



## L&T FINANCE LIMITED

L&T Finance Limited ("Company") was incorporated at Kolkata as Apeejay Finance Group Private Limited on November 24, 1993 as a private limited company under the Companies Act, 1956, as amended, with registration no. 2160810 and was granted a certificate of incorporation by the Registrar of Companies, West Bengal at Kolkata ("RoC"). Upon conversion of our Company from private limited to public limited, the name of our Company was changed to Apeejay Finance Group Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on February 14, 1994. The name of our Company was further changed to Family Credit Limited and a fresh certificate of incorporation was granted by the ROC on July 12, 2007. The name of our Company was further changed to L&T Finance Limited and a fresh certificate of incorporation was granted by the ROC on March 17, 2017 pursuant to the scheme of amalgamation effective from February 13, 2017. Our Company is registered as a non deposit accepting non-banking financial company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934 bearing registration number B.05.06200. For further details, see the chapter titled "History, Main Objects and Key Agreements" on page 116 of this Draft Shelf Prospectus. The Corporate Identification Number of our Company is U65910WB1993FLC060810.

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

**Tel:** 033-66111800

**Corporate Office:** Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra

**Tel:** +91 22 6212 5000; **Fax:** +91 22 6621 7509

**Compliance Officer:** Ms. Apurva Rathod; **Tel:** +91 22 6212 5000; **Fax:** +91 22 6621 7509

**E-mail:** apurvar@lfts.com; **Website:** www.lfts.com

**PUBLIC ISSUE BY L&T FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 (INDIAN RUPEES ONE THOUSAND) EACH ("SECURED NCDS") AND/ OR UNSECURED, SUBORDINATED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 (INDIAN RUPEES ONE THOUSAND) EACH ("UNSECURED NCDS") FOR AN AMOUNT UPTO ₹. 5000,00,00,000 (INDIAN RUPEES FIVE THOUSAND CRORES) ("SHELF LIMIT") ("ISSUE"). THE UNSECURED NCDS WILL BE ELIGIBLE FOR TIER II CAPITAL. THE SECURED NCDS/ UNSECURED NCDS WILL BE ISSUED IN ONE OR MORE TRANCHEs UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT"). THE SECURED NCDS AND/ OR UNSECURED NCDS ARE TOGETHER HEREINAFTER REFERRED AS "DEBENTURES / NCDS".**

**THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED AND TO THE EXTENT NOTIFIED.**

### PROMOTER

Our promoter is L&T Finance Holdings Limited. For further details see the chapter titled "Our Promoter" on page 130 of this Draft Shelf Prospectus.

### GENERAL RISKS

For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the sections titled "Risk Factors" on page 18 of this Draft Shelf Prospectus and "Material Developments" 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 for a Tranche Issue does contain and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue. The information contained in this Draft Shelf Prospectus read together with Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

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

For the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, see chapter titled "Terms of the Issue" on page 224 of this Draft Shelf Prospectus.

### CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated '[ICRA] AAA (stable)' (pronounced as ICRA triple A with Stable outlook) for an amount of ₹ 5,00,00,00,000 lakhs, by ICRA Limited ("ICRA") vide their letter dated December 21, 2018, CARE AAA / Stable (pronounced as CARE triple A with Stable Outlook) for an amount of ₹ 5,00,00,00,000 lakhs, by CARE Ratings Ltd. ("CARE") vide their letter dated December 28, 2018 and IND AAA / Stable (pronounced as IND triple A with Stable outlook) for an amount of ₹ 5,00,00,00,000 lakhs, by India Ratings and Research Private Limited ("India Ratings") vide their letter dated December 31, 2018. The rating of NCDs by ICRA, CARE and India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rating letter and rationale for these ratings, see Annexure A, Annexure B and Annexure C of this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

### LISTING

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

### PUBLIC COMMENTS

This Draft Shelf Prospectus dated January 17, 2019 has been filed with BSE and NSE, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the BSE and NSE. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail.

### LEAD MANAGERS TO THE ISSUE



#### EDELWEISS FINANCIAL SERVICES LIMITED

Edelweiss House  
Off CST Road, Kalina, Mumbai 400 098  
Maharashtra, India  
**Tel:** +91 22 4086 3535  
**Fax:** +91 22 4086 3610  
**Email:** Ltfinance.Ncds@edelweissfin.com  
**Investor Grievance Email:**  
customerservice.mn@edelweissfin.com  
**Website:** www.edelweissfin.com  
**Contact Person:** Mr. Lokesh Singh  
**SEBI Registration No.:** INM0000010650



#### A. K. CAPITAL SERVICES LIMITED

30-39 Free Press House, 3rd Floor,  
Free Press Journal Marg, 215, Nariman  
Point, Mumbai 400021  
**Tel:** +91 22 6754 6500  
**Fax:** +91 22 6610 0594  
**Email:** ltfinance.ncd2019@akgroup.co.in  
**Investor Grievance Email:**  
investor.grievance@akgroup.co.in  
**Website:** www.akgroup.co.in  
**Contact Person:** Ms. Shilpa Pandey/Mr.  
Malay Shah  
**SEBI Registration No.:** INM000010411



#### AXIS BANK LIMITED

Axis House, 8th Floor, C-2,  
Wadia International Centre,  
P.B. Marg, Worli, Mumbai, 400025  
**Tel:** +91 22 6604 3293  
**Fax:** +91 22 2425 2800  
**Email:** lfts.ncd2019@axisbank.com  
**Investor Grievance Email:**  
investor.grievance@axisbank.com  
**Website:** www.axisbank.com  
**Contact Person:** Mr. Vikas Shinde  
**SEBI Registration No.:** INM000006104



#### TRUST INVESTMENT ADVISORS PRIVATE LIMITED

109/110, Balarama, Bandra Kurla Complex, Bandra (E),  
Mumbai 400 051  
**Tel:** +91 22 4084 5000  
**Fax:** +91 22 4084 5007  
**Email:** projectvakra@trustgroup.in  
**Investor Grievance email:**  
customercare@trustgroup.in  
**Website:** www.trustgroup.in  
**Contact Person:** Ms Hani Jalan  
**SEBI Registration No.:** INM000011120

### DEBENTURE TRUSTEE



#### CATALYST TRUSTEESHIP LIMITED\*\*

GDA House, Plot No. 85,  
Bhusari Colony (Right),  
Kothrud, Pune - 411038  
**Tel:** +91 22 4922 0543  
**Fax:** +91 22 4922 0505  
**Email:** dt@ctltrustee.com  
**Investor Grievance Email:** grievance@ctltrustee.com  
**Website:** www.catalysttrustee.com  
**Contact Person:** Ms. Rakhi Kulkarni  
**SEBI Registration No.:** IND000000034

### REGISTRAR TO THE ISSUE



#### LINK INTIME INDIA PRIVATE LIMITED

C- 101 1st Floor 247 Park  
LBS Marg, Vikhroli (West)  
Mumbai 400083, Maharashtra, India  
**Tel:** +91 22 4918 6200  
**Fax:** +91 22 4918 6195  
**Email:** ncd.ltfm2019@linkintime.co.in  
**Investor Grievance email:** ncd.ltfm2019@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Mr. Shanti Gopalkrishnan  
**Registration Number:** INR000004058  
**CIN:** U67190MH1999PTC118368

### ISSUE PROGRAMME\*

**ISSUE OPENS ON:** As specified in the relevant Tranche Prospectus

**ISSUE CLOSES ON:** As specified in the relevant Tranche Prospectus

\*The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the authorised signatory(ies) as authorised by the Board of Directors of our Company pursuant to the resolution dated July 19, 2018 ("Authorised Personnel"). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE.

