84%	June 5, 2015	25,00,000.00	75.00	50.00	June 5, 2025
18.	Series "U" of FY 2015-16 - Option 6	1827	CARE AAA, ICRA AAA	8.87%	July 17, 2015	25,00,000.00	400.00	7.00	July 17, 2020
19.	Series "W" of FY 2015-16 - Option 5	1827	CARE AAA, ICRA AAA	8.82%	August 7, 2015	25,00,000.00	350.00	20.00	August 7, 2020
20.	Series "W" of FY 2015-16 - Option 6	2555	CARE AAA, ICRA AAA	8.82%	August 7, 2015	25,00,000.00		10.00	August 5, 2022
21.	Series "Y" of FY 2015-16 - Option 2	1827	CARE AAA, ICRA AAA	8.82%	September 4, 2015	25,00,000.00	100.00	20.00	September 4, 2020
22.	"AE" of FY 2015-16 - Option 2	1827	CARE AAA, ICRA AAA	8.62%	October 16, 2015	25,00,000.00	100.00	51.50	October 16, 2020
23.	"AG" of FY 2015-16	2555	CARE AAA, ICRA AAA	8.60%	November 13, 2015	25,00,000.00	30.00	18.00	November 11, 2022
24.	"AI" of FY 2015-16 - Option 2	1827	CARE AAA, ICRA AAA	8.65%	December 16, 2015	25,00,000.00	50.00	27.00	December 16, 2020
25.	"AJ" of FY 2015-16 - Option 2	3651	CARE AAA, ICRA AAA	8.75%	February 8, 2016	25,00,000.00	100.00	52.00	February 6, 2026
26.	"AK" of FY 2015-16	2556	CARE AAA, ICRA AAA	8.80%	March 16, 2016	25,00,000.00	50.00	10.00	March 16, 2023
27.	"AN" of FY 2015-16 - Option 2	1826	CARE AAA, ICRA AAA	8.80%	March 29, 2016	25,00,000.00	200.00	25.00	March 29, 2021
28.	"A" of FY 2016-17 - Option 2	1826	CARE AAA, ICRA AAA	8.75%	April 13, 2016	25,00,000.00	200.00	120.00	April 13, 2021

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value	Issue Amount	Amount Outstanding as on Sep 30, 2019	Redemption Date
29.	"B" of FY 2016-17 - Option 3	1826	CARE AAA, ICRA AAA	8.70%	April 21, 2016	25,00,000.00	150.00	45.25	April 21, 2021
30.	"G" of FY 2016-17 - Option 5	1271	CARE AAA	8.73%	July 15, 2016	25,00,000.00	350.00	5.50	January 7, 2020
31.	"N" of FY 2016-17 - Option 1	1310	CARE AAA, ICRA AAA	8.30%	August 25, 2016	25,00,000.00	150.00	50.00	March 27, 2020
32.	"N" of FY 2016-17 - Option 2	1401	CARE AAA, ICRA AAA	8.30%	August 25, 2016	25,00,000.00		100.00	June 26, 2020
33.	"O" of FY 2016-17	1461	CARE AAA, ICRA AAA	8.30%	September 2, 2016	25,00,000.00	100.00	100.00	September 2, 2020
34.	"Q" of FY 2016-17	1551	CARE AAA, ICRA AAA	8.26%	September 15, 2016	25,00,000.00	150.00	150.00	December 14, 2020
35.	"S" of FY 2016-17	1824	CARE AAA, ICRA AAA	7.80%	October 24, 2016	25,00,000.00	100.00	25.00	October 22, 2021
36.	"T" of FY 2016-17	3652	CARE AAA, ICRA AAA	7.95%	November 16, 2016	25,00,000.00	75.00	47.00	November 16, 2026
37.	"W" of FY 2016-17	1826	CARE AAA, ICRA AAA	7.95%	March 3, 2017	25,00,000.00	50.00	20.00	March 3, 2022
38.	"X" of FY 2016-17	1095	CARE AAA	7.90%	March 21, 2017	25,00,000.00	300.00	200.00	March 20, 2020
39.	"A" of FY 2017-18	2699	ICRA AAA	7.59%	June 29, 2017	10,00,000.00	668.00	667.00	November 18, 2024
40.	"C" of FY 2017-18	1096	CARE AAA	7.75%	July 21, 2017	25,00,000.00	300.00	220.00	July 21, 2020
41.	"D" of FY 2017-18 opt I	1122	CARE AAA, ICRA AAA	7.67%	July 25, 2017	25,00,000.00	500.00	90.00	August 20, 2020
42.	"D" of FY 2017-18 opt II	1848	CARE AAA, ICRA AAA	7.80%	July 25, 2017	25,00,000.00		205.00	August 16, 2022
43.	"E" of FY 2017-18	1826	CARE AAA, ICRA AAA	7.65%	August 30, 2017	25,00,000.00	150.00	50.00	August 30, 2022

Sr. No.	Description (Debenture series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value	Issue Amount	Amount Outstanding as on Sep 30, 2019	Redemption Date
44.	"F" of FY 2017-18	1104	CARE AAA, ICRA AAA	7.50%	September 13, 2017	25,00,000.00	300.00	210.00	September 21, 2020
45.	"A" of FY 2018-19	526	CARE AAA, INDIA RATINGS AAA	8.34%	July 19, 2018	10,00,000.00	500.00	300.00	December 27, 2019
	<b>Total</b>						<b>7,643.00</b>	<b>4,443.00</b>	

*\*Security: First pari-passu mortgage/charge on leasehold rights over the immovable property situated in the 2nd Floor, TCTC Building at P. B. No. 979, Mount Poonamallee Road, Manapakkam, Chennai 600 089. and an exclusive charge over present and future specific receivables of the Company.*

*The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 4593.29 crores.*

#### **Redeemable non-convertible debentures (public issue):**

Our Company has issued secured redeemable non-convertible debentures of face value of ₹ 1,000 each through public issue of which ₹ 1,337.72 crores is outstanding as on September 30, 2019 the details of which are set forth below\*:

**Credit Rating:** 'CARE AAA' by CARE and 'AAA' by ICRA

(₹ in crores)

Sr. No.	Description	ISIN	Tenor/ Period of Maturity (Days)	Coupon (per annum)	Issue Amount	Amount outstanding as on Sep 30, 2019	Redemption/ Maturity Date
1	Series 2010A – Scheme 1	INE691107166	3,653	7.75%	256.22	17.33	December 2, 2020
2	Series 2010A – Scheme 2	INE691107174	3,653	7.75%		39.42	December 2, 2020
3	Series 2010A – Scheme 3	INE691107182	3,653	7.50%		51.04	December 2, 2020
4	Series 2010A – Scheme 4	INE691107190	3,653	7.50%		108.62	December 2, 2020
5	Series 2011A – Scheme 1	INE691107224	3,653	8.20%	400.00	69.19	March 23, 2021
6	Series 2011A – Scheme 2	INE691107232	3,653	8.30%		235.14	March 23, 2021
7	Series 2011B – Scheme 1	INE691107265	3,653	9.00%	529.40	124.05	January 10, 2022
8	Series 2011B – Scheme 2	INE691107273	3,653	9.00%		306.68	January 10, 2022
9	Series 2012A – Scheme 1	INE691107299	3,652	8.70%	478.85	100.92	March 24, 2022
10	Series 2012A – Scheme 2	INE691107307	3,652	8.70%		285.34	March 24, 2022
	<b>Total</b>				<b>1,664.47</b>	<b>1,337.72</b>	

*\*Security: Exclusive first charge on specific receivables of the Company with an asset cover of 1 time of the total outstanding amount of Tranche 1 Bonds, as may be agreed between the Company and the Trustees for the Debenture holders and first pari-passu mortgage/charge on the leasehold rights on 2nd Floor, TCTC Building at P. B. No. 979, Mount Poonamallee Road, Manapakkam, Chennai 600 089.*

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 2,260.79 crores.

#### Collateralised Borrowing and Lending Obligations

As on September 30, 2019 we have outstanding borrowings of ₹NIL- crores from Collateralised Borrowing and Lending Obligations (“CBLO”) and NIL crores by way of External Commercial Borrowings

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is NIL - crores and crores of CBLO and External Commercial Borrowings respectively.

#### Corporate Bond Repo:

(₹ in crores)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on Sep 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
1.	HSBC Limited	May 3, 2019	128.21	128.21	December 4, 2019	Bullet Repayment
2.	HSBC Limited	May 3, 2019	85.47	85.47	December 4, 2019	Bullet Repayment
	<b>Total</b>		<b>213.68</b>	<b>213.68</b>		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 221.81 crores.

Security- Corporate Bond Repo are secured against specific corporate bonds.

#### DETAILS OF UNSECURED BORROWINGS:

Our Company's unsecured borrowings as on September 30, 2019 amount to ₹ 10,910.00 crores (excluding IND AS adjustments). The details of the individual borrowings are set out below:

#### Subordinated Debts:

Our Company has issued subordinated debts each on a private placement basis of which ₹ 2067.50 crores (excluding 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	Face Value (in ₹)	Issue Amount	Amount Outstanding as on Sep 30, 2019	Redemption Date
1.	Sub Debt Series “J” FY 13-14	3,652	CARE AAA, ICRA AAA	9.73%	January 31, 2014	10,00,000.00	50.00	25.00	January 31, 2024
2.	Sub Debt Series “K” FY 13-14	3,651	CARE AAA, ICRA AAA	9.73%	February 10, 2014	10,00,000.00	20.00	20.00	February 9, 2024
3.	Sub Debt Series “L” FY 13-14	3,656	CARE AAA, ICRA AAA	9.73%	February 18, 2014	10,00,000.00	40.00	20.00	February 16, 2024
4.	Sub Debt Series “M” FY 13-14	3,653	CARE AAA, ICRA AAA	9.73%	March 14, 2014	10,00,000.00	30.00	30.00	March 14, 2024
5.	Sub Debt Series “O” FY 13-14	3,653	CARE AAA, ICRA AAA	9.73%	March 4, 2014	10,00,000.00	5.00	5.00	March 4, 2024
6.	Sub Debt Series "A" 2012-13	3,651	CARE AAA, ICRA AAA	9.90%	April 30, 2012	5,00,000.00	200.00	200.00	April 29, 2022



Sr. No	Description (Debt series)	Tenor/ Period of Maturity (Days)	Latest Credit Rating	Coupon	Date of Allotment	Face Value (in ₹)	Issue Amount	Amount Outstanding as on Sep 30, 2019	Redemption Date
7.	Sub Debt Series "N" 2014-15	3653	CARE AAA, ICRA AAA	9.10%	November 13, 2014	10,00,000.00	100.00	100.00	November 13, 2024
8.	Sub Debt Series "S" FY 2014-15	3,651	CARE AAA, ICRA AAA	8.75%	January 19, 2015	10,00,000.00	125.00	125.00	January 17, 2025
9.	Sub Debt Series "U" FY 2014-15	3,653	CARE AAA, ICRA AAA	8.75%	February 18, 2015	10,00,000.00	225.00	225.00	February 18, 2025
10.	Sub debt "A" of FY 2015-16	3,654	CARE AAA, ICRA AAA	8.90%	April 17, 2015	10,00,000.00	100.00	100.00	April 17, 2025
11.	Sub debt "C" of FY 2015-16	3653	CARE AAA, ICRA AAA	8.90%	April 21, 2015	10,00,000.00	135.00	79.50	April 21, 2025
12.	Sub debt "D" of FY 2015-16	3,653	CARE AAA, ICRA AAA	8.90%	April 22, 2015	10,00,000.00	55.00	45.00	April 22, 2025
13.	Sub debt "G" of FY 2015-16	3,653	CARE AAA, ICRA AAA	8.90%	April 29, 2015	10,00,000.00	75.00	75.00	April 29, 2025
14.	Sub debt "I" of FY 2015-16	3,653	CARE AAA, ICRA AAA	8.90%	May 15, 2015	10,00,000.00	125.00	43.00	May 15, 2025
15.	Sub Debt "P" of FY 2015-16	3,653	CARE AAA, ICRA AAA	8.87%	June 3, 2015	10,00,000.00	75.00	60.00	June 3, 2025
16.	Sub Debt "AB" of FY 2015-16	3,653	CARE AAA, ICRA AAA	8.90%	September 15, 2015	10,00,000.00	20.00	20.00	September 15, 2025
17.	Sub Debt "H" of FY 2016-17	3,652	CARE AAA, ICRA AAA	8.78%	July 21, 2016	10,00,000.00	150.00	80.00	July 21, 2026
18.	Sub Debt "K" of FY 2016-17	5,477	CARE AAA, ICRA AAA	8.65%	August 9, 2016	10,00,000.00	75.00	25.00	August 8, 2031
19.	Sub Debt "L" of FY 2016-17	5,478	CARE AAA, ICRA AAA	8.63%	August 12, 2016	10,00,000.00	50.00	25.00	August 12, 2031
20.	Sub Debt "P" of FY 2016-17	5,476	CARE AAA, ICRA AAA	8.55%	September 7, 2016	10,00,000.00	30.00	20.00	September 5, 2031
21.	Sub Debt "U" of FY 2016-17	3,652	CARE AAA, ICRA AAA	8.05%	January 4, 2017	10,00,000.00	200.00	125.00	January 4, 2027
22.	Sub Debt "V" of FY 2016-17	3,651	CARE AAA, ICRA AAA	8.05%	January 30, 2017	10,00,000.00	50.00	15.00	January 29, 2027
23.	Sub Debt "B" of FY 17-18	4,382	CARE AAA, ICRA AAA	7.80%	July 14, 2017	10,00,000.00	100.00	60.00	July 13, 2029
24.	Sub Debt "B" of FY 18-19	3,653	CARE AAA, ICRA AAA	9.10%	October 31, 2018	10,00,000.00	150.00	45.00	October 31, 2028

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 Sep 30, 2019	Redemption Date
25.	"Y" of FY 2016-17	1,152	CARE AAA, ICRA AAA	8.19%	March 30, 2017	25,00,000.00	500.00	500.00	May 25, 2020
	<b>TOTAL</b>						<b>2,685.00</b>	<b>2,067.50</b>	

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 2,243.34 crores.

Our 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	Issue amount	Date of Allotment	Amount Outstanding as on Sep 30, 2019	Redemption Date
1	Perpetual Series "I" FY 13-14	3,652	CARE AA, ICRA AA	10.35%	50.00	January 29, 2014	50.00	January 29, 2024
2	Perpetual "X" of FY 2015-16	3,653	CARE AA, ICRA AA	9.90%	150.00	August 27, 2015	150.00	August 27, 2025
3	Perpetual "AL" of FY 2015-16	3,652	CARE AA, ICRA AA	9.50%	50.00	March 18, 2016	50.00	March 18, 2026
4	Perpetual "AO" of FY 2015-16	3,652	CARE AA, ICRA AA	9.50%	30.00	March 30, 2016	30.00	March 30, 2026
					<b>280.00</b>		<b>280.00</b>	

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 286.06 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 (as per sanction letter)
1.	Bank of Maharashtra	December 26, 2018	500.00	424.00	March 26, 2020	Repayment- Bullet payment at the end of period of each drawdown. Each drawdown to be for tenor of 15 months. Minimum utilization should be for a period of 60 days in 12 months with 3 days in each month.
		April 05, 2019		27.00	July 05, 2020	
		April 09, 2019		7.00	July 09, 2020	
		April 12, 2019		39.00	July 12, 2020	
2.	Oriental Bank of Commerce	September 24, 2018	300.00 (180 crores drawdown as WCDL)	120.00	December 24, 2019	Repayment- Each drawdown to be for a tenor of 15 months with right to prepayment after 3 days. Minimum assured utilisation of the revolving credit

						facility will be for 60 days in a year.
3.	Union Bank of India	March 11, 2019	1000.00	505.00	September 11, 2020	Repayment- The borrower shall repay the said facility to the bank by bullet payment at the end of the 18 months of the period of each drawl.
		June 26, 2019		10.00	December 26, 2020	
		July 15, 2019		56.00	July 15, 2020	
		July 16, 2019		30.00	July 16, 2020	
		July 18, 2019		16.00	July 17, 2020	
		July 22, 2019		116.00	July 22, 2020	
		July 24, 2019		265.00	July 24, 2020	
		May 04, 2019	500.00	12.00	August 04, 2020	Repayment- The borrower shall repay the said facility to the bank by bullet payment at the end of the 15 months of the period of each drawl.
		July 25, 2019		10.00	July 24, 2020	
		August 1, 2019		230.00	July 31, 2020	
		August 13, 2019		245.00	August 13, 2020	
4.	Bank of Baroda	June 19, 2019	500.00	500.00	September 19, 2020	Repayment- Bullet payment at the end of the period of each drawl of 15 months.
		August 13, 2019	750.00	397.00	August 13, 2020	
		August 14, 2019		17.00	August 14, 2020	
		August 16, 2019		258.00	August 16, 2020	
		August 21, 2019		75.00	August 21, 2020	
	<b>Total</b>		<b>3,550.00</b>	<b>3,359.00</b>		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 3,359.29 crores.

#### Cash Credit from Banks:

(₹ in crores)

Sr. No.	Particulars	Date of Disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Repayment schedule
1.	IDBI Bank Limited	September 30, 2019	225.00	192.02	Repayable on demand. (Tenor 12 months line)
	<b>Total</b>		<b>225.00</b>	<b>192.02</b>	

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 192.44 crores

#### Working Capital Demand Loans from Banks:

(₹ in crores)

Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule
Oriental Bank of Commerce	September 16, 2019	300.00 (120 crores drawdown as LOC)	180.00	December 4, 2019	Buller Repayment after 79 days.
<b>Total</b>		<b>180.00</b>	<b>180.00</b>		

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 180.00 crores.

#### Fixed Deposits placed with banks:

(₹ in crores)

Sr. No.	Bank Name	Fixed Deposit receipt date	Rate of Interest	Amount outstanding as on September 30, 2019	Maturity date	Repayment schedule
1.	ICICI Bank Ltd	September 30, 2019	5.40%	45.00	December 27, 2019	Bullet Repayment at maturity.
2.	ICICI Bank Ltd	September 30, 2019	5.60%	21.75	January 21, 2020	Bullet Repayment at maturity.
3.	IDBI Bank Ltd	September 30, 2019	5.00%	1.58	October 21, 2019*	Bullet Repayment at maturity.
4.	IDBI Bank Ltd	September 30, 2019	5.46%	30.00	March 20, 2020	Bullet Repayment at maturity.
5.	IDBI Bank Ltd	September 30, 2019	5.46%	7.50	March 27, 2020	Bullet Repayment at maturity.
6.	IDBI Bank Ltd	September 30, 2019	5.75%	0.83	January 7, 2020	Bullet Repayment at maturity.
	<b>Total</b>			<b>106.66</b>		

\* The said fixed deposit has been realised as on date of this Draft Shelf Prospectus.

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 106.66 crores.

#### Corporate Guarantee

The Company has issued corporate guarantee on behalf of its customers amounting to ₹ 110.72 crores as on September 30, 2019

#### Commercial Paper:

Our Company has issued unsecured Commercial Paper of face value of ₹ 5,00,000 each on a private placement basis of which ₹ 2,315.75 crores (gross of unamortised discount of ₹ 34.25 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 Sep 30, 2019 (Net of Unamortised Discount)	Maturity Date	Repayment Terms
1	INE691I14IF6	300.00	293.20	January 17, 2020	Bullet Repayment at maturity.
2	INE691I14IJ8	50.00	48.51	February 20, 2020	Bullet Repayment at maturity.
3	INE691I14IX9	200.00	197.94	November 22, 2019	Bullet Repayment at maturity.
4	INE691I14IY7	200.00	197.80	November 26, 2019	Bullet Repayment at maturity.
5	INE691I14IY7	200.00	197.80	November 26, 2019	Bullet Repayment at maturity.
6	INE691I14IZ4	300.00	296.36	December 2, 2019*	Bullet Repayment at maturity.
7	INE691I14JB3	100.00	97.94	January 10, 2020	Bullet Repayment at maturity.
8	INE691I14JB3	150.00	146.91	January 10, 2020	Bullet Repayment at maturity.
9	INE691I14JC1	150.00	145.75	February 27, 2020	Bullet Repayment at maturity.
10	INE691I14IY7	600.00	594.46	November 26, 2019	Bullet Repayment at maturity.
11	INE691I14IY7	100.00	99.08	November 26, 2019	Bullet Repayment at maturity.
		<b>2,350.00</b>	<b>2,315.75</b>		

\* repaid

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 2,315.75 crores.

### Letters of Credit /Bank Guarantees

As on September 30, 2019, our 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	Canara Bank	July 11, 2019	250.00	-	163.59	3 years for capital expenditure and 1 year for non-capital expenditure
2	IDBI Bank Limited	April 20, 2018	225.00	-	-	360 days for working capital and 3 years for capital expenditure
3	IndusInd Bank	November 8, 2017	650.00	257.15	28.5	360 days from date of shipment
	<b>Total</b>		<b>1,125.00</b>	<b>257.15</b>	<b>192.09</b>	

As on September 30, 2019, our Company has been issued letters of credit on behalf of its customers amounting to ₹ 257.15 crores and bank guarantees amounting ₹ 192.09 crores.

As on September 30, 2019, our Company has issued letters of comfort on behalf of its customers amounting to ₹ 461.45 crore.

### Inter-Corporate Deposits

As on September 30, 2019, our Company has the following inter-corporate deposits as disclosed below:

(₹ in Crores)					
Sr. No.	Lender's Name	Date of disbursement	Rate of Interest	Maturity date	Amount outstanding as on September 30, 2019
1.	L&T Investment MGT Limited	September 13, 2019	9.50%	December 13, 2020	207.60
2.	L&T Investment MGT Limited	September 16, 2019	9.50%	December 16, 2020	13.00
3.	L&T Investment MGT Limited	September 17, 2019	9.50%	December 17, 2020	14.00
4.	L&T Investment MGT Limited	September 27, 2019	9.50%	December 27, 2020	70.00
5.	L&T Housing Finance Limited	September 27, 2019	9.50%	December 27, 2020	125.00
6.	L&T Finance Holdings Limited	September 20, 2019	9.50%	October 31, 2019	98.00
7.	L&T Finance Holdings Limited	September 20, 2019	9.50%	October 31, 2019	150.00
8.	L&T Finance Holdings Limited	September 27, 2019	9.50%	October 31, 2019	22.86
9.	L&T Finance Holdings Limited	September 30, 2019	9.50%	October 31, 2019	330.00
10.	L&T Finance Limited	September 30, 2019	9.50%	December 30, 2020	300.00
11.	Larsen & Toubro Limited	September 27, 2019	9.00%	December 24, 2020	1,000.00
	<b>Total</b>				<b>2,330.46</b>

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 2,333.30 crores.

As on September 30, 2019, save and except as disclosed under this section titled '*Financial Indebtedness*', there are no outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.

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 for our Company, Subsidiaries, Associate, Group Companies (except Larsen & Toubro Limited, Larsen & Toubro Infotech Limited, L&T Finance Limited and Nabha Power Limited) as material litigation:

- i. all pending proceedings whether civil, arbitral, or otherwise, of value exceeding 5% of the consolidated Profit after Tax of our Company on a consolidated basis as on March 31, 2019, i.e. more than ₹ 11.59 crores;
- ii. all criminal proceedings whether complaints, first information reports (“FIR”), bail applications or otherwise wherein our Company is a party; and
- iii. 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.

Further, in relation to the Group Companies listed out below, for the purpose of disclosures in this Draft Shelf Prospectus, all pending proceedings whether civil, arbitral, or otherwise, of value exceeding such amount as provided below have been identified as material:

(₹ in crore)		
Sr. No.	Name of the Group Company	Materiality
i.	Larsen & Toubro Limited	100.00
ii.	Larsen & Toubro Infotech Limited	As per the board approved materiality threshold
iii.	L&T Finance Limited	42.30
iv.	Nabha Power Limited	100.00

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. Litigation involving our Company

Except as disclosed below, there are no other important legal proceedings involving our Company.

### (a) Civil proceedings

#### • Against our Company

NIL

#### • By our Company

1. Our Company has filed an original application numbered 122 of 2017 under section 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 before the Debt Recovery Tribunal, Chennai (“**Tribunal**”) against Surana Power Private Ltd (“**Borrower**”) and its guarantors, G.R. Surana, Vijayraj Surana, Shantilal Surana, Dinesh Chand Surana and Surana Industries Limited (“**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 our Company 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. State Bank of India filed a company petition against GET Power Limited in the NCLT, Chennai under Section 7 of the Insolvency and Bankruptcy Board. Our Company being one of the creditors of GET Power Limited, has filed a claim of amount of ₹ 26.16 crores. Mr. Balakrishnan Venkatachalam was appointed as the Resolution Professional and the corporate insolvency resolution process is ongoing. The matter is currently pending.
3. M/s Gimpex Private Limited filed a petition (C.P No. 646/(IB)/ CB of 2017) against M/s Surana Power Limited (“**Corporate Debtor**”) pursuant to which corporate insolvency process was initiated against the Corporate Debtor vide order dated February 19, 2018. The Adjudicating Authority vide order dated January 22, 2019 passed an order for commencement of liquidation of the Corporate Debtor. Accordingly, Our Company has filed its claim form (Form D) for an amount of Rs. 147,57 crores with the Liquidator of the Corporate Debtor and the matter is currently pending.
4. Our Company has filed an Original Application bearing number 104/2015 before the Debt Recovery Tribunal, Chennai (“**Tribunal**”) against G.E.T. Power Limited and the Guarantors, namely Mr. Ajay Kumar Bishnoi, Mr. Amul Gabrani and Hythro Power Corporation Limited (“**Guarantors**”). The said Original Application was decreed in favour of Our Company on July 31, 2017, pursuant to which recovery proceedings have been initiated before the Recovery Officer, Debt Recovery Tribunal, Chennai. The matter is currently pending.
5. Our Company has filed an original application under section 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, 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 ₹ 46.68 crores. The matter is at the stage of evidence, wherein our Company has completed its evidence and the matter was 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. The matter is currently pending.
6. A moratorium on Aircel Cellular Limited, the corporate debtor (“**Corporate Debtor**”) is going on under the Insolvency and Bankruptcy Code. Our Company has submitted its Form C with its claim of ₹ 214.22 crores on June 4, 2018, against the Corporate Debtor. A resolution plan approved by the committee of creditors is pending with the NCLT, Mumbai for its final approval.
7. A moratorium on Aircel Limited, the corporate debtor (“**Corporate Debtor**”) is going on under the



Insolvency and Bankruptcy Code. Our Company has submitted its Form C with its claim of ₹ 214.22 crores, on June 4, 2018, against the Corporate Debtor. A resolution plan approved by the committee of creditors is pending with the NCLT, Mumbai for its final approval.

8. A moratorium on Dishnet Wireless Limited, the corporate debtor ("**Corporate Debtor**") is going on under the Insolvency and Bankruptcy Code. Our Company has submitted its Form C with its claim of ₹ 214.22 crores on June 4, 2018, against the Corporate Debtor. A resolution plan approved by the committee of creditors is pending with the NCLT, Mumbai for its final approval.
9. Our Company has filed an original application numbered 776 of 2017 against EMTA Coal Limited ("**Borrower**") and its personal guarantor i.e. Mr. Ujjal Kumar Upadhyay, 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 Private Limited ("**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. Our Company filed an application numbered CP(IB)462/7/HDB/2018 ("**Application**") against Icomm Tele Limited ("**Borrower**") under Section 7 of the Insolvency and 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 ₹ 44.55 crores against the Borrower. The resolution plan proposed in the present account has been approved by the CoC and later by NCLT. The matter is currently pending.
12. Our Company has filed an application numbered CP(IB)672/7/HDB/2018 against RVK Energy and Infrastructure Private Limited ("**Borrower**") under Section 7 of the Insolvency and Bankruptcy Code before the National Company Law Tribunal, Hyderabad ("**Tribunal**") to initiate corporate insolvency resolution process for a claim amounting to ₹ 30.97 crores. The application is currently pending admission.
13. Our Company has filed an application numbered CP(IB)674/7/HDB/2018 against KVK Energy and Infrastructure Private Limited ("**Borrower**") under Section 7 of the Insolvency and Bankruptcy Code before the National Company Law Tribunal, Hyderabad ("**Tribunal**") to initiate corporate insolvency resolution process for a claim amounting to ₹ 30.97 crores. The application is currently pending admission.
14. Our Company has filed an original application numbered 2556/2017 (417/2016) along with the consortium of lenders against Vibha Agrotech Limited ("**Borrower**") before the Debt Recovery Tribunal, Hyderabad ("**Tribunal**") for a claim of ₹ 24.68 crores. The matter is at the stage of evidence and is currently pending.
15. Our Company has filed an original application numbered 328 of 2015 under section 19 of the Recovery of Debts due to Banks and Financial Institution Act, 1993, against Hanjer Biotech Mira Private Ltd ("**Borrower**") and Irfan Ashraf Furniturewala, Nazim Ashraf Furniturewala, Nadeem Ashraf Furniturewala, Nuzhat Irfan Furniturewala, Hanjer Biotech Energies Private Limited and Hanjer Biotech Private Limited ("**Guarantors**") before the Debt Recovery Tribunal, Delhi for a claim of ₹ 26.97 crores. The application, *inter-alia*, prays for issuance of recovery certificate for the claim amount and other reliefs as against the Guarantors. Interim orders were passed in 2015 and 2016 on the application for injunction against disposal of assets of the Guarantors. The Tribunal in 2018 had dismissed an application filed by the Borrower to cross examine the witness of our Company. The matter is currently pending for final hearing.

16. Our Company has filed an original application numbered 1243 of 2011 under section 19 of the Recovery of Debts due to Banks and Financial Institution Act, 1993 against IDEB Projects Private Ltd and Harkirat Singh Bedi ("**Borrowers**") before the Debt Recovery Tribunal, Mumbai for a claim of ₹ 40.52 crores. The application, *inter-alia*, prays for issuance of recovery certificate for the claim amount. The secured assets were being sold under the Memorandum of Understanding ("**MOU**") whereby the sale proceeds were being shared amongst Jindal Holidays (Broker) and SBI (lead of WCTL Lenders). However, our Company terminated the MOU in 2018. The said application is proposed to be revived for initiating action against the personal guarantor Mr. Bedi. The matter is currently pending.
17. 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 against IDEB Projects Private 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 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.
18. 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 was admitted and the CIRP is going on. Our Company 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.
19. An application numbered CP(IB)1765/MB/2018 to initiate corporate insolvency resolution process 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 corporate insolvency resolution process is going on. Our Company has submitted Form C with a claim of ₹ 262.59 crores against the Corporate Debtor in its capacity as a Corporate Guarantor to our Company for the financial assistance provided by it 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.
20. An application numbered CP(IB)1765/MB/2018 to initiate corporate insolvency resolution process 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 corporate insolvency resolution process is going on. Our Company has submitted Form C with a claim of ₹ 304.28.12 crores against the Corporate Debtor in its capacity as a Corporate Guarantor to LTIFL the financial assistance provided by it to Warasgaon Power Supply Limited ("**Borrower**"). The Resolution Applicants have submitted their Resolution Plans. The matter is currently pending.
21. An application numbered CP 1757/I&BP/NCLT/MAH/2018 was filed to initiate corporate insolvency resolution process against Warasgaon Assets Maintenance Limited ("**Borrower**") before National Company Law Tribunal, Mumbai. The application was admitted and the corporate insolvency resolution process is going on. Our Company has filed a claim of ₹ 274.65 crores. The matter is currently pending.
22. Our Company has filed an original application numbered 341 of 2017 under section 19 of the Recovery of Debts due to Banks and Financial Institution 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 Private Limited ("**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.
23. In relation to the financial assistance granted to Gupta Global Resources Private Limited 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 Private Limited has been approved by all the lenders which shall be further put before the NCLT. The matter is currently pending.