\*\*Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) has by its letter dated December 26, 2018 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the Debt Regulations and for its name to be included in this Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. See Annexure D of this Draft Shelf Prospectus

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Kolkata, West Bengal, in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "Material Contracts and Documents for Inspection" on page 274 of this Draft Shelf Prospectus.

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

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

#### Company related terms

| Term   | Description  |
|--|--|
| Articles/ Articles of Association/AoA                        | Articles of Association of our Company, as amended.  |
| Associate Companies  | L&T Infra Debt Fund Limited and Grameen Capital India Limited  |
| Authorised Personnel   | Persons authorised to carry out certain acts in terms of the resolution of the Board dated July 19, 2018.  |
| Board/ Board of Directors                                    | Board of Directors of our Company or a duly constituted committee thereof.   |
| Business Transfer Agreement                                  | Agreement dated September 4, 2018 executed between our Company and Centrum Financial Services Ltd pertaining to slump sale of the supply chain financing business of the Company   |
| Committee of Directors                                       | The committee constituted by our Board of Directors by a board resolution dated December 31, 2012.   |
| Corporate Office   | Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra.  |
| Deed of Assignment   | The deed of assignment dated December 31, 2018 executed between our Company and Centrum in relation to the transfer of the supply chain business   |
| Deferred Expenditure   | Unamortised premium on loan/ debentures  |
| Director   | Director of our Company, unless otherwise specified.   |
| Equity Shares  | Equity shares of our Company of face value of ₹ 10 each.   |
| Independent Director(s)                                      | The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.   |
| KMP  | Key Managerial Personnel, as defined under the Companies Act, 2013, section 2(51), as amended as under:<br><i>“key managerial personnel”, in relation to a company, means -</i><br><i>i. the Chief Executive Officer or the managing director or the manager;</i><br><i>ii. the company secretary;</i><br><i>iii. the whole-time director;</i><br><i>iv. the Chief Financial Officer; and</i><br><i>v. such other officer not more than one level below the directors who is in whole-time employment designed as key managerial personnel by the Board; and</i><br><i>vi. such other officer as may be prescribed;”</i> |
| Limited Review Financials / Limited Review Financial Results | The unaudited standalone financial results for the half year ended September 30, 2018 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under 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  |

| Term  | Description  |
|---|--|
|   | requirements of the SEBI LODR Regulations.   |
| Group Companies/ Group companies of our Company | <p>Larsen &amp; Toubro Limited, L&amp;T Finance Holdings Limited, L&amp;T Infrastructure Finance Company Limited, Larsen &amp; Toubro Infotech Limited, L&amp;T Capital Company Limited, L&amp;T Capital Markets Limited, L&amp;T Housing Finance Limited, L&amp;T Investment Management Limited, L&amp;T Financial Consultants Limited, L&amp;T Infra Investment Partners Advisory Private Limited and L&amp;T Infra Debt Fund Limited*.</p> <p><i>*identified on the basis of the related party list set out in the Annual Report of our Company for Financial Year 2017- 2018</i></p>   |
| Memorandum/ Memorandum of Association/ MoA      | Memorandum of Association of our Company, as amended.  |
| Net Worth                                       | As per Sec 2(57) of the Companies Act, 2013, Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, Deferred Expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.   |
| Preference Shares                               | Preference shares of our Company of face value of ₹ 100 each.  |
| Reformatted Consolidated Financial Information  | <p>The reformatted consolidated financial information of assets and liabilities of our Company as at March 31, 2018 and March 31, 2017 and the reformatted consolidated information of profit and loss and the reformatted consolidated information of cash flows for each of the years ended March 31, 2018 and March 31, 2017, and the summary of significant accounting policies as examined by our Company's Statutory Auditors, Deloitte Haskins &amp; Sells LLP, Chartered Accountants.</p> <p>Our audited consolidated financial information as at and for the years ended March 31, 2018 and March 31, 2017 form the basis for such Reformatted Consolidated Financial Information.</p>  |
| Reformatted Standalone Financial Information    | <p>The reformatted standalone statement of assets and liabilities as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 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, March 31, 2015 and March 31, 2014 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, Deloitte Haskins and Sells, Chartered Accountants.</p> <p>The audited standalone financial statements as at and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 form the basis for such Reformatted Standalone Financial Information.</p> |
| Reformatted Financial Information               | Reformatted Consolidated Financial Information and Reformatted Standalone Financial Information.   |
| Registered Office                               | Technopolis, 7 <sup>th</sup> Floor, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata -700091 West Bengal.   |
| RoC/Registrar of Companies                      | Registrar of Companies, Kolkata, West Bengal   |
| Shareholders                                    | The holders of the Equity Shares from time to time   |
| Statutory Auditors/Auditors                     | Deloitte Haskins and Sells, Chartered Accountants.   |
| Scheme of Amalgamation                          | The merger of L&T Finance Limited and L&T Fincorp Limited with Family Credit Limited (now known as L&T Finance Limited) as approved by the High Court at Calcutta vide its order dated November 28, 2016, with effect from the appointed date as per the scheme of amalgamation (being April 1, 2016) and by the NCLT, Mumbai Bench, vide its order dated January 24, 2017. The Scheme of Amalgamation was filed with the ROC on February 13, 2017.  |



| Term                          | Description   |
|-------------------------------|---|
| Trademark License Agreement   | Agreement dated December 1, 2010 executed <i>inter alia</i> between L&T and L&T Finance Limited read together with the Amendment Agreement dated March 31, 2015 executed <i>inter alia</i> between L&T, L&T Finance Limited and L&T Fincorp Limited |
| Transition Services Agreement | Agreement dated September 4, 2018 executed between our Company and Centrum Financial Services Ltd   |

#### Issue related terms

| Term   | Description   |
|--|---|
| A.K. Capital   | A. K. Capital Service Limited   |
| Allotment/ Allot/ Allotted   | Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to the Issue to the successful Allottees.   |
| Allotment Advice   | The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.  |
| 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/ASBA Application   | An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and respective Tranche Prospectus(es).  |
| 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 this Shelf Prospectus and respective Tranche Prospectus.  |
| “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.  |
| 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.   |
| Axis Bank  | Axis Bank Limited   |
| Banker(s) to the Issue   | The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Public Issue Accounts and/or Refund Accounts will be opened by our Company in respect of the Issue, and as specified in the relevant Tranche Prospectus for each Tranche Issue.  |
| Base Issue Size  | As specified in the relevant Tranche Prospectus for each Tranche Issue.   |
| 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.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> . |
| BSE  | BSE Limited.  |
| CARE   | CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited)   |