24. In relation to the financial assistance granted to Gupta Global Resources Private Limited ("**Borrower**") by our Company, In light of the liquidation of the Gupta Corporation Private Limited, the Corporate Guarantor to the Borrower our Company has filed a claim under section 10 of the Insolvency and Bankruptcy Code, 2016 in NCLT, Mumbai against Gupta Corporation Limited for a claim amount of ₹ 93.89 crores. The matter is currently pending.
25. In relation to the financial assistance granted to Gupta Global Resources Private Limited ("**Borrower**") by our Company, In light of the liquidation of the Gupta Coal India Private Limited, the Corporate Guarantor to the Borrower our Company has filed a claim under section 10 of the Insolvency and Bankruptcy Code, 2016 in NCLT, Mumbai against Gupta Corporation Limited for a claim amount of ₹ 92.10 crores. The matter is currently pending.
26. 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. The matter is currently pending.
27. The National Company Law Tribunal, Allahabad ("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 National Company Law Appellate Tribunal, Delhi ("NCLAT") challenging the order dated May 16, 2018. Our Company 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. The matter is currently pending.
28. Our Company 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 India Limited 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 ₹ 0.0617 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 ₹ 0.0617 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. The matter is currently pending.

29. Company 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 Bareilly 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. Applications for withdrawal of the intervention applications have been filed by our Company in the NCLAT. 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

Our Company 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.

30. 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.
31. A consortium of lenders including our Company, led by the State Bank of India, filed an original application under section 19 of the Recovery of Debts due to Banks and Financial Institution Act, 1993, before the Debt Recovery Tribunal, Hyderabad for recovery of debt owed by Coastal Projects Limited (“Corporate Debtor”) for a claim amount in ₹ 343.08 crores. The matter is currently pending.
32. An application numbered (IB)02(PB)/2018 to initiate corporate insolvency resolution process 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 corporate insolvency resolution process is going on. Our Company has a claim of ₹ 478.27 Crores. The matter is currently pending.
33. 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 corporate insolvency resolution process is going on. LTIFL has a claim of ₹ 70.53 crores against the Corporate Guarantee extended to LTIFL by the Corporate Debtor for the financial assistance provided by it to C&C Western UP Expressway Limited (“Borrower”). The matter is currently pending.
34. An application numbered (IB)731(PB)/2018 to initiate corporate insolvency resolution process was filed by ICICI Bank against Punj Lloyd Limited (“Corporate Debtor”) before National Company Law Tribunal, Delhi. The application was admitted and the corporate insolvency resolution process is going on. Our Company has a claim of ₹ 100.45 crores. The matter is currently pending.
35. Our Company had granted financial assistance to KSK Mineral Resources Pvt Ltd in which there was corporate guarantee executed by the corporate debtor in favour of our Company. Thus, Our Company has submitted its claim vide Form C under section 10 of the Insolvency and Bankruptcy Code, 2016, before the Resolution Professional for their exposure in KSK Mineral Resources Pvt Ltd with its claim of ₹ 38.73 crores on the basis of corporate guarantee executed by the corporate debtor. The matter is currently pending.
36. Our Company had granted financial assistance to KSK Electricity Financing India Pvt Ltd in which there was corporate guarantee executed by the KSK Mahanadi Power Company Limited in favour of our Company. Our Company has submitted Form C before the resolution professional under section 7 of the Insolvency and Bankruptcy Code, 2016, on October 17, 2019 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.

37. 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 under section 7 of the Insolvency and Bankruptcy Code, 2016 for a claim of ₹ 274.09 crores, on October 17, 2019 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.
38. 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 under section 7 of the Insolvency and Bankruptcy Code, 2016, on October 17, 2019 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.
39. Our Company 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, our Company has submitted Form C before the Resolution Professional under section 7 of the Insolvency and Bankruptcy Code, 2016, on October 17, 2019 against KSK Energy Ventures Ltd with its claim of ₹ 278.04 crores on the basis of financing documents. The matter is currently pending.
40. A moratorium on V S Lignite Power Private 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 ₹ 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.
41. 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 Rs. 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. The matter is currently pending.
42. Our Company had granted financial assistance to Sai Maithili Power Co Pvt Ltd in which the Corporate Debtor had mortgaged project land in favour of our Company. Thus, our Company has raised its claim by submission of Form C 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.
43. Our Company 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, our Company 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 ₹ 82.49 crores on the basis of Sponsor Undertaking executed by the Corporate Debtor. The matter is currently pending.
44. Our Company 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 ₹ 107.29 crores on the basis of Corporate Guarantee executed by the Corporate Debtor. The matter is currently pending.
45. State Bank of India filed an application for initiation of corporate insolvency resolution process against Athena Chhattisgarh Power Limited (“**Corporate Debtor**”) before the National Company

Law Tribunal, Hyderabad under the Insolvency and Bankruptcy Code, 2016. Our Company has submitted Form-C in its capacity as a financial creditor of the Corporate Debtor of The amount involved in the case is ₹ 46.27 crores. The matter is currently pending.

46. Our Company has submitted Form-C as a financial creditor of Raheja Developers Limited (“**Corporate Debtor**”) in the corporate insolvency resolution process initiated by certain Home Buyers under the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, Delhi. The amount involved in the case is ₹ 18.77 crores. The matter is currently pending.
47. 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 by the NCLT and the corporate insolvency resolution process is ongoing. Our Company has filed its claim of ₹ 90.59 crores. The matter is currently pending.

(b) *Criminal proceedings*

- *Against our Company*

NIL

- *By our Company*

1. Our Company has filed a case against Supreme Infrastructure India Ltd. before the Metropolitan Magistrate Court, Bandra, Mumbai, *inter alia* under Sections 406 and 420 of the Indian Penal Code, 1860. The matter was last listed on September 27, 2019 for arguments. The matter is currently pending.

***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 52 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 214.27 crores.

(c) *Taxation proceedings*

NIL

(d) *Other proceedings*

NIL

**II. Litigation involving our group companies**

Except as disclosed below, there are no other material legal proceedings involving our group companies.

(a) *Civil proceedings*

- *Against our group companies:*

**A. Larsen & Toubro Limited**

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 ₹ 819.30 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. 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.
3. 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.
4. 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.

5. 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. The matter is currently pending.
6. 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) Limited ("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 amount involved in the matter is ₹ 619.75 crores. The matter is pending, and interim stay has been extended until further orders.

7. 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 9, 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.
8. 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 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.
9. 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 Private Limited (“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.
10. 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 currently pending.

#### **B. L&T Housing Finance Limited**

1. In the case of Ketan Lodhiya vs. L&T Housing Finance this consumer case no 189 of 2019 has been filed against Mr. Dinanath Mohandas Dubashi, the Director of our company, Mr. Srikant J R, Mr. Rishi Mandavat, Mr. Pratik Shah. The customer had availed a loan from L&T Housing Finance and alleges that L&T Housing Finance 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 currently pending and posted for appearance.

#### **C. L&T Investment Management Limited**

1. In Nelson Nishant Kumar Lyngdoh vs. Fidelity Fund Management Private Limited, 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 Private Ltd in dispute of mutual fund units he owned with the company. Fidelity Fund Management Private Limited has been now changed to L&T Investment Management Limited

The consumer case was disposed off on December 31, 2010 and L&T Investment Management Ltd paid ₹ 16 thousand 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 ₹ 16 thousand.

The consumer filed appeal A/1024/2016 against 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. The matter is currently pending.

2. In Chetan Bansilal Kankariya v 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.

#### **D. L&T Finance Limited**

1. LTFL 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 LTFL and partially sold pursuant to the Notice of Sale dated April 24, 2019 issued by LTFL 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 LTFL 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.

#### **E. L&T Hydrocarbon Engineering Limited**

1. A consortium ("**Consortium**") of TOYO Engineering Corporation and L&T . was engaged by Indian Oil Corporation Limited ("**IOCL**") to construct Naphtha Cracker Project at Panipath, Haryana. Mechanical Completion was achieved on February 28, 2010 as against the original scheduled date of May 25, 2009. IOCL has withheld 10% of the total lumpsum price on account of price adjustment. Consortium's stand is that the delay occurred in achieving mechanical completion is not attributable to the Consortium. Consortium invoked arbitration on May 31, 2013 against IOCL. Consortium along with the price adjustment also claimed amounts under other heads. The amount of L&T's claim is approximately ₹ 136.62 Crore. The arbitration award was passed in

favour of the Consortium on March 11, 2019.

IOCL has filed an appeal numbered Original Miscellaneous Petition (Commercial). 316/2019 before the Delhi High Court under Section 34 of the Arbitration and Conciliation Act, 1996 against the aforesaid award. The appeal was admitted and IOCL was directed to pay 125 crores, on receipt of a Bank Guarantee from the Consortium. Presently, the Court has granted time to the Petitioners to file their rejoinder and the matter is currently pending for hearing.

2. LTHE executed the SMPL De-bottlenecking Pipeline Project for Indian Oil Corporation Limited (“IOCL”). Due to delays attributable to IOCL, the project was delayed by almost 3 years. Disputes arose between the parties due to extended stay costs, Defect Liability Period defects, and Liquidated Damages. LTHE has invoked arbitration against IOCL to the tune of approximately ₹72.58 Crores. However, due to disagreement over the appointment of the arbitrator, a petition under Section 11 of the Arbitration and Conciliation Act, 1996 for the appointment of an arbitrator was filed before Delhi High Court which is pending. The Petition numbered Arbitration Petition N.362/2019 is currently pending.
3. Oil and Natural Gas Corporation Limited (“ONGC”) awarded the MHN-Process Platform and Living Quarter (MHN) Project to LTHE. LTHE issued notice invoking arbitration on August 16, 2013 for issues related to withholding of amounts. The parties underwent conciliation proceedings through Outside Expert Committee (OEC) between 2013-15. However, ONGC did not fully accept the OEC recommendations and finally conveyed its rejection vide letter dated 14<sup>th</sup> May 2018.

In furtherance of its initial notice of August 16, 2013, LTHE issued another arbitration notice on October 5, 2018. The Arbitral Tribunal was constituted on 14<sup>th</sup> December 2018. The amount involved is approximately ₹ 1,023.06 Crores. The arbitration is in progress.

4. Oil and Natural Gas Corporation Limited (“ONGC”) awarded the MHN Re-development Plan Phase II (MHNRD -II) Project to LTHE. LTHE issued notice invoking arbitration on August 5, 2013 for issues related to withholding of amounts. The parties underwent conciliation proceedings through OEC between 2014-15. However, ONGC did not fully accept the OEC recommendations and finally conveyed its rejection vide letter dated May 14, 2018.

In furtherance of its initial notice of August 5, 2013, LTHE issued another arbitration notice on October 5, 2018. The Arbitral Tribunal was constituted on December 14, 2018. The amount involved is approximately ₹ 490.4 crores release of Bank Guarantee valued ₹ 127.78 Crores, totally amounting to ₹ 618.26 Crores. The arbitration is in progress and matter listed for cross-examination of LTHE's witnesses on January 22, 2020 to January 22, 2020.

5. ONGC awarded the B127 Cluster Well (B127) Project to LTHE. LTHE has invoked arbitration for issues related to withholding of amounts towards Liquidated Damages and towards the estimated value of the remaining scope of work relating to the hook up of MOPU Sagar Laxmi with B127 Platform. LTHE issued a notice invoking arbitration on 2 April 2019. The Arbitral Tribunal was constituted on 27 July 2019, and currently LTHE has sought time extension till 30 November 2019 to file its Statement of Claim. The amount involved is approximately ₹ 21.94 Crores. The matter is currently pending.

#### **F. L&T Investment Management Limited**

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: (i) 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 under section 150-B read with section 420 of IPC & 7,8,9,12,13(2) read with section 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 AgustaWestland 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 Funds. 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. The matter is currently pending. LTIM has currently marked a freeze on the folios as mentioned in the above complaint.

The 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

- *By our group companies:*

**A. Larsen & Toubro Limited**

1. L&T initiated an arbitration proceeding against Ministry of Health and Family Welfare (MOH&FW) relating to the construction of the AIIMS Bhubaneswar 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.
2. 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 crores and ₹ 52.00 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 October 7, 2019. With respect to 2<sup>nd</sup> 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 January 16, 2020 and to complete the same on January 17, 2020.
3. 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.
4. 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.

5. 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 is currently pending.
6. 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 conclusion of the arbitration proceeding is currently pending.
7. 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.
8. 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.
9. 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.

10. 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.
11. 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.
12. 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.
13. 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.

14. 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.
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.
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.
17. 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.
18. 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. The matter is currently pending.
19. 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. The arbitration is currently pending.
20. 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. The matter is currently pending.

21. 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.
22. L&T invoked arbitration against Dedicated Freight Corridor Corporation of India Limited, (“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.
23. 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.

## **B. L&T Housing Finance Limited**

1. LTHFL had filed an arbitration petition bearing Comm. Arbitration Petition (L) 503 of 2018 against Shri Balaji Infrastructure, Vinay Raj Modi, Miny Raj Modi, Sushil Agarwal, Dharmendra Gupta, Santkripa Infra and Services Private Limited (“**Respondents**”) before the Bombay High Court (“**Court**”), *inter-alia*, under Section 9 of the Arbitration and Conciliation Act, 1996. The Court vide its order dated July 27, 2018 appointed the arbitral tribunal to decide the disputes between the parties arising out of the facility agreement dated May 5, 2016. The Court also recorded the statement of the Respondents admitting to an award of a sum of ₹ 8.00 crores with interest at the rate of 12% p.a. payable to the LTHFL from the date of the Award by the arbitrator until realization. Mr. Minoo Sisodia was appointed as an arbitrator. While the borrower has admitted their liability towards payment of ₹ 8.00 crores, they claim to not have the financial ability to pay such amount. However, LTHFL has heavily contested this point. Order dated December 12, 2018 was passed wherein the Respondents were directed to sell 3 flats within 21 days after obtaining prior No Objection Certificate from LTHFL, sell 10 flats (which are not totally completed), from the remaining 20 flats and deposit the amounts into the escrow account maintained by LTHFL. In the event the Respondents fail to do so, costs would be imposed on the Respondents. The amount involved in the matter is ₹ 9.54 crores. The matter is currently pending before the arbitrator. Evidence has been filed in the matter. Matter is pending for cross examination. Execution Petition has filed before District court, Bhopal on the basis of interim award passed in favour of LTHFL. The matter is currently pending.
2. LTHFL had filed an arbitration petition under Section 9 of the Arbitration and Conciliation Act, 1996 against JSM Devcons Private Limited, (“**Borrower**”) Mr. Ashish Das, Mr. Puspendra Badera, Ashok Hi-Tech Builders Private, 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. 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. The amount involved in the matter is ₹ 37.65 crores due as on December 15, 2017 plus interest of 20.75 p.a. and default interest thereon of 2% p.a. from December 16, 2017 till realisation. The matter is currently pending. 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.

3. 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 LTHFL 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 ₹15cr. 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. 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 7, 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 of Borrower. LTHFL 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.

4. 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 NOC, handover of original documents, return of excess money and compensation. This matter is posted for arguments

#### **C. L&T Infra Debt Fund Limited**

1. LTIDFL 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. 347 of 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 Bareilly Expressway Limited ("**MBEL**"), all being subsidiaries of IL&FS Transportation Networks Limited ("**TTNL**"), 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 LTIDFL. 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.

2. Our Company 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.

#### **D. L&T Finance Limited**

1. LTFL 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**"). LTFL 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 said matter is currently pending.

Further, LTFL 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.

2. LTFL 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. LTFL 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 LTFL 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, LTFL has initiated arbitration proceedings against the guarantors of the Borrower, i.e., Mr. Brij Bhushan Singhal and Mr. Neeraj Singhal. Further, LTFL filed a statement of claims on February 15, 2019 before the sole arbitrator, claiming defaults in payments of loans advanced by LTFL 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.
3. LTFL 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. LTFL 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. LTFL 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.
4. LTFL 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 LTFL directing the Borrower to repay an amount of ₹ 45.48 crores to our Company. On October 22, 2018, LTFL filed an Execution Application (L) No. 2704 of 2018 before the Bombay High Court. LTFL 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.

5. LTFL 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”). LTFL 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.
6. 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. LTFL 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. LTFL filed a suit 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.
7. LTFL 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. LTFL 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.
8. LTFL initiated arbitration proceedings against PMT Machine Limited (“Borrower”) and guarantors of the Borrower claiming default in payment of instalment of the loan provided by LTFL. The arbitrator passed an award in favour of LTFL on December 27, 2012 (“Award”). LTFL 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, LTFL 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. LTFL has filed its claim of ₹ 51.28 crores.

9. LTFL claimed that Zylog Systems Limited (“Borrower”) and guarantors of the Borrower had defaulted in the payment of the loan provided by LTFL in May 2012. LTFL 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, LTFL 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.

LTFL then initiated arbitration proceedings against the Borrower. The arbitrator passed an award in favour of LTFL on December 30, 2014 (“Award”). LTFL 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.

LTFL 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.

10. LTFL 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. LTFL had filed petition under Section 9 of Arbitration Act and obtained interim orders.

LTFL initiated arbitration proceedings against the Guarantor claiming default in payment of instalment of the loan provided by LTFL. The arbitrator passed an award in favour of LTFL on August 12, 2015 (“Award”). LTFL 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. The matter is currently pending.

11. Precision Engineers and Fabricators Private Limited (“Borrower”) had availed two loans one from LTFL to the tune of ₹ 3 crores and ₹ 26.5 crores. When the Borrower consistently defaulted, LTFL 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. LTFL 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 LTFL had to compromise 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 Singhanian 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.

12. LTFL 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 Bareilly 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 LTFL. 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.

13. LTFL 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, LTFL 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.
14. 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 LTFL’s 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.
15. LTFL 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 LTFL in 2004. LTFL 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 LTFL from financial services business of LTFL 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 Fiscals 2007, 2009 and 2012. 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 LTFL to seek interim relief if any coercive steps were taken by the DoT. LTFL has not received any other demand, pursuant to the order dated October 21, 2019. The matter is currently pending.

***E. L&T Infrastructure Development Projects Limited***

1. L&T Infrastructure Development Projects Limited (“**L&T IDPL**”) had filed Commercial Civil Suit No.170 of 2017 before the Ahmedabad Commercial Court against Gujarat Maritime Board (GMB) seeking following relief:
  - a. Recovery of expenses amounting to Rs. 4,54,76,134/- incurred in the course of identifying alternate location and for carrying out necessary feasibility studies and surveys along with interest.
  - b. Damages and compensation amounting to Rs.5,12,00,00,000/- for the loss of profit/revenue which would have been generated by L&T IDPL during period of ownership under the BOOT package.

Matter pertains to development of Sutrapada Port, Junagadh, in the State of Gujarat by GMP. Bid was invited GMB in 2007 and L&T IDPL became the Selected Bidder and was allotted the Port for a period of 30 years on BOOT basis. L&T IDPL submitted a Performance Bank Guarantee of Rs.5,00,00,000/- (PBG). Acquisition and allocation of land for development of the Port was one of the most important obligations of GMB but GMB failed to acquire and allocate the land.

Therefore, L&T IDPL suggested alternate site at Kachhigarh in Jamnagar District as the alternate site for development of the Port and accordingly GMB changed the Site in the year 2010. Accordingly, L&T IDPL through its wholly owned subsidiary started the pre-feasibility works i.e. Detailed Project Report, Environment Studies, etc. Upon completion of the studies it was found that the said location could not be developed as a Port on account of environmental issues and accordingly in the year 2013 requested for release of the PBG. GMB failed to take any concrete decision in the matter and requested L&T IDPL to continue extending the PBG up to March 31.03.2015. Vide its letter dated 10.03.2015 cancelled the LOI and sought invocation of the PBG alleging that L&T IDPL failed to develop the Port. On 30.09.2016 GMB invoked the PBG, thereby causing inflicting damage to L&T IDPL.

In view of the above L&T IDPL had filed the abovementioned application. GMB has filed a counter claim of Rs. 218,92,95,345/- seeking compensation and damages.

Pursuant to the Government Notification dated 15.04.2019 and 03.06.2019 the matter has been transferred to the Small Causes Court Ahmedabad by the Ahmedabad Commercial Court's Order dated 23.08.2019. The matter is currently pending.

#### **F. Nabha Power Limited (“NPL”)**

1. NPL filed 2 suits against Punjab State Power Corporation Limited (“**PSPCL**”) The main issue involved in the matter is whether NPL is liable to pass on the benefits associated with mega power project status to PSPCL pursuant to the “Change in Law” provision under Article 13 of the Power Purchase Agreement (**PPA**). NPL on the basis of its primary and alternative claim filed a case before Punjab State Electricity Regulatory Commission (**PSERC**) bearing Petition No. 30 of 2013 *inter alia* to hold that NPL is not responsible to pass on any benefits to PSPCL by way of tariff reduction pursuant to the ‘Change in Law’ provision under Article 13 of the PPA. PSERC by way of its order dated 11.11.2012 rejected NPL's primary as well as alternative claim and held that NPL has to pass on the fiscal benefits associated with mega power status to PSPCL under the PPA. Appeal was filed by NPL before the Appellate Tribunal for Electricity (**APTEL**) by way Appeal No. 29 of 2013. APTEL by way of its order dated 30.06.2014 has held against NPL on its primary claim and upheld PSERC's judgment. NPL has challenged APTEL's order in context of its primary claim on the Mega Power Policy before the Supreme Court, as Civil Appeal No. 8478 of 2014. The matter is currently pending hearing.
2. NPL's *vide* its alternative suit against PSPCL contested that in any event, prior to the said cut-off date of 02.10.2009 even a non-MPP unit was eligible for certain benefits under the Foreign Trade Policy (FTP), the value of which was equal to the benefits which could be claimed and availed of, by an MPP under the Mega Power Policy. In respect of the alternative claim made by NPL on the basis of FTP, APTEL set aside PSERC's Order and remanded the same for fresh hearing. Vide order dated 16.12.2014, PSERC held that the FTP benefits were not

available to the Project as a non-MPP on the cut-off date 02.10.2009. NPL had filed an appeal against PSERC order dated 16.12.2014 before APTEL. APTEL vide its judgment dated 04.07.2017 in Appeal No. 47 of 2015 rejected NPL's appeal based on FTP. NPL has filed an appeal bearing Civil Appeal No. 8694 of 2017 before the Hon'ble Supreme Court on 07.07.2017 against APTEL's judgment dated 04.07.2017, which is currently pending adjudication.

3. NPL vide its Petition No. 38 of 2010 filed claim under "Change in Law" clause of Power Purchase Agreement (PPA) against PSPCL claiming increase in project cost due to change in scope of work of the Railway Siding because of additional works to be/being carried out on account of change in condition of approval by the Railway Authority and prayed to decide in-principle the change in law event. It further submitted that the exact cost implication on account of such 'Change in Law' could be decided at a later stage post determination of the final cost required for establishing railway siding arrangement and related infrastructure after the scheme of DFC line is finalized by the Railways. PSERC vide its order dated October 01, 2012 rejected NPL's case. NPL filed an appeal before APTEL bearing Appeal No. 207 of 2012. APTEL by way of its order dated April 23, 2014 set aside the PSERC's findings and held that the change in scope of the Railway Siding as a result of the approval by the competent authority in Railways with respect to the 'In-principle Approval' and remanded the matter to PSERC to pass the consequential order with respect to actual monetary implication of the 'Change in Law' claim. PSERC, in compliance of the Hon'ble APTEL's judgment initiated Suo-Motu petition and NPL submitted its claim on account of change in law, which is pending adjudication as Suo Motto Petition no. 28/2014 and date of hearing is awaited.

PSPCL has filed Civil Appeal No.10921 of 2014 in the Hon'ble Supreme Court against the above said order dated April 23, 2014 passed by APTEL in Appeal No. 207 of 2012, which is pending adjudication.

4. NPL has filed Contempt Petition (C) No. 1174-1177/2019 in C.A. No. 179/2017 against PSPCL in the Hon'ble Supreme Court for non-compliance of the Judgment dated 5.10.2017, whereby the Hon'ble Court has allowed actual cost of coal incurred by the NPL up to quality of washed coal. PSPCL has denied the cost of purchasing, washing and transporting of coal lost during the process of washing. Matter came up for hearing in the Hon'ble Supreme Court on 29.11.2019 and the Hon'ble Supreme Court was pleased to issue notice to contemnors, returnable in 4 weeks. The matter is currently pending.

*(b) Criminal proceedings Against our group companies:*

**A. Larsen & Toubro Limited**

1. A criminal complaint numbered 359/18 has been filed against L&T Limited 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.
2. 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.
3. 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.

4. 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.
5. 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.
6. 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.
7. Mr. Uday Dixit is a disgruntled ex-employee of L&T Limited. 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 18<sup>th</sup> 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.
8. 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 matter is currently pending for further arguments.
9. 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 matter is currently pending.

10. 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.
11. 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.
12. 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 is currently pending.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.

18. 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 April 20, 2019. Applied for certified copy of the Order.
19. 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 subcontract 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.
20. 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 currently pending before the High Court Bench at Jaipur.
21. 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 5<sup>th</sup> 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 is currently pending.
22. 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.
23. 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.
24. 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.

25. 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 apprised of the stay granted by the High Court and the matter is currently pending.
26. 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 matter is currently pending.
27. 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. The matter is currently pending.

#### **B. Larsen & Toubro Infotech Limited**

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 ₹ 0.03 crores towards compounding charges. The matter is currently pending

#### **C. L&T Finance Limited**

1. LTFL 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 LTFL, allegedly seized the tractor. When the Complainant agreed to repay the outstanding amount, LTFL 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 LTFL 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 LTFL 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

2. LTFL 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, LTFL seized the hypothecated vehicle on August 8, 2012. The Borrower requested LTFL to release the vehicle upon payment of 2 instalments. When LTFL 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 LTFL to release the vehicle on the Borrower repaying 3 instalments. Aggrieved by this order, LTFL 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 LTFL to obey the order dated October 18, 2012. LTFL claimed that it had not received the instalments and so initiated arbitration proceedings against the Borrower and the guarantor. LTFL 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 LTFL, 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.
3. LTFL had granted a loan to Dinesh Prasad Yadav (“Borrower”) to purchase a truck. The Borrower filed a criminal case bearing number 571/2010 against LTFL 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 LTFL was snatched along with ₹ 0.015 crores. JMFC issued summons to which LTFL filed an application under Section 205, Code of Criminal Procedure, before the JMFC for discharge of appearance of LTFL’s employees who had been transferred. The application was rejected and a non bailable warrant was issued. LTFL filed an anticipatory bail application bearing number 3864/2011, which was allowed. The matter is currently pending and has been listed for orders.
4. 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 LTFL. The matter is currently pending and has been listed for evidence.
5. The electricity department of Purnea, Uttar Pradesh (“Petitioner”) had sent a notice to LTFL 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 filed a criminal case bearing number 595/2013 against LTFL before the District Judge, Purnea, with a prayer to impose fine of ₹ 0.0096 crores on LTFL. LTFL’s bail application has been granted. The matter is currently pending for settlement.
6. Mr. Sumith Kumar (“Borrower”) has filed a criminal petition bearing number 3354/2015 against LTFL before the Andhra Pradesh, High Court. The Borrower has filed the case alleging that his asset was re-possessed forcibly by LTFL. LTFL has marked its appearance in the court. The matter is currently pending and has been listed for hearing.
7. Rameshwar Lal Dhake (“Borrower”) had financed a tractor from LTFL in partnership with Mr. Hansraj Nayak. On default of repayment of the loan from LTFL. Mr. Bablu Rajput, (“Employee”) of LTFL had re-possessed the vehicle on behalf of LTFL. 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.

8. 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.
9. 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 LTFL for purchasing a tractor. On April 04, 2015, the agents of LTFL 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. LTFL then filed a discharge application. The matter is currently posted for orders.
10. LTFL 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. LTFL moved a petition for quashing the FIR and the Court directed police to investigate the matter without arresting any of the accused.
11. LTFL 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 LTFL 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.
12. LTFL granted a loan to Shree Shyam Pulp and Board Mills ("Borrower"). The Directors of the Borrowing Company had issued cheques in favour of LTFL and were returned unpaid due to "insufficient balance" in the Borrower Company's bank account. LTFL 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.
13. LTFL 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.
14. LTFL 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 LTFL. 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 LTFL got into a fight with her husband and also mistreated her and other family members. The matter is currently pending.
15. LTFL 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.

16. A FIR is filed by Sabrita Rana, against 5 employees of LTFL in Lalgah 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.
17. LTFL 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 LTFL'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.
18. LTFL granted financial assistance for purchasing a vehicle Harpal Singh, ("**Borrower**") had availed financial assistance. He alleges that LTFL 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 a FIR bearing no 0646 of 2018 against our employees in Bilhaur Police Station, Kanpur. The matter is pending for filing for police report.
19. In State vs Sachin, a criminal complaint 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 LTFL on direction of Court and further moved discharge petition in lower court. This matter is on trial and pending for framing of charges
20. 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.
21. 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 LTFL 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.
22. LTFL 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.
23. LTFL 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., LTFL'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.

24. LTFL 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 LTFL. The matter is currently posted for evidence.
25. LTFL 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.
26. 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 LTFL. 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 LTFL, through its officers with the help of Accused 1. This matter is currently pending in court and is posted for evidence.
27. Sanjay Kumar Mishra ("Borrower") filed a criminal complaint before the Chief Judicial Magistrate, Jamshedpur against LTFL 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 pending.
28. Rockwell Infrastructure ("Borrower") being an authorised dealer of LTFL 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 LTFL. On accounts of defaults, LTFL 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.
29. Siksha 'O' Anusandhan University ("Borrower") has filed a criminal case against LTFL and one of its officials. The case was filed before the Sub-Divisional Judicial Magistrate, Bhubaneswar. The Borrower has alleged that LTFL has cheated them by crediting excess Equated Monthly Instalments (EMI) in the accounts of LTFL 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.
30. Rekhabeen 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.

31. LTFL 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 a FIR was registered against employees of LTFL 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.
32. H B Mahadeva ("Borrower") availed financial assistance from LTFL 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.
33. 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 LTFL, 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 LTFL. Arvind Remedies Limited account has been closed in the records of LTFL and LTFL has no current exposure on Arvind Remedies Limited

- *By our group companies:*

**A. Larsen & Toubro Limited**

1. 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.
2. 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.
3. 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.

4. 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.
5. 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.
6. 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 dishonour 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.
7. 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 dishonour of the cheque issued amounting to ₹ 0.40 crores issued by the accused. The matter is currently pending

**B. Larsen & Toubro Infotech Limited**

1. 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 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. Larsen & Toubro Infotech Limited 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 Larsen & Toubro Infotech Limited bearing no. 217 of 2007 by directing the Magistrate to dispose of the discharge applications filed by the Petitioners. We have appeared before the Magistrate and apprised him about the stay on further proceedings granted by the Hon'ble Bombay High Court. The matter is currently pending.

**C. L&T Housing Finance Limited**

***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 approximately 977 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 459.67 crores.