| <b>Term</b>   | <b>Description</b>  |
|---|---|
| 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 ₹ 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 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 ₹ 50,000 lakh 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 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 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  |
| Credit Rating Agencies  | For the present Issue, the credit rating agencies, being ICRA, CARE and India Ratings   |
| Client ID   | Client identification number maintained with one of the Depositories in relation to the demat account.  |
| Consortium/ Members of the Consortium (each individually, a member of the consortium) | The Lead Managers and Consortium Members  |
| Consortium Agreement  | As specified in the relevant Tranche Prospectus for each Tranche Issue.   |
| Consortium Members  | As specified in the relevant Tranche Prospectus for each Tranche Issue.   |
| 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.   |

| <b>Term</b>                          | <b>Description</b>   |
|--------------------------------------|--|
| 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 Trustee Agreement          | The agreement dated January 8, 2019 entered into between the Debenture Trustee and our Company.  |
| 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/ Trustee           | Debenture Trustee for the Debentureholders, in this Issue being Catalyst Trusteeship Limited.  |
| 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 Debentureholders 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).  |
| DP / Depository Participant          | A depository participant as defined under the Depositories Act.  |
| Designated Branches                  | Such branches of the SCSBs which shall collect the ASBA Applications and 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.  |
| 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.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.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, sub-brokers, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue.  |
| Designated RTA Locations             | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs 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.  |
| Draft Shelf Prospectus               | This Draft Shelf Prospectus dated January 17, 2019, filed by our Company with BSE and NSE for receiving public comments, in accordance the Regulation 6(2) of the SEBI Debt Regulations and forwarded to SEBI for record purpose.  |
| Edelweiss                            | Edelweiss Financial Services Limited.  |
| ICRA                                 | ICRA Limited.  |

| Term                                      | Description  |
|---|--|
| 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 Finance 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 upto ₹ 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/ Unsecured 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> ”). The Secured NCDs and/ or Unsecured NCDs are together hereinafter referred as “ <b>Debentures / NCDs</b> ”. |
| Issue Agreement                           | The Issue Agreement dated January 17, 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.   |
| Lead Managers/ LMs                        | Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited.   |
| L&T                                       | Larsen & Toubro Limited.   |
| Market Lot                                | 1 (one) NCD.   |
| NSE                                       | National Stock Exchange of India Limited.  |
| Offer Document                            | This Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus read with any notices, corrigenda, addenda thereto.   |
| 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.   |
| Promoter                                  | L&T Finance Holdings Limited.  |
| Public Issue Account                      | Account(s) opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus(es).  |
| Public Issue Account Bank                 | As specified in the relevant Tranche Prospectus.   |
| Public Issue Account Agreement            | As specified in the relevant Tranche Prospectus.   |
| Record Date                               | 15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or a non Working Day, the succeeding Working Day or a date notified by our Company to the stock exchanges shall be considered as Record Date.  |
| 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 Debentureholders              | The Register of Debentureholders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and as more particularly detailed in the chapter titled “ <b>Terms of the Issue – Register of NCD Holders</b> ” on page 229 of this Draft Shelf Prospectus.   |
| Registrar to the Issue/ Registrar         | Link Intime India Private Limited.   |

| <b>Term</b>   | <b>Description</b>  |
|---|---|
| Registrar Agreement                                 | Agreement dated January 8, 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.   |
| Registered Brokers or Brokers                       | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants.  |
| Series  | As specified in the relevant Tranche Prospectus.  |
| Secured NCDs  | Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000/- each.  |
| 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.  |
| 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.   |
| 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, BSE, NSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.   |
| Simplified Listing Agreement                        | The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt and equity securities of our Company.  |
| Specified Cities/Specified Locations                | Bidding Centres where the Consortium shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at <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                                      | BSE and NSE.  |
| 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> <p>(a) up to one year 100%</p> <p>(b) more than one year but up to two years 80%</p> <p>(c) more than two years but up to three years 60%</p> <p>(d) more than three years but up to four years 40%</p> <p>(e) more than four years but up to five years 20%</p> <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital.</p> |
| Syndicate   | Collectively, the Consortium Members, Lead Managers and sub-brokers to the Issue.   |
| Syndicate ASBA                                      | Applications through the Syndicate or the Designated Intermediaries.  |
| Syndicate Bidding Centres                           | Syndicate Bidding Centers established for acceptance of Application Forms.  |
| Syndicate ASBA Application Locations                | ASBA Applications through the Lead Managers, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange or the Designated Intermediaries.   |
| Syndicate 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.  |

| <b>Term</b>  | <b>Description</b>  |
|--|---|
| Tier I capital   | Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.  |
| Tier II capital  | Tier-II capital includes the following:<br>(a) preference shares other than those which are compulsorily convertible into equity;<br>(b) revaluation reserves at discounted rate of 55%;<br>(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;<br>(d) hybrid debt capital instruments;<br>(e) subordinated debt; and<br>(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. |
| Tenor  | Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.   |
| 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.  |
| Trading Members  | Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange.   |
| Tranche Issue  | Issue of the NCDs pursuant to the respective Tranche Prospectus.  |
| Tranche Prospectus   | The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.  |
| Tripartite Agreements  | Tripartite agreement dated June 24, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated May 31, 2012 among our Company, the Registrar and NSDL.   |
| Trust  | Trust Investment Advisors Private Limited.  |
| Unsecured 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.   |
| 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.  |
| Wilful Defaulter   | A Person or a company categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.  |
| Working Day(s)/ Business Day(s)                              | Working Day(s) shall mean all days excluding Saturdays and Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closing Date to listing of the NCDs, Working Days shall be all trading days of stock exchanges excluding Saturdays and Sundays and bank holidays in Mumbai.   |

## Conventional and general terms or abbreviation

| Term/Abbreviation                               | Description/ Full Form  |
|---|---|
| ₹ or Rupees or ₹ or Indian Rupees or INR or Rs. | The lawful currency of India  |
| ACH   | Automated Clearing House  |
| AML   | Anti Money Laundering   |
| AGM   | Annual General Meeting  |
| ALCO  | Assets Liability Management Committee   |
| AS  | Accounting Standards issued by Institute of Chartered Accountants of India  |
| ASBA  | Application Supported by Blocked Amount   |
| Bankruptcy Code                                 | The Insolvency and Bankruptcy Code, 2016  |
| Billion   | 100,00,00,000 (One hundred crores)  |
| Crore   | 1,00,00,000 (One hundred lakhs)   |
| CAR   | Capital Adequacy Ratio  |
| CDSL  | Central Depository Services (India) Limited   |
| CEIC  | Census Economic Information Centre  |
| CPC   | Code of Civil Procedure, 1908   |
| Code of Criminal Procedure                      | Code of Criminal Procedure, 1973  |
| Companies Act                                   | Companies Act, 1956 and Companies Act, 2013, as applicable  |
| 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   |
| Companies Act 2013                              | Companies Act, 2013, as amended and, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Draft Shel Prospectus, along with the relevant rules made thereunder  |
| CRAR / CAR                                      | Capital to Risk-Weighted Assets Ratio/ Capital Adequacy Ratio   |
| CSR   | Corporate Social Responsibility   |
| DSA   | Direct Sales Agent  |
| 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.  |
| ECS   | Electronic Clearing Scheme  |
| ESOP  | Employee Stock Option Scheme  |
| Depositories Act                                | Depositories Act, 1996, as amended read with regulations framed thereunder  |
| Depository(ies)                                 | CDSL and NSDL   |
| DIN   | Director Identification Number  |
| DP/ Depository Participant                      | Depository Participant as defined under the Depositories Act, 1996  |
| DP ID   | Depository Participant's Identity Number  |
| DRR   | Debenture Redemption Reserve  |
| 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/<br>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   |
| GST   | Goods and Services Tax  |