**D. L&T Finance Limited**

1. Upon non-payment of outstanding amount by Mr. G. Kumar (“**Petitioner**”) to LTFL, LTFL 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.
2. 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 LTFL 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.
3. LTFL 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.
4. Sanjay Kumar Sood (“**Borrower**”) was granted a loan of ₹ 0.0279 crores from LTFL 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, LTFL 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.

***Cases filed by LTFL under Section 138 of the Negotiable Instruments Act, 1881***

LTFL 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 14,756 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 320.50 crores.

*(c) Regulatory proceedings*

**A. Larsen & Toubro Limited**

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. Subrahmanyam, 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, 2019 directing 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 matter is currently pending.
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 Private Limited (“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, 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.
15. Mrs. Neera Gupta & 3 Ors. (“Complainants”) have 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 Limited 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 Limited 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.

**B. L&T Finance Limited**

1. The Director General of GST Investigation ("DGGI") has issued a show cause notice ("SCN") dated October 18, 2018 to LTFL, *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, LTFL is of the view that such interest is not chargeable to service tax under Section 66D of the Finance, Act 1994. LTFL 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.

*(d) Tax proceedings*

**A. Larsen & Toubro Limited**

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.

### III. Litigation involving our Directors

#### (a) Civil Proceeding

1. A civil proceeding has been initiated against Mr. Dinanath Mohandas Dubhashi, the Director of our Company and LTFL (whose position, in the civil suit has been incorrectly noted as the Managing Director of LTFL) wherein an ex-employee of LTFL, Mahinder Solanki, filed a civil suit bearing no 346 of 2019 against Mr. Dinanath Mohandas 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 LTFL 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.

#### (b) Criminal Proceeding

1. Leo Duct Engineers & Consultants Limited ( “**Petitioner**”) filed two criminal proceedings against Mr. Dinanath Mohandas Dubhashi, the Director of our Company and LTFL (whose position, in the criminal complaint instituted in relation to LTFL, has been incorrectly noted as the Managing Director of LTFL). The Petitioner had availed a loan from LTFL to finance three machines. As the Petitioner defaulted in repaying the financial assistance, LTFL repossessed the machines and sold them. Subsequently 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 Mohandas Dubhashi and others on the ground that the machines were repossessed wrongly. The police have filed a closure report in favour of LTFL stating that in view of the dispute being civil in nature, the criminal case filed preferred by the Petitioner is not maintainable. LTFL is yet to receive summons from the Court. The matter is currently pending.
2. A Criminal matter was initiated against Mr. Dinanath Mohandas Dubhashi, The Director of our Company and LTFL (whose position, in the civil suit has been incorrectly noted as the Managing Director of our Company) by Mr. Jaswant Singh (“**Borrower**”). LTFL had given financial assistance to the Borrower, for purchasing a vehicle and due to default by the Borrower in paying the loan amount, the vehicle was repossessed. The Borrower filed a criminal complaint which was dismissed by the Learned Magistrate on the ground that that Borrower had no locus standi and this case is also not maintainable because a civil case is already pending before District Court. Hence, the Borrower filed this Criminal miscellaneous petition before High Court of 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.

**IV.** Litigations by and against our Promoter

There are no civil litigations initiated by and/or against our Promoter (L&T Finance Holdings Limited) basis the materiality policy adopted by our Promoter. Further, there are no criminal cases initiated by and/or against our Promoter

**V.** Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 against our Company and its Subsidiaries in the last three years along with Section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years

NIL

**VI.** Details of litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last five years and any direction issued by any such ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Shelf Prospectus.

NIL

**VII.** Details of acts of material frauds committed against our Company from April 01, 2014 till September 30, 2019, if any, and if so, the action taken by our Company in response:

There have been no instances of material frauds committed against our Company from April 01, 2014 till September 30, 2019.

**VIII.** Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.

NIL

**IX.** Summary of reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of circulation of this offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

NIL

## 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, 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- IFC. 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-NDs.

### 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-IFC.

#### *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 -ND-SI 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. The NBFC-SI-NDs are also required to constitute asset liability management support group which shall be responsible for analysing, monitoring and reporting the liquidity risk profile to the asset liability 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. NBFC-ND-SIs are mandatorily required to rotate the partner/s of the chartered accountant firm conducting its audit, every three years so that same partner does not conduct audit of such NBFC-ND-SI continuously for more than a period of three years. However, the partner so rotated shall be eligible for conducting the audit of the such NBFC-ND-SI after an interval of three years, if so, decided by the NBFC-ND-SI. RBI has also mandated the NBFC-ND-SIs 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 cyclicalities 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 (e) subordinated debt to the extent the aggregate does not exceed Tier - 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 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 NBFC-ND-SI (except for NBFC-MFIs with asset size of Rs. 500 crore and above) 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 i.e., 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 ₹ 2 crore. 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
- (ii) 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.

According to ND-SI Directions, a non-banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than ₹ 2 crore may continue to carry on the business of non-banking financial institution, if such company achieves net owned fund of ₹ 2 crore 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.

#### *Liquidity Risk Management*

RBI has mandated non-deposit taking NBFC-SIs and all deposit taking NBFCs (irrespective of their asset size), save and except, Type I NBFC-NDs (i.e. NBFCs not accepting public funds/ not intending to accept public funds in the future and not having customer interface/not intending to have customer interface in the future), non-operating financial holding companies and standalone primary dealers, to comply with the liquidity risk management guidelines, which inter alia deal with: (i) liquidity risk management policy, strategies and practices; (ii) management information system; (iii) internal controls; (iv) maturity profiling; (v) liquidity risk measurement – stock approach; (vi) currency risk; (vii) managing interest rate risk; and (viii) liquidity risk monitoring tools.

Similarly, all NBFCs are required to comply with “Know Your Customer Guidelines - 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 Fiscal. 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 ₹ 100 crore, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 20 crore 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 ₹ 0.10 crore; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 0.10 crore where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 0.10 crore. 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 *inter alia* 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**”) *inter alia* 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, up to an amount not exceeding 7,000 crores. Further, the present borrowing is within the overall borrowing limits of ₹ 30,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated April 2, 2018.

### **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.

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.

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### **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.**

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#### **DISCLAIMER CLAUSE OF THE RBI**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED APRIL 10, 2018 BEARING NUMBER 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.**

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#### **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:

<b>Name of Lead Manager</b>	<b>Website</b>
A.K. Capital Services Limited	<a href="http://www.akgroup.co.in">www.akgroup.co.in</a>
Edelweiss Financial Services Limited	<a href="http://www.edelweissfin.com">www.edelweissfin.com</a>
Trust Investment Advisors Private Limited	<a href="http://www.trustgroup.in">www.trustgroup.in</a>
JM Financial Limited	<a href="http://www.jmfl.com">www.jmfl.com</a>

#### **Listing**

An application has been made to the NSE and BSE 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 NSE or BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche 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) Company Secretary and Compliance Officer (c) Bankers to our Company (d) Lead Managers; (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 Industry Report, (k) Banker's of our Company, 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 B.K. Khare & Co., Chartered Accountants for inclusion of their name as the Statutory Auditors and to include their (i) examination reports, each dated December 2, 2019 on our Reformatted Consolidated Financial Statements and our Reformatted Standalone Financial Statements; (ii) Report dated October 18, 2019 on Unaudited Standalone Financial Results (iii) their report dated December 2, 2019 on the statement of tax benefits, (iv) audit reports, each dated April 28, 2019 on our Audited Standalone Ind AS Financial Statements and Audited Consolidated Ind AS Financial Statements in this Draft Shelf Prospectus (have been obtained and has not withdrawn such consent and the same will be filed with the NSE, BSE 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 December 2, 2019, of M/s B.K. Khare & Co., Chartered Accountants, 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 December 2, 2019 on our Reformatted Consolidated Financial Statements and our Reformatted Standalone Financial Statements; (ii) Report dated October 18, 2019 on Unaudited Standalone Financial Results (iii) their report dated December 2, 2019 on the statement of tax benefits, (iv) audit reports, each dated April 28, 2019 on our Audited Standalone Ind AS Financial Statements and Audited Consolidated Ind AS Financial Statements 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 NSE and BSE for seeking public comments in terms of Regulation 6(2) of the SEBI Debt Regulations.

### **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 Fiscal 2020 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 31st 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\Consortium, 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

#### Public / Rights Issues

##### Public by our Company as on the Draft Shelf Prospectus:

Our Company has undertaken the following public issue of the following prior to the date of this Draft Shelf Prospectus:

Particulars	Public Issue – 2010 A Series	Public Issue – 2011 A Series	Public Issue – 2011B Series	Public Issue – 2012 A Series
<b>Date of Opening</b>	October 15, 2010	February 7, 2011	November 25, 2011	January 10, 2012
<b>Date of Closing</b>	November 15, 2010	March 4, 2011	December 24, 2011	March 12, 2012
<b>Total Issue Size</b>	2,56,21,55,000	4,00,00,00,000	5,29,40,63,000	4,78,84,49,000
<b>Date of Allotment</b>	December 2, 2010	March 23, 2011	January 10, 2011	March 24, 2012
<b>Date of Refunds</b>	December 4, 2010	March 24, 2011	January 12, 2012	March 26, 2012
<b>Date of Listing</b>	December 10, 2010	March 29, 2011	January 13, 2012	March 28, 2012
<b>Utilisation of Proceeds</b>	The funds raised through the above issues have been fully utilized towards 'infrastructure	The funds raised through the above issues have been fully utilized towards 'infrastructure	The funds raised through the above issues have been fully utilized towards 'infrastructure	The funds raised through the above issues have been fully utilized towards 'infrastructure

	lending' upto February 11, 2011.	lending' upto March 31, 2011.	lending' upto March 31, 2012.	lending' upto March 31, 2012.
<b>Lending policy</b>	The Company maintains its own internal credit policies and approval processes, which are developed and implemented according to the underlying nature of its operations and the particular nature of its customers and products.	The Company maintains its own internal credit policies and approval processes, which are developed and implemented according to the underlying nature of its operations and the particular nature of its customers and products.	The Company maintains its own internal credit policies and approval processes, which are developed and implemented according to the underlying nature of its operations and the particular nature of its customers and products.	The Company maintains its own internal credit policies and approval processes, which are developed and implemented according to the underlying nature of its operations and the particular nature of its customers and products.
<b>Loans/advances given to associates companies as defined in the Companies Act, 1956, Directors, Senior Management and Promoters.</b>	As per note no. 6 of notes forming part of the accounts of the audited financial statement for year ended March 31, 2011, there are no loans/advances given to associates companies, directors Senior Management, and Promoters	As per note no. 6 of notes forming part of the accounts of the audited financial statement for year ended March 31, 2011, there are no loans/advances given to associates companies, directors Senior Management, and Promoters	As per note no. 29 of notes forming part of the accounts of the audited financial statement for year ended March 31, 2012, there are no loans/advances given to associates companies, directors Senior Management, and Promoters	As per note no. 29 of notes forming part of the accounts of the audited financial statement for year ended March 31, 2012, there are no loans/advances given to associates companies, directors Senior Management, and Promoters
<b>Classification of loans/advances given</b>	The funds raised through the above issues have been fully utilized towards 'infrastructure lending' upto February 11, 2011.  Classification of loans/advances given according to type of loans, maturity profile, denomination and geographical classification of borrowers, is not able to be identified by the Company.	The funds raised through the above issues have been fully utilized towards 'infrastructure lending' upto March 31, 2011.  Classification of loans/advances given according to type of loans, maturity profile, denomination and geographical classification of borrowers, is not able to be identified by the Company.	The funds raised through the above issues have been fully utilized towards 'infrastructure lending' upto March 31, 2012.  Classification of loans/advances given according to type of loans, maturity profile, denomination and geographical classification of borrowers, is not able to be identified by the Company.	The funds raised through the above issues have been fully utilized towards 'infrastructure lending' upto March 31, 2012.  Classification of loans/advances given according to type of loans, maturity profile, denomination and geographical classification of borrowers, is not able to be identified by the Company.
<b>Aggregated exposure to the top 20 borrowers</b>	RBI guidelines on Corporate Governance for NBFCs was not applicable in FY 2010-11 as it is applicable from April 10, 2015.	RBI guidelines on Corporate Governance for NBFCs was not applicable in FY 2010-11 as it is applicable from April 10, 2015.	RBI guidelines on Corporate Governance for NBFCs is not applicable in FY 2011-12 as it is applicable from April 10, 2015.	RBI guidelines on Corporate Governance for NBFCs is not applicable in FY 2011-12 as it is applicable from April 10, 2015.
<b>Aggregated details of loans, overdue and classified as non-performing in accordance</b>	Details of non-performing loans has been reported, on aggregate basis, in note no. 3 of Schedule to the Balance Sheet of a non-deposit	Details of non-performing loans has been reported, on aggregate basis, in note no. 3 of Schedule to the Balance Sheet of a non-deposit	Details of non-performing loans has been reported, on aggregate basis, in note no. 7 of Schedule to the Balance Sheet of a non-deposit	Details of non-performing loans has been reported, on aggregate basis, in note no. 7 of Schedule to the Balance Sheet of a non-deposit

<b>with RBI guidelines.</b>	taking non-banking financial Company forming part of the accounts of the audited financial statement for year ended March 31, 2011.	taking non-banking financial Company forming part of the accounts of the audited financial statement for year ended March 31, 2011.	taking non-banking financial Company forming part of the accounts of the audited financial statement for year ended March 31, 2012.	taking non-banking financial Company forming part of the accounts of the audited financial statement for year ended March 31, 2012.
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#### **Rights Issues by our Company as on the Draft Shelf Prospectus:**

Our Company has undertaken the following rights issue of equity shares of face value of ₹10 each in the last 5 (five) years.

#### **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 (₹)	Cumulative			Details of Utilisation
				No. of Equity Shares	Equity Share capital (₹)	Share premium account (₹)	
November 30, 2015	1,70,21,276	47	79,99,99,972	84,62,54,276	846,25,42,760	37	-
March 29, 2017	4,58,33,333	48	2,19,99,99,984	89,20,87,609	892,08,76,090	38	-
March 21, 2018	9,78,26,086	46	4,49,99,99,956	98,99,13,695	989,91,36,950	36	-
September 28, 2018	18,33,86,914	49	8,98,59,58,786	1,17,33,00,609	11,73,30,06,090	39	-
January 31, 2019	8,20,00,000	49	4,01,80,00,000	1,25,53,00,609	12,55,30,06,090	39	-

#### **Public / Rights Issues (to the public) by our Group Companies in the last 5 (five) years from the 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 Limited Public Issue – 2019 (Tranche I)	L&T Finance Limited Public Issue – 2019 (Tranche II)
<b>Date of Opening</b>	July 11, 2016	March 06, 2019	April 08, 2019
<b>Date of Closing</b>	July 13, 2016	March 07, 2019	April 09, 2019
<b>Total Issue Size</b>	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 ₹ 1,236.38 crore	₹ 1,500 crores	₹ 1,000 crores

<b>Date of Allotment</b>	July 19, 2016	March 13, 2019	April 15, 2019
<b>Date of Refunds</b>	July 19, 2016	March 14, 2019	April 15, 2019
<b>Date of Listing</b>	July 21, 2016	March 15, 2019	April 18, 2019
<b>Utilisation of Proceeds</b>	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 issues have been utilized for the purpose of onward lending, financing, refinancing the existing indebtedness of the company (payment of the interest and/or repayment /prepayment of principal of borrowings) and general corporate purposes.	The funds raised through the above issues have been utilized for the purpose of onward lending, financing, refinancing the existing indebtedness of the company (payment of the interest and/or repayment /prepayment of principal of borrowings) and general corporate purposes.

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 the 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 125. 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 Fiscals 2019, 2018, 2017, 2016 and 2015.

<b>Particulars</b>		<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
Equity Share Capital (₹ in crore)		1,255.30	989.91	892.08	846.25	829.23
Face Value Per Equity Share (₹)	(a)	10.00	10.00	10.00	10.00	10.00
Dividend on Equity Shares (₹ per equity share)	(b)	-	1.53	0.96	-	1.44
Total dividend on equity shares (₹ in lakh)		-	151.46	86.00	-	119.41
Dividend Declared Rate (In %)	(c=b /a)	-	15.30%	9.64%	-	14.40%
Dividend tax (gross) on dividend (₹ in crores)		-	30.83	17.51	-	23.88

## 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 28, 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, LBS Marg, Vikhroli (West),  
Mumbai-400083, Maharashtra, India  
Tel: +91 22 4918 6200  
Fax: +91 22 4918 6195  
Email: ncd.ltinfra2019@linkintime.co.in  
Investor Grievance Email: ncd.ltinfra2019@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Ms. Shanti Gopalkrishnan  
SEBI Registration Number: INR000004058

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 Compliance Officer for the purposes of this Issue are set out below:

Ankit Sheth  
*Company Secretary and Compliance Officer*  
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  
Email: investorgrievances@ltfs.com

Investors may contact the Registrar to the Issue or the 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) Fiscals 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)	Indiabulls Finance Centre, Tower 3, 27 <sup>th</sup> - 32 <sup>nd</sup> Floor, Elphinstone Mill Compound, Senapati Bapat Marg, Elphinstone (W), Mumbai - 400 013.	October 10, 2007	June 17, 2016



Name	Address	Date of appointment	Date of resignation
M/s. B. K. Khare & Co. (Firm Registration No. 105102W)	707/708, Sharda Chambers, New Marine Lines, Mumbai – 400 020.	June 17, 2016	-

**Details of overall lending by our Company as of March 31, 2019**

**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)

Sr. No.	Type of Loans	Amount
1.	Secured (net of provision)	25,419.51
2.	Unsecured (net of provision)	403.13
<b>Total</b>		<b>25,822.64</b>

**B. Sectoral Exposure as on March 31, 2019**

Sr. No.	Segment-wise break-up of AUM	Percentage of AUM (%)
1	Real Estate	13.37%
2	Wholesale	86.63%
<b>Total</b>		<b>100.0%</b>

**C. Denomination of the loans outstanding by ticket size as on March 31, 2019:**

Sr. No.	Ticket size** (in ₹)	Percentage of AUM
1.	Upto 2 Lakhs	NA
2.	2 to 5 Lakhs	NA
3.	5 to 10 Lakhs	NA
4.	10 to 25 Lakhs	NA
5.	25 to 50 Lakhs	NA
6.	50 lakh-1 Crores	0.01%
7.	1 - 5 Crores	0.28%
8.	5 - 25 Crores	4.54%
9.	25 - 100 Crores	30.44%
10.	Above 100 Crores	64.73%
<b>Total</b>		<b>100%</b>

\*\*Ticket Size at LTV

**D. Denomination of loans outstanding by LTV as on March 31, 2019**

NA

**E. Geographical classification of our borrowers as on March 31, 2019**

Sr. No.	Top 5 States	Percentage of AUM
1.	Maharashtra	43.48%
2.	Delhi	26.88%
3.	Telangana	23.11%
4.	Tamil Nadu	6.53%
<b>Total</b>		<b>100%</b>

**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	8,574.18
Percentage of advances to twenty largest borrowers to total advances to our Company	32.10%

**(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	12,895.62
Percentage of exposure to twenty largest borrowers to total exposure to our Company	28.97%

**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/ Gross Stage 3**

(₹ in crores)

Sr. No.	Particulars	Amount
1.	Opening balance	1,350.13
2.	Additions during the year	2,607.89
3.	Reductions during the year	400.16
4.	Closing balance	3,557.86

**2. Movement of provisions for NPAs/ Gross Stage 3 (excluding provisions on standard assets)**

(₹ in crores)

Sr. No.	Particulars	Amount
1.	Opening balance	655.41
2.	Provisions made during the year	599.79
3.	Write-off / write-back of excess provisions	274.20
4.	Closing balance	981.00

**3. Segment-wise gross NPA/ Gross Stage 3 as on March 31, 2019**

S. No	Segment-wise NPA / Gross Stage 3	Gross NPA (%)
1	Real Estate	0%
2	Wholesale	100%
	<b>Total</b>	<b>100.0%</b>

**4. Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter except as provided for in the chapter titled "Related Party Transaction" on page 122.**

**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
None	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 (Gross)	319.47	246.12	514.25	966.39	5,410.65	4,039.94	5,101.99	9,132.57	25,731.37
Investments (Net)	212.10	-	-	-	-	-	-	1,674.90	1,887.00
Borrowings*	694.66	760.00	2,743.08	1,796.75	1,941.19	10,888.13	1,590.00	2,878.00	23,291.81
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

\*Including ECB loans

**6. Concentration of Exposure and NPA as of March 31, 2019**

(₹ in crores)

Particulars	Amount
<b>Concentration of NPAs</b>	
Total Exposure to top four NPA accounts	1,180.92

- (a) Lending policy: For details on lending policy please see “*Our Business*” on page 86.
- (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 123.

**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 with ROC 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 Fiscals immediately preceding this Draft Shelf Prospectus.

**Trading**

Debt securities issued by our Company, which are listed on NSE and BSE’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 215.

The key common terms and conditions of the NCDs are as follows:

<b>Issuer</b>	L&T Infrastructure Finance Company Limited
<b>Type of instrument/ Name of the security</b>	Secured Redeemable, Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures.
<b>Nature of Indebtedness and Ranking / Seniority</b>	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.
<b>Mode of the issue</b>	Public issue
<b>Lead Managers</b>	A. K. Capital Services Limited, Edelweiss Financial Services Limited, Trust Investment Advisors Private Limited and JM Financial Limited.
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited
<b>Depositories</b>	NSDL and CDSL
<b>Registrar</b>	Link Intime India Private Limited
<b>Issue</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Base Issue Size</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Option to retain Oversubscription Amount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Total Issue Size</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Eligible investors</b>	See “ <i>Issue Procedure – Who are eligible to apply for NCDs?</i> ” on page 229
<b>Objects of the Issue</b>	See “ <i>Objects of the Issue</i> ” on page 55
<b>Details of utilization of the proceeds</b>	See “ <i>Objects of the Issue</i> ” on page 55
<b>Interest rate</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Security</b>	<p>The principal amount of the NCDs to be issued in terms of the Issue Documents 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 <i>pari passu</i> 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 and disclosed in the relevant Tranche Prospectus. 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 “<i>Terms of the Issue – Security</i>” on page 215</p> <p>No security will be created for the Unsecured NCDs to be issued in terms of this Issue.</p>
<b>Step up/ Step down interest rates</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Interest type</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Interest reset process</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Issuance mode of the instrument</b>	Demat
<b>Frequency of interest payment</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Interest payment date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Day count basis</b>	Actual/ Actual
<b>Default interest rate</b>	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
<b>Tenor</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Redemption Date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Redemption Amount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Redemption premium/ discount</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Issue Price (in ₹)</b>	₹ 1,000 per NCD
<b>Discount at which security is issued and the effective yield as a result of such discount.</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Put option date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Put option price</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Call option date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Call option price</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Put notification time</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Call notification time</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Face value</b>	₹ 1,000/- per NCD
<b>Minimum Application size and in multiples of NCD thereafter</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Market Lot/ Trading Lot</b>	One NCD
<b>Pay-in date</b>	Application Date. The entire Application Amount is payable on Application.
<b>Credit ratings</b>	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 ₹ 5,000 crores, 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 crores, by CARE vide their letter dated November 15, 2019 and IND AAA / Stable for an amount of ₹ 5,000 crores, by 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.
<b>Listing</b>	The NCDs are proposed to be listed on NSE & BSE. 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.
<b>Issue size</b>	As specified in the respective Tranche Prospectuses
<b>Modes of payment</b>	See “ <i>Issue Procedure – Terms of Payment</i> ” on page 223
<b>Issuance mode of the Instrument</b>	In dematerialised form only
<b>Trading mode of the instrument</b>	In dematerialised form only
<b>Issue opening date</b>	As specified in the relevant Tranche Prospectus for each Tranche Issue
<b>Issue closing date**</b>	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 NSE and BSE.
<b>Settlement mode of instrument</b>	In dematerialised form only
<b>Record date</b>	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
<b>Issue documents</b>	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 Trust Agreement, the Tripartite Agreements, the Registrar Agreement, the Agreement with the Lead Managers. For further details see “ <i>Material Contracts and Documents for Inspection</i> ” on page 266.
<b>Conditions precedent to disbursement</b>	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
<b>Conditions subsequent to disbursement</b>	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
<b>Events of default / cross default</b>	See “ <i>Terms of the Issue – Events of Default</i> ” on page 227
<b>Deemed date of Allotment</b>	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.
<b>Roles and responsibilities of the Debenture Trustee</b>	See “ <i>Terms of the Issue – Trustees for the NCD holders</i> ” on page 217.
<b>Governing law and jurisdiction</b>	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.
<b>Working Day convention</b>	<p>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.</p> <p>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.</p>

*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 March 19, 2019 read with resolution 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 NSE or BSE, 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 NSE and BSE.*

## **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 “*Issue Procedure*” on page 228.

## 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 ₹ 5,000 crores. Further, the present borrowing is within the overall borrowing limits of ₹ 30,000 crores (Indian Rupees Thirty 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/NSE, 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 Fiscal 2020 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 31st 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 please see “*Issue Procedure*” beginning on page no. 228.

#### **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 211 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**

<b>ISSUE PROGRAMME</b>	
<b>ISSUE OPENS ON</b>	<b>As specified in the relevant Tranche Prospectus</b>
<b>ISSUE CLOSES ON</b>	<b>As specified in the relevant Tranche Prospectus</b>

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 213, 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 with ROC 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 until the time of such pre-closure in accordance with the Basis of Allotment as specified in respective Tranche Prospectus 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 reputed daily national newspaper with wide circulation.

### **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 NSE.
- 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 Fiscals commencing from the Fiscal 2020, 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 NSE and the BSE. Our Company has obtained an 'in-principle' approval for the Issue from the NSE *vide* their letter dated [●] and from the BSE *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 six 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 OMISSIONS 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 Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding 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 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:

<b>Category I Institutional Investors</b>	<b>Category II Non Institutional Investors</b>	<b>Category III High Net-worth Individuals ("HNIs")</b>	<b>Category IV Retail Individual Investors</b>
<ul style="list-style-type: none"> <li>Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs;</li> <li>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;</li> <li>Mutual Funds registered with SEBI;</li> <li>Resident Venture Capital Funds/ Alternative Investment Fund registered with SEBI subject to investment conditions applicable to them under Securities and Exchange</li> </ul>	<ul style="list-style-type: none"> <li>Companies within the meaning of section 2(20) of the Companies Act, 2013;</li> <li>Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>Co-operative banks and regional rural banks;</li> <li>Public/private charitable/ religious trusts which are authorised to invest in the NCDs;</li> <li>Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>Partnership firms in the name of the partners;</li> <li>Limited liability</li> </ul>	<p>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</p>	<p>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</p>

Category I Institutional Investors	Category II Non Institutional Investors	Category III High Net-worth Individuals (“HNIs”)	Category IV Retail Individual Investors
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.	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 2003/71/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 244 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 ("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 AMC 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 (iii) 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 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 see "*Issue Related Information*" on page 211.
- (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 8<sup>th</sup> 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 deemed such individual Applicant to be an 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 number, 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 211.
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.

#### **Don'ts:**

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, 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 244 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**

<b>Mode of Submission of Application Forms</b>	<b>To whom the Application Form has to be submitted</b>
Applications	<p>(i) If using <u>physical Application Form</u>, (a) to the Lead Managers or Trading Members of the Stock Exchange only at the Specified Cities (“<b>Syndicate ASBA</b>”), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</p> <p>(ii) If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.</p>

*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 see “*Issue Related Information*” on page 211.

#### **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 211.
- (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 244 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 246.

### **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 withdrawal 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.

### **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 June 6, 2016 between us, the Registrar to the Issue and NSDL, and dated June 24, 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 237.

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 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 and website;
- (h) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time

## **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.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

#### **Share Capital**

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.

#### **Shares under Control of Board**

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.

#### **Kinds of Share Capital**

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.

#### **Further issue of share**

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.

#### **Power to issue redeemable preference shares**

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.

### **Allotment of shares by directors for consideration other than cash**

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.

### **Acceptance of shares**

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.

### **Deposit and calls etc. to be a debt payable immediately**

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.

### **Liability of Members**

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.

### **Issue of certificate**

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.

### **Seal on certificate(s)**

2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

### **Certificate for shares held by joint holders**

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.

### **Form and manner of issue of certificate**

4) Certificate shall be issued in the form and manner prescribed in the Act, the Rules and other applicable laws.

### **Company entitled to Dematerialize its Securities**

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.

#### **Option to Investor to hold/receive shares in dematerialized form**

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.

#### **Numbering of Shares**

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.

#### **Issue of new share certificate in place of defaced, lost or destroyed certificate**

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.

#### **Company not bound to recognise any interest in share other than that of Registered holder**

Except as required by law, no person shall be recognized by the Company as 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).

#### **New Capital same as existing capital**

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.

#### **Variation of Members' rights**

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.

#### **Provisions as to General Meetings to apply *mutatis mutandis* to each meeting of the holder of the shares**

2) To every such separate meeting, the provisions of these regulations relating to General Meetings shall *mutatis mutandis* apply.

#### **Provisions of shares to apply *mutatis mutandis* to any other securities and debentures.**

The provisions of Articles shall *mutatis mutandis* apply to issue and allotment of any other securities including

debentures (except where the Act otherwise requires).

#### **Power to pay commission in connection with securities issued.**

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.

#### **Rate of Commission in accordance with the Rules**

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.

#### **Mode of payment of commission**

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.

#### **Power to pay Brokerage**

The Company may pay brokerage to the extent and in the manner prescribed under the Act in connection with subscription to its securities.

### **ALTERATION OF CAPITAL**

#### **Increase in the share capital**

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.

#### **Alteration of share capital**

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.

#### **Shares may be converted into stock**

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.

### **Reduction of Capital**

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.

### **JOINT HOLDERS**

#### **Joint holders**

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.
- 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.

#### **Liability of joint holders**

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.

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.

#### **Provisions as to joint holders as to shares to apply mutatis mutandis to debentures**

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 relating to joint holder shall apply mutatis mutandis to the joint beneficial owner**

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.

#### **Capitalization**

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.

#### **Power of the Board for capitalization**

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 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.

### **BUY-BACK OF SHARES, SECURITIES AND COMMERCIAL PAPER**

#### **Buy-back of shares, Securities and Commercial Paper**

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.

### **GENERAL MEETINGS**

#### **Annual General Meeting**

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.

#### **Extra-ordinary General Meeting**

All General Meetings other than Annual General Meeting shall be called Extra-ordinary General Meeting.

#### **Power of Board to call Extra-ordinary General Meeting**

The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting.

### **BOARD OF DIRECTORS**

#### **Number of Directors**

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).

**Same individual may be appointed as Chairperson and Managing Director /Chief Executive Officer / Chief Executive**

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/ Chief Executive of the Company.

**Directors liable to retire by rotation**

All the Directors (Other than Independent Directors and Investors' 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. Subject to the foregoing, 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.

**Independent Directors**

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.

**Remuneration of directors**

- 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.

**Sitting Fees, Travelling and other expenses**

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.

**Execution of negotiable instruments**

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.

**Appointment of Additional Director**

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.

**Duration of office of additional director**

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 alternate director**

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.

#### **Duration of office of alternate director**

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 Nominee director**

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 director to fill casual vacancy.**

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.

#### **Duration of office of director appointed to fill casual vacancy**

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.