| Term/Abbreviation          | Description/ Full Form   |
|----------------------------|--|
| HNI                        | High Networth Individual   |
| HUF                        | Hindu Undivided Family   |
| ICAI                       | Institute of Chartered Accountants of India  |
| IFRS                       | International Financial Reporting Standards  |
| IMF                        | International Monetary Fund  |
| Income Tax Act             | Income Tax Act, 1961   |
| India                      | Republic of India  |
| Indian GAAP                | Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act  |
| 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                 |
| IRDA                       | Insurance Regulatory and Development Authority   |
| IT                         | Information Technology   |
| KYC                        | Know Your Customer   |
| KYC Norms                  | Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority                      |
| LTV                        | Loan to value  |
| MCA                        | Ministry of Corporate Affairs, GoI   |
| Million                    | 10,00,000 (Ten lakhs)  |
| MoF                        | Ministry of Finance, GoI   |
| 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  |
| NACH                       | National Automated Clearing House  |
| NEFT                       | National Electronic Fund Transfer  |
| N.I. Act                   | Negotiable Instruments Act, 1881, as amended   |
| 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 ICDR Regulations      | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended  |
| SEBI Debt Regulations      | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, 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  |



| Term/Abbreviation | Description/ Full Form  |
|-------------------|---|
| Stage 2 Provision | Stage 2 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS   |
| Stage 3 Assets    | Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS   |
| Stage 3 Provision | Stage 3 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS   |
| Gross NPAs/GNPAs  | Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade.<br>Gross NPA is also referred to as GNPAs |

#### Business/ Industry related terms

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

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled “*Capital Structure*”, “*Regulations and Policies*”, “*History, Main Objects and Key Agreements*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation and Defaults*” and “*Issue Procedure*” on pages 56, 196, 116, 63, 119, 146, 167 and 236, respectively will have the meanings ascribed to them in such sections.

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

### **Certain Conventions**

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

### **Presentation of Financial Information**

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 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 Reformatted Standalone Financial Information and the Reformatted Consolidated Financial Information are included in this Draft Shelf Prospectus and collectively referred to hereinafter as the “**Reformatted Financial Information**”. The examination reports on the Reformatted Financial Information as issued by our Company’s Statutory Auditor, Deloitte Haskins & Sells LLP, Chartered Accountants, are included in this Draft Shelf Prospectus in the chapter titled “**Financial Information**” beginning at page 140 of this Draft Shelf Prospectus.

The unaudited financial results of our Company for the six months ended September 30, 2018 submitted to the Stock Exchange pursuant to the requirements of SEBI LODR Regulations (“**Limited Review Financial Results**”) are included in this Draft Shelf Prospectus in the chapter titled “**Financial Information**” beginning at page 140 of this Draft Shelf Prospectus.

Unless stated 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, March 31, 2015 and March 31, 2014 prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act and other applicable statutory and / or regulatory requirements.

Unless stated otherwise, the financial data used in this Draft Shelf Prospectus as at December 31, 2018 and September 30, 2018 is prepared in accordance with Ind AS, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act and other applicable statutory and / or regulatory requirements.

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

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

The extent to which the market and industry data used in this Draft Shelf Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions

may vary widely among different industry sources. We have relied on the ICRA Industry Report for industry related data that has been disclosed in this Draft Shelf Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in ***“Internal Risk Factor no. 50 – We have not independently verified certain data in this Draft Shelf Prospectus”*** on page no. 38 of this Draft Shelf Prospectus.

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

### **Currency and Unit of Presentation**

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

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” 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 half year ending on September 30, 2018 prepared under Ind AS, may not be comparable.

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.

### **Industry and Market Data**

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

## Exchange Rates

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

| Currency | December 31, 2018 | September 30, 2018 | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|----------|-------------------|--------------------|----------------|----------------|----------------|----------------|----------------|
| USD      | 69.79             | 72.55              | 65.04          | 64.84          | 66.33          | 62.59          | 60.10          |

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 calendar day not being a public holiday has been considered.*

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

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

## FORWARD-LOOKING STATEMENTS

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

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- demand for our products and services;
- performance of the new and pre-owned vehicles industry;
- OEM and employee relationships;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Draft Shelf Prospectus, including under the section titled “**Risk Factors**” on page 18 of this Draft Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled “**Our Business**”, “**Risk Factors**” and “**Outstanding Litigations and Defaults**” on pages 90, 18 and 167 respectively of this Draft Shelf Prospectus. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Draft Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

## SECTION II-RISK FACTORS

### RISK FACTORS

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

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

*The financial information for half year ended September 30, 2018 and financial information upto and for the year ended March 31, 2018 are not comparable as they are prepared under different GAAPs.*

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

Certain regulatory developments have affected NBFCs' access to select funding sources and have affected their costs of borrowings including through funding from banks, capital markets, and securitization and assignment transactions. For example, pursuant to the RBI circular dated May 3, 2011, loans extended by commercial banks to NBFCs after April 1, 2011, are not considered priority sector

loans. While scheduled commercial banks may still choose to lend to NBFCs, they may charge higher rates to do so as these loans no longer count towards their priority sector lending requirements.

Further, the restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non- Banking Financial Companies dated July 1, 2015 (the “**Master Circular**”) may restrict our ability to obtain bank financing for specific activities. Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. 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, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, or at all, which could adversely affect our liquidity and financial condition.

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

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

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

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

Our business strategy involves a high level of ongoing interaction with our customers. We believe that this involvement is an important part of developing our relationship with our customers, identifying new cross-selling opportunities and monitoring our performance. However, this level of involvement also entails higher levels of operating costs and also requires a relatively higher gross spread, or margin, on the finance products we offer in order to maintain profitability. There can be no assurance that we will

be able to maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations.

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

A significant component of our revenue is the interest on term loans and other financing activity (net of reversal) we receive from the loans we disburse, which comprised ₹ 3,21,669.80 lakh or 95.51% of our total income of ₹ 3,36,777.20 lakh for the six months ended September 30, 2018 and ₹ 4,55,109.53 lakh or 86.76% of our total income of ₹ 5,24,568.84 lakh for the financial year 2018.

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 and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rate we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors such as banks, who may have access to funds at a lower cost or lower cost deposits. To the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders with a borrowing profile more suited to a given economic environment. Further, our ability to pass on any increase in interest rates to borrowers may also be constrained by regulations implemented by the Government or the RBI. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

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

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

As of September 30, 2018, our total adjusted loans and advances outstanding were ₹45,83,549.48 lakh. The table below sets out a breakdown of our total adjusted loans and advances and Gross Stage 3 Assets by business segments:

|                                    | Adjusted Total<br>Loans and<br>Advances | Gross Stage 3 Assets |                  |
|------------------------------------|---|----------------------|------------------|
|                                    | ₹ lakh                                  | ₹ lakh               | % of total loans |
| Wholesale business                 | 16,48,572.74                            | 55,309.25            | 3.98%            |
| Housing business                   | 6,86,372.65                             | -                    | 0.00%            |
| Rural business                     | 21,43,287.66                            | 89,449.17            | 4.29%            |
| Defocused business                 | 1,05,316.44                             | 34,423.90            | 35.55%           |
| Total Adjusted Loans and advances: | 45,83,549.48                            | 1,79,182.32          | 4.21%            |

Our wholesale business comprises of infrastructure finance and structured corporate finance. Under wholesale business, we primarily provide debt, equity or hybrid financing, and financial advisory and



syndication services related to infrastructure projects in India. Infrastructure projects are characterized by project-specific risks as well as general risks. These risks are generally beyond our control, and include:

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

Our housing business comprises of loans against property and real estate finance. Under real estate finance, we provide construction finance loans and they may be exposed to risks related to time and cost overruns. Factors such as third party performance risks, delays in obtaining the requisite approvals, environmental risks, changes in market conditions, changes in government or regulatory policies, permits, licenses or certifications from the relevant authorities as well as shortages of, or material increases in prices of, construction materials, equipment, technical skills and labor, 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.

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

Our borrowers may also default on their obligations to us as a result of their bankruptcy, 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, 2018, our total adjusted loans and advances outstanding were ₹ 45,83,549.48 lakh and we expect that the size of our loan assets will grow as a result of our expansion strategy in existing as well as new products, which may expose us to an increase in Gross Stage 3 and an increased risk of defaults. Non-payment or default by borrowers in the future may adversely affect our financial condition and results of operations.

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

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

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

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

As on September 30, 2018, with 8.27%, 14.74%, 2.21%, 14.70%, 9.32% and 1.09% of our total adjusted loans and advances comprising of loans towards renewable energy projects, construction finance, transportation projects, farm equipment, two-wheelers and power transmission projects, respectively. We have significant exposure in renewable energy, roads, transportation projects, power transmission, housing, construction and rural sectors in India and may continue to have significant concentration of loans in these sectors. Any significant negative trends in these sectors may affect the business of our borrowers, which in turn may affect their ability to perform their obligations under their existing financing agreements with us. Consequently, this may increase the level of Gross Stage 3 assets in our portfolio and may adversely affect our business, financial performance and results of operations.

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

Our top 20 borrowers (including affiliates of such borrowers) in terms of adjusted loans and advances represented 16.36%, 17.80%, 18.71% and 22.78% of our total adjusted loans and advances as of September 30, 2018, March 31, 2018, 2017 and 2016, 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 and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act 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.

**10. *Resignation of the existing company secretary of our Company.***

In terms of Section 203 of the Companies Act, 2013, our Company is required to appoint a company secretary to carry out the functions of a company secretary in accordance with the Companies Act and the applicable laws. As per requirements of the Companies Act, a Company Secretary being a KMP can be appointed only at a Board Meeting, therefore the vacancy created due to resignation of the earlier Company Secretary (with effect from September 28, 2018) will be filled in at the ensuing Board Meeting. For the purpose of the Issue, our Company has appointed Ms. Apurva Rathod as the Compliance Officer to the Issue.

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

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

During the course of finalization of inspection, regulatory authorities share their findings and recommendations with us and give us an opportunity to provide justification and clarifications. Further, such regulatory authorities also seek certain clarifications and share their findings in the ordinary course of business. We have responded to observations made by such authorities and addressed them, however we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future. 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.

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

Some of the loans provided by us are unsecured loans, recovery of which may be more challenging than the secured loans. The following table sets out the amount of unsecured adjusted loans and advances of our micro loans and corporate finance loans, respectively, as of September 30, 2018:

| <b>Business group</b>    | <b>Total Adjusted Loans and Advances (Unsecured)</b> | <b>Percentage of Total Adjusted Loans and Advances</b> | <b>Net Stage 3 Assets</b> | <b>Net Stage 3 Assets/ Total Adjusted Loans and Advances (Unsecured)</b> |
|--------------------------|--|--|---------------------------|--|
| Micro loans <sup>1</sup> | 10,42,387.47   | 23.84%   | 207.50                    | 0.02%  |
| Corporate finance loans  | 2,75,182.00  | 6.29%  | 2,924.44                  | 1.06%  |
| Retail Loans             | 48,259.80  | 1.10%  | 246.36                    | 0.51%  |
| Total                    | 13,65,829.27   | 31.23%   | 3,378.30                  |  |

<sup>1</sup> Micro loans forms part of our rural business segment.

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

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

As at September 30, 2018, approximately 68.77% of our total loan portfolio (excluding inter-corporate deposits), is secured by a mix of both movable and immovable assets or other forms of collateral, depending on the nature of the transaction. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions (both global and domestic). For example, in relation to our wholesale business, our collateral is typically the assets and cash-flows from infrastructure projects such as renewable energy generation projects, power distribution projects and operational road projects. Any decrease in the value of such projects, including due to deterioration in the quality of such projects, inadequate development or maintenance or as a result of decreased demand, may result in diminishing the value of our collaterals. In the event of default by our customers, we cannot assure you that we will be able to sell our collateral including machinery, stock, two-wheelers or agricultural equipment or properties provided as security, due to various reasons including, unforeseen delays in our ability to take immediate action, winding up and foreclosure proceedings, defects in title, defects in perfection of the collateral or documentation relevant to the assets, stock market downturns, fraudulent transfers by our customers, difficulty in locating movable assets and the necessity of obtaining regulatory approvals and/or court orders for the enforcement of our collateral over those assets.

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

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

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

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

As at March 31, 2018, adjusted loans and advances for our micro loans segment were ₹ 7,54,879.77 lakh, which accounted for 18.40% of our total adjusted loans and advances. As at September 30, 2018, adjusted loans and advances for our micro loans segment were ₹ 10,42,516.42 lakh, which accounted for 23.84% of our total adjusted loans and advances. As at March 31, 2018, the Gross NPAs (at 90 days past due) for our micro loans segment was ₹ 35,336.77 lakh and as at September 30, 2018 Gross Stage 3 Assets was ₹ 17,856 lakh. The gross NPAs as a percentage of the total adjusted loans and advances were 4.68%, 4.06%, 0.01% and 0.10% as at March 31, 2018, 2017, 2016 and 2015, respectively, while the net NPAs as a percentage of net adjusted loans and advances were 0.56%, 3.65%, 0.01% and 0.00 % as at March 31, 2018, 2017, 2016 and 2015, respectively. As on September 30, 2018 the Gross Stage 3 Assets as a percentage of the total adjusted loans and advances was 1.75% and Net Stage 3 Assets as a percentage of net adjusted loans and advances was 0.02%. Due to the underlying financial and social circumstances of our micro loans customers and our non-traditional lending practices we may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that could have an adverse effect on our business, future financial performance and results of operations.