#### **Director may contract with Company**

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.

#### **Disqualifications for appointment of director**

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).

#### **Qualification Shares**

A director shall not be required to acquire qualification Shares.

### **BORROWING POWERS**

#### **Power of the Board to borrow**

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 or calls 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.

#### **Security for the Money borrowed**

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).

**Issue of debentures, debenture stock etc.**

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.

**Terms of issue of debentures, debentures stock etc.**

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.

**GENERAL POWERS OF BOARD****General Powers of the Company vested in Board.**

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.

**PROCEEDINGS OF THE BOARD****When meeting to be convened**

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.

**Who may summon Board meeting**

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.

**Quorum for Board meeting**

The quorum for a Board Meeting shall be as provided in the Act.

**Participation at Board meeting**

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.

**Questions at Board meeting how decided**

Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

**Casting vote of Chairperson at Board Meeting**

In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

**Directors not to act when number falls below minimum**

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.

### **Who to preside at meetings of the Board**

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.

### **Directors to elect a Chairperson**

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.

### **Delegation of powers**

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.

### **Committee to conform to Board's regulations**

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.

### **Participation at Committee meetings**

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.

### **Chairperson of the Committee**

A Committee may elect a Chairperson of its meetings.

### **Members of Committee to appoint Chairperson**

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.

### **Committee Meeting**

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.

### **Questions at Committee meeting how decided**

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.

### **Acts of Board or Committee valid notwithstanding defect of appointment**

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.

### **Passing of resolution by circulation**

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.

### **Minutes of Board and Committee Meeting**

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.

### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

#### **Key Managerial Personnel**

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.

#### **Chief Executive Officer etc.**

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 think 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.

#### **Signing by Director and Chief Executive Officer etc.**

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.

### **REGISTERS**

#### **Statutory Registers**

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.

#### **Foreign Register**

- 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.

## **THE SEAL**

The Seal, its custody and use

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 authorized by the Board.

Affixation of seal

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 the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director 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.

## **DIVIDEND AND RESERVES**

### **Company in General Meeting may declare dividend**

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.

### **Interim dividend**

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.

### **Dividend only to be paid out of profits**

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, think fit.

### **Carry forward of profits**

The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

### **Division of profits**

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.

### **Capital paid-up in advance at interest not to earn dividend**

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

### **Dividends proportion to amount paid-up**

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.

#### **Company's right to re-imbursement there from**

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.

#### **Retention of dividends**

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.

#### **Dividend how remitted**

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.

#### **Instrument of payment**

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

#### **Receipt of one holder sufficient**

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.

#### **No interest on dividends**

No dividend shall bear interest against the Company

#### **Waiver of dividends**

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.

#### **Unclaimed dividend**

Unclaimed dividend shall be dealt in the manner as prescribed under the provisions of the Act and the Rules and other applicable laws.

### **ACCOUNTS AND AUDIT**

#### **Maintenance of book of account**

The Company shall maintain such book of accounts and book and papers 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.

#### **Inspection by Directors**

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.



#### **Restriction on inspection by Members**

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.

#### **Accounts to be Audited**

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.

#### **Provisions relating to Statutory Auditors**

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.

#### **Cost records and Audit**

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.

#### **Provisions relating to Cost Auditors**

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.

#### **Secretarial Audit**

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.

#### **Secretarial Auditors**

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.

### **WINDING UP**

#### **Winding up of Company**

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.

### **INDEMNITY AND INSURANCE**

#### **Directors and officers right to indemnity**

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.

## **Insurance**

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.

## **GENERAL**

### **General Powers**

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 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.

### **Act to over-ride Articles in certain cases**

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.

## **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 – 400 098, 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 December 2, 2019 executed between our Company and the Lead Managers.
2. Registrar Agreement dated November 28, 2019 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated November 28, 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 June 6, 2016 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 April 18, 2006, issued by Registrar of Companies, Tamil Nadu at Chennai
3. Certificate of Incorporation of our Company dated August 24, 2017, issued by the Registrar of Companies, Maharashtra at Mumbai, pursuant to a change in registered office from Chennai to Mumbai.
4. Certificate of Registration as an NBFC dated April 10, 2018 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934.
5. Copy of shareholders resolution dated April 2, 2018 under section 180(1)(c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
6. 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.
7. Copy of the resolution dated December 3, 2019 passed by circulation by the Committee of Directors approving this Draft Shelf Prospectus.
8. 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.
9. 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.
10. Credit rating Letter dated November 18, 2019 credit rating rationale dated November 15, 2019 by India Ratings assigning a rating of IND AAA / Stable to the long-term borrowing programme of our Company.
11. 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.
12. Consent Letter dated December 2, 2019, of M/s B.K. Khare & Co., Chartered Accountants from the Statutory Auditors, 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 in respect of their (i) examination reports, each dated December 2, 2019 on our Reformatted Consolidated Financial Statements and our Reformatted Standalone Financial Statements; (ii) Report dated October 18, 2019 on Unaudited Limited Reviewed Financials (iii) their report dated December 2, 2019 on the statement of tax benefits and (iv) audit reports, each dated April 28, 2019 on our Audited Standalone Ind AS Financial Statements and Audited Consolidated Ind AS Financial Statements, included in this Draft Shelf Prospectus.
13. Annual Report of our Company for the last five Fiscals.
14. Audited Consolidated Financial Statements (under IGAAP) for Fiscal 2018 and 2017;

15. In-principle listing approval from NSE by its letter no. [●] dated [●].
16. In-principle listing approval from BSE by its letter no. [●] dated [●].
17. Due Diligence Certificate dated [●], 2019 filed by the Lead Managers with SEBI.
18. Examination Report dated December 2, 2019 issued by M/s B.K. Khare & Co., Chartered Accountants along with the Reformatted Standalone Financial Statements.
19. Examination Report dated December 2, 2019 issued by M/s B.K. Khare & Co., Chartered Accountants along with the Reformatted Consolidated Financial Statements.
20. The audit report of M/s B.K. Khare & Co., Chartered Accountants dated April 28, 2019 in relation to the Audited Standalone Ind AS Financial Statements.
21. The audit report of M/s B.K. Khare & Co., Chartered Accountants, dated April 28, 2019 in relation to the Audited Consolidated Ind AS Financial Statements.
22. Unaudited Standalone Financial Results of our Company for the year ended September 30, 2019.
23. Industry reports titled '*NBFC Report 2019*', '*Ecoview 2019*' issued by CRISIL.
24. 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.
25. 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 Finance Limited
26. 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 Finance 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, 2013, as amended and, the relevant provision of Companies Act, 1956, as amended 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**

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*(Mr. Dinanath Mohandas Dubhashi)*  
*(Chairperson and Non-Executive Director)*  
*(DIN – 03545900)*

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*(Ms. Nishi Vasudeva)*  
*(Independent Director)*  
*(DIN – 03016991)*

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*(Mr. Thomas Mathew T.)*  
*(Independent Director)*  
*(DIN – 00130282)*

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*(Mr. Rishi Mandawat)*  
*(Non-Executive Director)*  
*(DIN – 07639602)*

Date: December 3, 2019

Place: Mumbai

CONFIDENTIAL

 LTIFL/235114/RB/14112019  
 November 14, 2019

Mr. Sachinn Joshi  
 Chief Financial Officer  
**L&T Infrastructure Finance Company 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 Infrastructure Finance Company 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@crsil.com](mailto:debtissue@crsil.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@crsil.com](mailto:debtissue@crsil.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.crsil.com](http://www.crsil.com). For the CRISIL Ratings information, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited  
 Corporate Identity Number: L67120MH1987PLC042363  
 Registered Office: 2nd Floor, Brindawan, Plot -177, CST Road, Kalina, Santacruz (E), Mumbai - 400098. Phone: +91 22 3342 3800 Fax: +91 22 4540 5800  
[www.crsil.com](http://www.crsil.com)



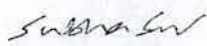
Details of the Rs 5000 Crore Retail Bonds of  
L&T Infrastructure Finance Company Limited

	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.*

With warm regards,

Yours sincerely,

  
Subha Sri Narayanan  
Director - CRISIL Ratings

  
Nivedita Shibu  
Associate Director - CRISIL Ratings

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](http://www.crisil.com). For the CRISIL House/Contact Person, Hyderabad Business Park, Plot 4, Madhavi Nagar, Hyderabad - 500076, India. Phone: +91 22 3342 3000 / Fax: +91 22 4640 5800 1301.

CRISIL Limited  
Corporate Identity Number: L67120MH1987PLC042363  
[www.crisil.com](http://www.crisil.com)

## Rating Rationale

November 14, 2019 | Mumbai

### L&T Infrastructure Finance Company Limited

'CRISIL AAA/Stable' assigned to Retail Bond

#### Rating Action

Total Bank Loan Facilities Rated	Rs.2000 Crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Rs.5000 Crore Retail Bond*	CRISIL AAA/Stable (Assigned)
Rs.5000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.7500 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 Infrastructure Finance Company Limited (L&T Infra; 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 network 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 Infrastructure Finance Company Ltd is an NBFC - infrastructure finance company, incorporated in 2006 and wholly held by LTFH. It had AUM of Rs 26,984 crore as on September 30, 2019, comprising infrastructure loans (82% of total AUM), real estate financing (15%) and balance in defocused. The gross and net stage 3 assets were 12.15% and 5.38% respectively as on September 30, 2019 (13.55% and 5.88% as on March 31, 2019). The gross stage 3 predominantly pertains to the legacy book, which in absolute terms has seen an improvement; the gross stage 3 has reduced to Rs 1,324 crore as on September 30, 2019 from Rs 1,469 crore as on September 30, 2018. Network and gearing were Rs 3948 crore and 6.2 times, respectively, as on September 30, 2019. In fiscal 2019, the company reported a PAT of Rs 232 crore on total income of Rs 2,864 crore against Rs 138 crore and Rs 2,667 crore, respectively, for the previous fiscal. For the half year ended September 30, 2019, PAT and total income were Rs 17 crore and Rs 1574 crore, respectively (Rs 128 crore and Rs 1498 crore, respectively, for the corresponding period of the previous fiscal). PAT before the one time impact of DTA was at Rs 274 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:**

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels). Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

**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 <sup>^</sup>	NA	NA	NA	5,000	CRISIL AAA/Stable
NA	Proposed Long Term Bank Loan Facility <sup>**</sup>	NA	NA	NA	2,000	CRISIL AAA/Stable
NA	Commercial paper Programme	NA	NA	7-365 days	7500	CRISIL A1+
NA	Retail Bonds <sup>^**</sup>	NA	NA	NA	5,000	CRISIL AAA/Stable

<sup>^</sup>Not yet issued

<sup>\*\*</sup>Interchangeable with short term bank facility

<sup>\*\*</sup>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	7500.00	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	2000.00	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**	2000	CRISIL AAA/Stable	Proposed Long Term Bank Loan Facility**	2000	CRISIL AAA/Stable
<b>Total</b>	<b>2000</b>	<b>--</b>	<b>Total</b>	<b>2000</b>	<b>--</b>

\*\*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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CARE/HO/RL/2019-20/3353

Mr. Sachinn Joshi

Group CFO

L&T Infrastructure Finance Company 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 <sup>1</sup>	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)

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

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 downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
11. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.

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,



**Shailee Sanghvi**  
Rating Analyst

[shailee.sanghvi@careratings.com](mailto:shailee.sanghvi@careratings.com)



**Aditya Acharekar**  
Associate Director

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Encl.: As above

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**L&T Infrastructure Finance Company Ltd.**

November 19, 2019

**Ratings**

Facilities/Instrument	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures	5000.00	<b>CARE AAA; Stable (Triple A; Outlook: Stable)</b>	<b>Assigned</b>

*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 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 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 ratings 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.

**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

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications



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, as on March 31, 2019, Company reported PAT of Rs.232 crore against total income of Rs.2864 crore against PAT of Rs.138 crore on a total income of Rs.2666 crore reported as on March 31, 2018(Reinstated). NIM stands at 2.22% as on March 31, 2019 as against 2.16% reported as on March 31, 2018(Reinstated). As on March 31, 2019, ROTA and RONW stood at 0.85% and 7.85% respectively.

#### **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.

On a standalone level, the capital adequacy ratio of stands at 24.26% (above the regulatory requirement of 15%) and Tier I capital ratio stands at 17.47% as on March 31, 2019. The tangible net worth of the company was Rs.2,999 crore as on March 31, 2019 as against the tangible net worth of Rs. 1371 crore as on March 31, 2018(Reinstated). The tangible net worth stood at Rs. 3306 crore as on September 30, 2019. The CAR and Tier I Capital stood at 23.24%(above the regulatory requirement of 15%) and 16.41% respectively 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 30<sup>th</sup> 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 Financebook 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 IndAs stood at 4.80% and 2.34%. Post adoption of IndAs, Gross stage 3 and Net Stage 3 stands 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 15.27% (Mar-18 20.1%) and 6.2% (Mar-18- 8.1%) respectively as on March 31, 2019. The Gross NPA and Net NPA ratio was at 5.61% and 3.04% respectively as on March

31, 2018. As on September 30, 2019, Gross Stage 3 and Net Stage 3 stood at 12.15% and 5.38% respectively. From fiscal 2019, the company adopted the IND-AS accounting norm, on account of this change the asset quality is now recognised in the form of Stage 3 assets. Stage 3 assets includes not only the 90+dpd but also some portion of the earlier classified restructured assets/s4A/ SDR / other stressed assets..

**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 on account of healthy internal accruals and 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.

At a standalone level, the gearing continues to remain on a higher side and stands at 8.15x as on March 31, 2019 and has decreased to 7.34x as on September 30, 2019.

#### 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 30<sup>th</sup> 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. The liquidity is maintained over and above the expected collections of Rs. 29,946 crore, against the debt 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. 2

#### Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology: Factoring Linkages in Ratings](#)

[Financial ratios – Financial sector](#)

[CARE's criteria for Housing Finance Companies](#)

#### 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 L&T Infrastructure Finance Co Ltd**

Incorporated in April 2006, L&T Infra is a 100% subsidiary of L&T Finance Holdings Ltd., which is a subsidiary of Larsen & Toubro Limited (L&T). LTIFCL provides solutions in the infrastructure financing space (energy, transport, communication, social and commercial infrastructure and others) by effectively leveraging L&T's domain knowledge in engineering & construction fields, through debt, subordinated debt, quasi-equity funding and equity participation, in addition to offering syndication and advisory services. It is registered as a non-deposit taking, systemically important (ND-SI) NBFC under the RBI Act and further classified as Infrastructure Finance Company (IFC) based on the regulatory framework prescribed by RBI. In June 2011, L&T Infra was conferred a Public Financial institution (PFI) status, that allows the company access to the SARFAESI Act, 2002 for recoveries from delinquent customers. As on March 31, 2019, L&T Infra had a net loan portfolio of Rs.24,737 crore primarily in energy sector projects. Furthermore, the company has been consciously increasing the share of lower risk operational projects in its loan portfolio.