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

Commencing from April 1, 2016, we have streamlined and reorganized our financing businesses and employees under three primary financing business segments, i.e., rural business, housing business and wholesale business. Correspondingly, we have divested certain part of, and are in the process of running-down, non-core business assets. These businesses include commercial vehicle financing, construction

equipment financing, receivable discounting, small and medium enterprise term loans, car financing, loyalty and personal loans, among others. Our defocused businesses comprised 2.30%, 3.75% and 8.50% of our total adjusted loans and advances as of September 30, 2018 and March 31, 2018, and March 31, 2017, respectively. We have, vide a Business Transfer Agreement dated September 4, 2018 read together with the Deed of Assignment dated December 31, 2018 transferred our supply chain business by way of slump sale in favor of Centrum Financial Services Limited, effective December 31, 2018. In the event we are unable to further reduce the amount of loans outstanding under our defocused businesses or sell these loans to third parties at acceptable rates, or at all, or if we have to write-off these loans or classify them as Gross Stage 3s, our business, asset quality and results of operations may be adversely affected.

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

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

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

Part of our collections, specifically collections in our rural business segments, is in cash. Large cash collections expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such cash collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. Certain of our customers are from the rural and semi-urban markets, which carry additional risks due to limitations on infrastructure and technology. We have experienced 2, 12, 20, 7 and 13 instances fraud, for amounts aggregating to ₹ 40.78 lakhs, ₹ 62.52 lakhs, ₹ 59.21 lakhs, ₹ 24.84 lakhs and ₹ 55.45 lakhs, in the six months ended September 30, 2018 and financial years 2018, 2017, 2016 and 2015 respectively. While we obtain insurance for our cash in transit and safes for storage of cash, we cannot assure you that the insurance obtained by us adequately covers all risks involved or will be paid in relation to the entire amount involved, or at all.

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

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

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

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

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

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

Our business is dependent upon increasingly complex and interdependent information technology systems and as part of our emphasis on data analytics and increasing use of electronic processes in our businesses, we are in the process of upgrading such systems. See the chapter titled “***Our Business***” on page 90. We have commenced utilizing the loan management system capabilities of a reputed third party and have migrated our data from our previous loan management systems. We have also entered into agreements with third parties such as IT companies to upgrade our IT infrastructure and are in the process of establishing new technology enabled centralized processing units. If our IT vendors are unable to fulfill 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.

**20. *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. ICRA, CARE, and India Ratings & Research have rated our Company's NCDs at [ICRA] AAA/Stable, CARE AAA/Stable and IND AAA / Stable, respectively. The rating on our Company's short-term debt by ICRA and CARE are at ICRA A1+ and CARE A1+, respectively. For further details, see the chapter titled "***Our Business***" on page 90.

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

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.

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

Our statutory auditors have highlighted certain matters of emphasis to their audit opinion relating to our last five audited financial statements, as mentioned below:

| Financial year ended | Auditor remarks   |
|----------------------|---|
| March 31, 2017       | <p><b>Emphasis of matter in standalone financial statements:</b></p> <p>The auditors have drawn attention to note 29.15 of the financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the financial statements of the Company.</p> <p>The auditors have not modified their opinion in respect of these matters.</p> <p><b>Emphasis of matter in consolidated financial statements:</b></p> <p>The auditors have drawn attention to note 29.15 of the financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the financial statements of the Company.</p> <p>The auditors have not modified their opinion in respect of these matters.</p> |

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

**22. *We may require additional financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.***

We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic



conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements.

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

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

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

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

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

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

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

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

- ability to correctly anticipate customer demand and the market for such products;
- ability to develop products in a timely manner and in compliance with regulatory requirements;
- risk that any of our products that maybe under development, if and when fully developed and tested, will not perform as expected;

- delays or unanticipated costs; and
- delay in locating and establishing collaborations with distributors or other channels to distribute our products in our targeted markets.

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

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

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

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

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

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

As of September 30, 2018, we employed 17,998 permanent employees. Though we believe that we maintain good relationship with our employees, we cannot assure you that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and result operations.

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

Our farm equipment finance business is dependent on the state of Madhya Pradesh, with 15.95%, 17.81%, 20.93% of our outstanding farm equipment finance loans as of September 30, 2018; March 31, 2018, and March 31, 2017 respectively, arising from this state. Further, our housing business operates in 6 locations, out of which, top two locations accounted for 64%, 70%, and 55% of our outstanding housing business loans as of September 30, 2018, March 31, 2018; and March 31, 2017 respectively, arising from these regions.

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

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

From time to time we assign receivables from our outstanding loan portfolio to other NBFCs and banks for a consideration to, among other reasons, improve our liquidity and financial ratios. As of September 30, 2018, our portfolio of assigned outstanding loans was ₹ 6,234.36 lakh, constituting 0.14% of our Company's total adjusted loans and advances. In January 2009, the High Court of Gujarat held that the provisions of the Banking Regulation Act, 1949 do not permit banks to assign debt due to them, including the assignment of debt between two banks. However, on appeal, the Supreme Court of India reversed the decision of the High Court of Gujarat and held that assignment of debts by the banks inter-se is not barred by law. If in the future, one or more of the assignment transactions entered into by us is held to be unenforceable by a court of law, we may be required to terminate such assignment transactions. Such events may adversely affect our business, financial condition and results of operations.

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

The Companies (Indian Accounting Standards) Rules, 2015 ("IAS Rules"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP with IFRS. The IAS Rules provide that financial statements of companies to which such rules apply shall be prepared in accordance with Ind AS. Ind AS differs in various respects from Indian GAAP. We are required to prepare our financial statements in accordance with Ind AS with effect from April 1, 2018 with comparatives for prior periods. We are aware that Ind AS will impact certain items in our financial statements such as income from loan and advances, finance cost, provision on non-performing assets and deferred tax. However, this summary may not contain all significant differences between Indian GAAP and Ind AS applicable to our Company and reliance by prospective investors on this summary should be limited. Accordingly, our financial statements for the period commencing from April 1, 2018 will not be comparable to our historical financial statements. Further, our financial statements for the financial year 2018 prepared under Ind AS will not be comparable to our financial statements prepared for such period under Indian GAAP.

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

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

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

As a NBFC-ND-SI, our Company is required to maintain a capital ratio-requirement of at least 15% of our aggregate risk-weighted assets of our balance sheet (on-balance sheet and of risk adjusted value of off balance sheet items) on an ongoing basis. In addition, we are regulated by the RBI, and are subject to certain capital adequacy ratios. The minimum capital requirement or capital adequacy ratios required to be maintained by us, as well as the respective capital adequacy ratios of us as at September 30, 2018 and March 31, 2018 are as follows:

|                 | Category   | Minimum capital requirement/ adequacy ratio | Capital adequacy ratio |                |
|-----------------|------------|---|------------------------|----------------|
|                 |            |   | September 30, 2018     | March 31, 2018 |
| L&T Finance Ltd | NBFC-ND-SI | 15%   | 17.11%                 | 17.92%         |

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 favorable to us.

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

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

Some of our borrowers may not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures, or other related documents, have limited formal education, and may only be able to furnish limited information for us to assess their creditworthiness accurately. In addition, we may not receive updated information regarding any change in their financial condition or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation. It is therefore, difficult to carry out credit risk analysis on our borrowers. Although we have established policies and procedures, they may not be fully effective. For further information, see the chapter titled “*Our Business*” on page 90. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFCs, standards and practices in the sectors we cater to, on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. We cannot assure you that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

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

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

finance business is conducted entirely through our mobile based technology relying on electronic customer checks, electronic data capture, online income assessment and automated processes. Any failure in these systems may adversely affect our business.

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

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

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

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

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

We may face potential liquidity risks because our assets and liabilities mature over different periods. As is typical for NBFCs, we meet a portion of our funding requirements through short-term funding sources, such as by issuing commercial paper, short-term loans from banks. The majority of our loan assets, however, mature over the medium term. There are stipulated limits for mismatches in the different time buckets in the statement of structural liquidity for NBFCs, which the company endeavours to stay within. However, our inability to 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 mismatches between our assets and liabilities, which in turn may adversely affect our operations and profitability.

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

Our Company, Promoter and our Directors are party to legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and

other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that no further liability may arise from these claims in the future.

Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations. See the chapter titled “*Outstanding Litigations and Defaults*” on page 167 for a description of certain material proceedings involving our Company, Group Companies and our Directors.

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

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

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

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

L&T controls 63.9613% of our Promoter’s outstanding Equity Shares. Our Company being a wholly owned subsidiary of our Promoter, L&T will continue to exercise significant influence over our business policies and affairs and all matters requiring ordinary shareholder approval. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoter and/or L&T.

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

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

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

such transactions been entered into with parties that were not related parties. 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 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. For more information, see the chapter titled “*Related Party Transaction*” on page 139.

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

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

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

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.

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

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

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

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

Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. We face operational risks in our various businesses and there may be losses due to failures or inadequacies of our internal controls systems. Failures in our internal controls systems may lead to deal errors, pricing errors, inaccurate financial reporting, fraud and failure of critical

systems and infrastructure. Such instances may also adversely affect our reputation, business and results of operations. Failures or material weaknesses in internal controls may also lead to incidents of fraud. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition.

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

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

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

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

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

We maintain insurance coverage that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co- insurance requirement, could adversely affect our business, financial condition and results of operations.

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

The "L&T" trademark is registered in favour of L&T. Pursuant to a Trademark License Agreement read together with the scheme of amalgamation effective from February 13, 2017, our Company has been granted a global non-exclusive, non-transferrable license to use the "L&T" trademark and logo for a consideration payable by each of the licensees of up to 0.15% of the assets, or 1.5% of the PAT for the first year, 3.0% of the PAT for the second year or 5.0% of PAT for the third year onwards, of each of the licensees, whichever is lower, plus goods and service tax. The payment of such consideration is made on



an annual basis, unless otherwise agreed amongst the parties. 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 90.

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 favorable outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. We cannot assure you that any unauthorized use by third parties of the trademarks will not similarly cause damage to our business prospects, reputation and goodwill.

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

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

As of September 30, 2018, all our 225 branches are housed on leased premises. Lease agreements entered into in relation to such premises have provisions which allow us to renew the agreement on mutually agreed terms and contain provisions for issuance of notices subject to a notice period in case of termination or non-renewal. In the event, any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

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

As of December 31, 2018, our Company, had total borrowings of ₹ 4,362,893.61 lakh. Our level of indebtedness has important consequences to us, such as:

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

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

- to declare or pay dividend to any of our shareholders whether equity or preference, during any financial year unless we have paid to the lender the dues payable by them in that year;

- to change the capital structure;
- to undertake or permit any merger, amalgamation or compromise with the shareholders, creditors or effect any scheme of amalgamation or reconstruction;
- to amend the MOA and AOA or alter the constitution;
- to undertake substantial change in general nature of business
- to change the ownership or control; and
- to make any major investments by way of deposits, loans or share capital in any manner.

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

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

Certain documents supporting the information included in the biographies pertaining to the previous work experience, for certain of Directors, disclosed in the chapter “**Our Management**” on page 119 are unavailable. Further, documents in connection with litigation against our Company as disclosed in the chapter titled “**Outstanding Litigations and Defaults**” on page 167 are unavailable. Such details pertaining to the Directors are supported by affidavits executed by such Directors, certifying the authenticity of the information provided by them and pertaining to the outstanding litigations are supported by a certificate obtained from local advocate handling the relevant litigation.

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

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

**51. *We have availed certain unsecured loans that are callable 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 ₹ 503,500.00 lakh as of December 31, 2018, which are callable on demand by our lenders. In such cases, the lenders are empowered to require repayment of the facility at any point in time during the tenure. In case any of such loans are recalled on demand by our lenders and we are unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. For further information, see the chapter titled “**Financial Indebtedness**” on page 146.

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

There are certain loans and debt, including NCDs raised by us, aggregating to ₹ 14,66,227.46 lakh as of December 31, 2018, 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 and financial condition.

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

We had a cash outflow from operating activities of ₹ 9,00,192.83 lakh, ₹2,47,931.39 lakh, ₹ 1,52,067.18 lakh and ₹ 4,51,883.83 lakh for financial years 2018, 2017, and 2016, and for the six month period ended September 30, 2018, respectively. Further, we had a cash outflow from investing activities of ₹ 2,50,889.15 lakh and ₹ 2,09,090.93, for financial year 2017 and six month period ended September 30, 2018, respectively. If we experience any cash outflow in the future, this could adversely affect our business prospects, financial condition and results of operations. For further information, see the section titled “*Financial Information*” on page 140.

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

L&T Fincorp Limited and L&T Finance Limited merged with Family Credit Limit and Family Credit Limited was renamed as L&T Finance Limited as a part of the scheme of amalgamation, the appointed date being April 1, 2016. Pursuant to the amalgamation, certain distribution and customer network rights were recognized as an intangible asset, valued at ₹ 43,880.00 lakh and ₹ 2,82,851.10 lakh was recorded as goodwill on amalgamation. We have elected to amortize such intangible assets on a straight line basis over a period of five years with effect from April 1, 2016. The tax benefits arising from the amalgamation are subject to assessment under applicable income tax laws. In the event there is a disallowance of the amortization of intangible assets pursuant to the amalgamation, or any other tax benefits arising from the amalgamation, we may face increased tax expenses and litigation costs and consequently our profitability may be adversely affected.

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

As of December 31, 2018, we had certain contingent liabilities not provided for, amounting to ₹ 1,72,167.58 lakh 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 AS 29 issued by the ICAI, see “*Financial Information*”. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

- 56. *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 a substantial increase in the cost of tax compliance for the six months ended September 30, 2018, 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.

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

We have certain proceedings pending under the IT Act before the 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 have made an application to the relevant assessing officer seeking such prior consent on January 4, 2019 and have received acknowledgment in relation to the same. In the event that such consent is revoked, the security provided for the Issue to the extent classified as 'Assets' under section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by our Company, including as a result of the completion of these proceedings.

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

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

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

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

Further, since home owners of residential projects undergoing construction have now been given the status of a financial creditor, they may therefore initiate corporate insolvency resolution process against the developers. This may thereby hinder loan repayments in respect of real estate projects funded by us. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

## **EXTERNAL RISKS**

### **Risks Relating to India**

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

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

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

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

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

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

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

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

India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic and international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued various economic liberalisation policies such as relaxing the restrictions in the private sector over the past few years.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. As a result, our Company's business may be affected by changes in the interest rates, government policy and taxation. Furthermore, our Company's business may be adversely affected by social and civil unrest or other negative political, economic or other developments in or affecting India.

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

Our Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Our Company can also be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is commonly referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges which exposes our Company to the systemic risks faced by entities operating in the Indian financial system. For instance, certain Indian financial institutions have experienced difficulties in recent years, including with respect to write-offs of Gross Stage 3 loans made to certain large, corporate borrowers. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs merging with stronger entities. Any instability in or any difficulties faced by the Indian financial system could create an adverse market perception in relation to Indian financial institutions, banks and the NBFCs. This, in turn, could adversely affect our Company's business and future financial performance.

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

Capital inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. While the current account deficit ("CAD") remained a main area of concern over fiscal year 2012 and fiscal year 2013, it has shrunk sharply in fiscal year 2015 and fiscal year 2016. A substantial decline in the imports bill, mainly on account of lower crude oil prices led to a significant narrowing in the trade deficit that in turn reduced the size of the CAD. However, the primary challenge for the Indian Rupee was the volatile swings in capital flows. The Indian Rupee recorded a high of ₹ 62.16 to U.S. dollar and a low of ₹ 68.78 to the U.S. dollar during fiscal year 2016. In October 2018, the Indian Rupee recorded a high of ₹ 74.72 and has been volatile in the past few months. Although the Indian Rupee is less vulnerable given the improvements in the CAD and visible moderation in inflation rates, there remains a possibility of needing to intervene 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 impact domestic interest rates.

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

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

out, by means, or in a manner, which is not normally employed for bona fide purposes. If GAAR provisions are invoked, the tax authorities would have wide powers, including denial of tax benefit or a benefit under a tax treaty.

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

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

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

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

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

**Risks Relating to the Issue**

**67. *If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.***

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014 states that the company shall create Debenture Redemption Reserve and 'the adequacy' of DRR will be 25% of the outstanding value of debentures issued through public issue as per present SEBI Debt Regulations. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet 25% of the value of the outstanding NCDs. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely: (i) in deposits with any scheduled bank, free from any charge or lien; (ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) 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, provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year. If we do not generate adequate profits, we may not be able to maintain adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

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

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

frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

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

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

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

This Draft Shelf Prospectus includes Limited Review Financial Results in relation to our Company for the half year ended September 30, 2018 in respect of which the Auditors have issued their Limited Review Report dated October 24, 2018. As Limited Review Financial Information prepared by our Company in accordance with Regulation 52(2) of the SEBI Debt 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, 2018 should, accordingly, be limited. Additionally, in accordance with applicable law, our Company is required to publish its half yearly financial information with the stock exchanges. Any financial results published in the future may not be consistent with past performance. Accordingly, prospective investors should rely on their independent examination of our financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on the financial information included in this Draft Shelf Prospectus.

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

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

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

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

The NCDs proposed to be issued under this Issue have been rated [ICRA] AAA / Stable (pronounced as ICRA triple A rating with Stable outlook) for an amount of ₹ 5,00,000 lakh, by ICRA vide their letter dated December 21, 2018, CARE AAA / Stable (pronounced as CARE triple A with Stable outlook) for an amount of ₹ 5,00,000 lakh by CARE vide their letter dated December 28, 2018 and IND AAA / Stable (pronounced as IND triple A with Stable outlook) for an amount of ₹ 5,00,000 lakh by India Ratings vide their letter dated December 31, 2018. 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. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

**73. *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 December 31, 2018, our Company's secured borrowing was ₹ 26,69,168.37 lakh. 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.

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

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

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

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

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

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

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

Sale of NCDs by any holder may give rise to tax liability, as discussed in the chapter titled "*Statement of Tax Benefits*" on page 63.

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

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial

performance, cash flows, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

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

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

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

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (ii) withdrawal of the Issue, or (iii) failure to obtain the final approval from the NSE and/or BSE for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

## **SECTION III-INTRODUCTION**

### **GENERAL INFORMATION**

Our Company was incorporated on November 24, 1993, as Apeejay Finance Group Private Limited as a private limited company under the provisions of the Companies Act, 1956 and was granted a certificate of incorporation by the RoC. Upon conversion of our Company from private limited to public limited the name of our Company was changed to Apeejay Finance Group Limited and a fresh certificate of incorporation consequent upon change of name was granted by the RoC on February 14, 1994. The name of our Company was subsequently changed to Family Credit Limited on July 12, 2007 and pursuant to the scheme of amalgamation effective from February 13, 2017 the name of our Company was further changed to L&T Finance Limited on March 17, 2017.

#### **Registered Office**

Technopolis, 7th Floor,  
A- Wing, Plot No. - 4,  
Block - BP, Sector -V,  
Salt Lake, Kolkata,  
West Bengal 700 091, India.  
**Tel:** 033-66111800  
**E-mail:** secretarial@ltfs.com  
**Website:** www.ltfs.com  
**PAN No.:** AACCA1963B  
**LEI No.:** 3358004EZG8QSJOAC830

#### **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 6621 7509  
**E-mail:** secretarial@ltfs.com  
**Website:** www.ltfs.com

#### **Registration**

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

#### **Chief Financial Officer**

**Mr. Manish Jethwa**  
L&T Finance Limited  
Brindavan Building, Plot No 177,  
Vidyanagari Marg, CST Road, Kalina Santacruz (E),  
Mumbai 400 098  
**Tel:** +91 022 6212 5000  
**Fax:** +91 022 6621 7509  
**E-mail:** manishjethwa@ltfs.com

#### **Compliance Officer**

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

**Ms. Apurva Rathod**  
*Compliance Officer*  
Brindavan Building, Plot No 177,  
Vidyanagari Marg, CST Road, Kalina Santacruz (E),  
Mumbai 400 098  
**Tel:** +91 022 6212 5000

Fax: +91 022 6621 7509  
E-mail: apurvar@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, or interest on application money etc.

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

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

### **Lead Managers**

#### **Edelweiss Financial Services Limited**

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

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

30-39, Free Press House, 3<sup>rd</sup> Floor,  
Free Press Journal Marg,  
215, Nariman Point,  
Mumbai – 400 021  
Tel: +91 22 6754 6500/ 6634 9300  
Fax: + 91 22 6610 0594  
Email: ltfinance.ncd2019@akgroup.co.in  
Investor Grievance Email: investor.grievance@akgroup.co.in  
Website: www.akgroup.co.in  
Contact Person: Ms. Shilpa Pandey/Mr. Malay Shah  
Compliance Officer: Mr. Tejas Davda  
Email (Compliance Officer): investor.grievance@akgroup.co.in  
Tel (Compliance Officer): +91 22 6754 6500/ 6634 9300

#### **Trust Investment Advisors Private Limited**

109/110, Balarama, Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051  
Tel: (+91 22) 4084 5000  
Fax: (+91 22) 4084 5007  
Email: projectvajra@trustgroup.in  
Investor Grievance Email: customercare@trustgroup.in  
Website: www.trustgroup.in  
Contact Person: Ms. Hani Jalan  
Compliance Officer: Mr. Ankur Jain  
SEBI Registration No.: INM000011120

**Axis Bank Limited**

Axis House, 8<sup>th</sup> Floor, C-2,  
Wadia International Centre,  
P.B. Marg, Worli, Mumbai, 400025  
Tel: +91 22 6604 3293  
Fax: +91 22 2425 2800  
Email: ltfs.ncd2019@axisbank.com  
Investor Grievance Email: investor.grievance@