**L&T Infrastructure Finance Co Ltd**

<b>Brief Financials* (Rs. crore)</b>	<b>FY18 (A)</b>	<b>FY19(A)</b>
Total income	2666	2864
PAT	138	232
Overall Gearing (times)	15.15	8.25
Total Assets	25,088	28409
Gross Stage 3 (%)	20.13	15.27
ROTA (%) (PAT/Average Total Assets)	0.56	0.85

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**

<b>Name of the Instrument</b>	<b>Date of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Size of the Issue (Rs. crore)</b>	<b>Rating assigned along with Rating Outlook</b>
Public Issue of Secured Redeemable Non-Convertible Debentures and/or Unsecured Subordinated Redeemable Non-Convertible Debentures (Proposed)	-	-	-	5000.0	CARE AAA; Stable

**Annexure-2: Rating History of last three years**

<b>Sr. No.</b>	<b>Name of the Instrument/Bank Facilities</b>	<b>Current Ratings</b>			<b>Rating history</b>			
		<b>Type</b>	<b>Amount Outstanding (Rs. crore)</b>	<b>Rating</b>	<b>Date(s) &amp; Rating(s) assigned in 2019-2020</b>	<b>Date(s) &amp; Rating(s) assigned in 2018-2019</b>	<b>Date(s) &amp; Rating(s) assigned in 2017-2018</b>	<b>Date(s) &amp; Rating(s) assigned in 2016-2017</b>
1.	Commercial Paper	ST	11000.00	CARE A1+	1)CARE A1+ (26-Aug-19)	1)CARE A1+ (08-Oct-18)	1)CARE A1+ (16-Mar-18) 2)CARE A1+ (10-Nov-17) 3)CARE A1+ (09-Oct-17)	1)CARE A1+ (30-Dec-16) 2)CARE A1+ (04-Nov-16) 3)CARE A1+ (16-Sep-16)
2.	Fund-based - LT-Term Loan	LT	9800.00	CARE AAA; Stable	1)CARE AAA;Stable	1)CARE AAA;Stable	1)CARE AAA; Stable	1)CARE AA+; Stable

					(26-Aug-19)	(08-Oct-18) 2)CARE AAA;Stable (09-Mar-19)	(26-Feb-18) 2)CARE AA+; Positive (09-Oct-17)	(30-Dec-16) 2)CARE AA+ (04-Nov-16) 3)CARE AA+ (16-Sep-16)
3.	Fund-based - LT- Working Capital Limits	LT	-	-	-	-	-	1)Withdrawn (16-Sep-16)
4.	Non-fund-based - LT- BG/LC	LT	-	-	-	-	-	1)Withdrawn (16-Sep-16)
5.	Bonds-Infrastructure Bonds	LT	1800.00	CARE AAA; Stable	1)CARE AAA;Stable (26-Aug-19)	1)CARE AAA;Stable (08-Oct-18)	1)CARE AAA; Stable (08-Mar-18) 2)CARE AA+; Positive (09-Oct-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
6.	Debt-Perpetual Debt	LT	400.00	CARE AA+; Stable	1)CARE AA+;Stable (26-Aug-19)	1)CARE AA+;Stable (08-Oct-18)	1)CARE AA+; Stable (26-Feb-18) 2)CARE AA; Positive (09-Oct-17)	1)CARE AA; Stable (30-Dec-16) 2)CARE AA (04-Nov-16)
7.	Debentures-Non Convertible Debentures	LT	9500.00	CARE AAA; Stable	1)CARE AAA;Stable (26-Aug-19)	1)CARE AAA;Stable (08-Oct-18)	1)CARE AAA; Stable (26-Feb-18) 2)CARE AA+; Positive (09-Oct-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
8.	Proposed Debentures-Non Convertible Debentures	LT	2400.00	CARE AAA; Stable	1)CARE AAA;Stable (26-Aug-19)	1)CARE AAA;Stable (09-Mar-19)	-	-
9.	Debt-Subordinate Debt	LT	1500.00	CARE AAA; Stable	1)CARE AAA;Stable (26-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-Jul-17)	1)CARE AA+; Stable (30-Dec-16) 2)CARE AA+ (04-Nov-16)
10.	Debt-Subordinate Debt	LT	200.00	CARE AAA; Stable	1)CARE AAA;Stable (26-Aug-19)	1)CARE AAA;Stable (08-Oct-18)	1)CARE AAA; Stable (16-Mar-18) 2)CARE AA+; Positive (09-Oct-17) 3)CARE AA+; Stable (17-Jul-17)	-

11.	Commercial Paper- Commercial Paper (IPO Financing)	ST	0.00	Withdrawn	-	1)CARE A1+ (25-July-18) 2)Withdrawn (23-July-18) 3)CARE A1+ (21-Jun-18) 4)Withdrawn (21-Jun-18) 5)Withdrawn (28-Aug-18)	1)CARE A1+ (16-Mar-18) 2)Withdrawn (08-Mar-18) 3)CARE A1+ (16-Jan-18) 4)Withdrawn (07-Dec-17) 5)CARE A1+ (09-Oct-17)	-
12	Debenture- Non- Convertible Debentures/ Subordinate Debt	LT	5000	CARE AAA; Stable	-	-	-	-

**Annexure 3: List of subsidiaries/associates considered for consolidation as on 31<sup>st</sup> March 2019**

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	Grameen Capital India 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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### 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](http://www.careratings.com)**



**Mr. Sachinn Joshi**  
Group Chief Financial Officer,  
L&T Infrastructure Finance Company Limited,  
5th Floor, City-2, Kalina,  
Santacruz (East),  
Mumbai – 400098

November 18, 2019

Dear Mr. Sachinn Joshi,

**Re: Rating of L&T Infrastructure Finance Company Limited's (LTIF) non-convertible debentures**

**India Ratings (see definition below) assigns the following ratings for LTIF:-**

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 LTIF:-**

INR 10bn (Reduced from INR 20bn) non-convertible debentures: 'IND AAA' with Stable Outlook  
-Of the above LTIF has issued INR 3.0bn.

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 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.

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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.

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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 Assigns L&T Infrastructure Finance Company'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 Infrastructure Finance Company Limited's (LTIF) 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 <sup>^</sup>	-	-	-	INR90	WD	Withdrawn
NCDs (public issue/private issue)/bank borrowings/subordinated debt	-	-	-	INR10 (reduced from INR20)	IND AAA/Stable	Affirmed
NCDs (public issue) <sup>#</sup>				INR50	IND AAA/Stable	Assigned

<sup>^</sup> The company did not proceed with the instrument as envisaged. Out of INR90 billion limits shared by LTIF, L&T Housing Finance Limited (LTHF; 'IND AAA'/Stable) and L&T Finance Limited (LTFL; 'IND AAA'/Stable), NCDs worth INR40 billion have been allocated to LTIF and the remaining have been allocated to LTFL.

\* Details in Annexure

<sup>#</sup> Yet to be issued

**Analytical Approach:** Ind-Ra continues to take a consolidated view of LTIF, its parent L&T Financial Holdings Limited (LTFHL; 'IND AAA'/Stable) and its 100% (direct and indirect) operating subsidiaries LTFL and LTHF (together referred to as financial services) while arriving at 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. 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 it is expected to be one of the key value drivers for the group. It will also maintain strategic linkages, management oversight and control, majority shareholding and 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.

**Energy and Transportation Segments Dominant:** LTIF is the second-largest subsidiary of LTFHL by loan book size (2QFY20: 26% of the total loans amounting to INR264.84 billion). The infrastructure business is housed in LTIF, L&T Finance and L&T Infrastructure Debt Fund. Project finance accounts for 82% of LTIF’s book, real estate finance accounts for 15%, while the remainder is constituted by capital market-treasury operations and structured finance. Assets in infrastructure, corporate finance and real estate financing are booked in LTIF and other operating entities, based on available liquidity and tenors, capital availability and regulations.

In addition, LTFHL provides flexibility to developers through multiple financing platforms: non-banking finance company (NBFC; through LTIF), NBFC-infrastructure debt fund, sell-down and debt capital market desks. Consequently, LTFHL (through LTIF and other subsidiaries) can remain exposed to performing assets through the project cycle. Over the last two-to-three quarters, the sell-down market and liquidity have tightened; as a consequence, the number of buyers of project exposure has declined. Furthermore, it might become slightly difficult to pass on the rise in LTIF’s borrowing costs. If the liquidity situation does not materially improve over the next two quarters, the yields in this segment could be under pressure, while projects with shorter tails (exposure of LTIF is low to such projects) and lower DSCR could face tail default risks.

**Moderate Standalone Asset Quality; Overhang of Certain Large Group Exposures:** LTIF (along with other operating subsidiaries of LTFHL) is one of the largest NBFCs providing wholesale funding in the country. Over the past few years, it has avoided thermal power and focused on projects with a lower construction risk. The total impaired assets in the infrastructure segment, including thermal power exposures, of LTFHL was about INR35 billion in 2QFY20, about 57% of which is provided. LTIF’s gross stage 3 assets accounted about 12.15% (INR32.17 billion) of the total loans outstanding in 2QFY20, of which about 59% is provided for. Ind-Ra expects the asset quality to improve in the medium-to-long term, as the stress in some infrastructure assets gets recognised and the proportion of newer vintage infrastructure projects (especially those in renewable energy and roads segment which have shorter set-up periods and therefore lower project completion risks) increases.

**Liquidity Indicator - Adequate:** The treasury operations and management are well integrated for LTFHL and its operating subsidiaries. In terms of asset liability management, as at 2QFY20, the company had a cumulative positive mismatch of 5.38% of total assets (including prepayments budgeted based on past behaviour and excluding committed lines from banks) in its short-term maturity bucket (less than a year). In the absence of prepayment assumptions, there was a peak cumulative negative gap (outflows exceed inflows) of 6.51% (INR30.35 billion) of the total assets in the six months to one year bucket. LTIF also has unavailed bank lines of INR17.86 billion as at 2QFY20. LTIF has INR10 billion support lines from parent L&T. LTIF has, in the past also, demonstrated its ability to raise funds at competitive pricing reflecting its ability to mobilise funds. LTIF, in addition to its own fund mobilising ability, has access to L&T’s and LTFHL’s liquidity. In terms of consolidated structural asset liability management (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 the borrower segments where LTIF and consolidated LTFHL also operate, Ind-Ra expects the standalone balance sheet liquidity as well as the overall ALM position of the company to improve on an ongoing basis; this will remain key monitorable.

**Leverage Remains Key Monitorable:** LTIF’s leverage was 6.2x at FYE19 and 6.2x at 2QFY20. The consolidated leverage of LTFHL reduced to 6.44x in 1QFY20 from 7.05x in 2QFY18. Although Ind-Ra does not expect LTFHL and its operating subsidiaries to face funding challenges, the consolidated leverage of LTFHL is likely to continue its pace of decline, especially given a substantial portion of portfolio is non retail.

## RATING SENSITIVITIES

**Negative:** Dilution of support expectations in Ind-Ra’s opinion, either on account of LTIF’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, the lack of improvement in standalone as well as overall liquidity position, an inadequate decline in leverage in the opinion of the agency or decreased importance of LTIF 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.

Any material deterioration in the credit profile of L&T group or a change of ownership outside of the group could also lead to a negative rating action.

## COMPANY PROFILE

LTIF is a wholly-owned subsidiary of LTHFL which provides business loans for large-scale infrastructure projects in India.

### FINANCIAL SUMMARY

Particulars (IND-AS)	FY19	FY18
Total assets (INR billion)	284.1	250.9
Total equity (INR billion)	39.3	24.0

Net profit (INR billion)	2.3	1.4
Return on average assets (%)	0.9	0.6
Equity/assets (%)	13.84	9.57
Source: LTIF		

## RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (billion)	Rating	9 September 2019	24 January 2018
NCDs (public issue/private issue)/bank borrowings/subordinated debt	Long-term	INR10	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
NCDs	INE691I07EF9	19 July 2018	8.34%	27 December 2019	INR3.00	IND AAA/Stable
Utilised					INR3.00	
Unutilised					INR57.00*	
Total					INR60.00	

\*Out of the total unutilised limits, INR50 billion limit is for secured redeemable NCDs and interchangeable with unsecured subordinated redeemable NCDs.

## COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## SOLICITATION DISCLOSURES

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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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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## Applicable Criteria

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[Financial Institutions Rating Criteria](#)

[Non-Bank Finance Companies Criteria](#)

[Rating FI Subsidiaries and Holding Companies](#)

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## Analyst Names

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[Primary Analyst](#)

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Analyst

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Manager – Corporate Communication

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Ref No.: 9539/ITSL/OPR/CL/19-20/DEB/948

Date: November 18, 2019

**L&T Infrastructure Finance Company Limited**

Brindavan, Plot No. 177, C.S.T Road,  
Kalina, Santacruz (East),  
Mumbai – 400 098.

Dear Sirs,

**Sub: Proposed public issue of secured redeemable non- convertible debentures and/or unsecured subordinated redeemable non- convertible debentures ("NCDs") aggregating up to ` 5,000 crore ("Issue") of L&T Infrastructure Finance Company Limited ("Company"). The Unsecured NCDs will be in the nature of subordinated debt and shall be eligible for TIER II Capital.**

We, IDBI Trusteeship Services Limited, hereby give our consent to our name being included as Debenture Trustee to Issue in accordance with Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, in the Prospectus to be filed with the stock exchange(s) where the NCDs are proposed to be listed ("**Stock Exchanges**"), with the Registrar of Companies, Maharashtra at Mumbai ("**ROC**") and and filed with the Securities and Exchange Board of India ("**SEBI**") for its records in respect of the Issue and all related advertisements, and subsequent periodical communications sent to the holders of the NCDs pursuant to the Issue

We hereby authorise you to deliver this letter of consent to the Stock Exchange(s), the ROC and/or such other regulatory authority, as may be required by law

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 have not been prohibited from SEBI to act as an intermediary in capital market issues. We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We further confirm that no enquiry/investigation is being conducted by SEBI on us. Copy of our SEBI registration certificate and declaration regarding our registration with SEBI in the required format is attached as Annexure A.

We shall immediately intimate the Lead Manager(s) and Issuer of any changes, additions or deletions in respect of the aforesaid details till the date when the NCDs of the Issuer offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In absence of any such communication from us,





## IDBI Trusteeship Services Ltd

CIN : U65991MH2001GOI131154



the above information should be taken as updated information until the listing and commencement of trading of the NCDs on the Stock Exchanges

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the Issue of the Company.

Yours faithfully,

**For IDBI Trusteeship Services Limited**

A handwritten signature in blue ink, appearing to read 'D. Ladwa'.

**Authorised Signatory**

**Name: Dinesh Ladwa**

**Designation: Vice President**



**CC:**

**A. K. Capital Services Limited**

30-38, Free Press House, 3rd Floor, Free Press Journal Marg, 215,  
Nariman Point, Mumbai – 400 021, Maharashtra, India  
SEBI Regn. No.: INM000010411

**Khaitan & Co**

One Indiabulls Centre  
13<sup>th</sup> Floor, Tower 1,  
Senapati Bapat Marg,  
Mumbai 400 013  
Maharashtra, India

**Annexure A**

November 18, 2019

**L&T Infrastructure Finance Company Limited**

Brindavan, Plot No. 177, C.S.T Road,  
Kalina, Santacruz (East),  
Mumbai – 400 098.

Dear Sir / Madam,



**Sub:** Proposed public issue of secured redeemable non- convertible debentures and/or unsecured subordinated redeemable non- convertible debentures ("NCDs") aggregating up to ` 5,000 crore ("Issue") of L&T Infrastructure Finance Company Limited ("Company"). The Unsecured NCDs will be in the nature of subordinated debt and shall be eligible for TIER II Capital.

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	<i>The Certificate of registration shall be valid unless it is suspended or cancelled by the Board</i>
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

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the NCDs of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely,

**For IDBI Trusteeship Services Limited****Authorised Signatory****Name: Dinesh Ladwa****Designation: Vice President**

डिबेंचर न्यासी

प्रारूप ख  
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड  
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993  
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 263

(विनियम 8)  
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र  
CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के माध्यम से उक्त 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 करते 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 कोड  
2) Registration Code for the debenture trustee is

IND0000000460

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र  
3) Unless renewed, the certificate of registration is valid from

तक, विधिवान्वय है।  
This certificate of registration shall be valid unless it is suspended or cancelled by the board.

स्थान Place

MUMBAI

तारीख Date

FEBRUARY 14, 2017



आदेश से  
भारतीय प्रतिभूति और विनियम बोर्ड  
के लिए और उसकी ओर से  
By order  
For and on behalf of  
Securities and Exchange Board of India

M. Sanparote  
MEDHASONPAROTE

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory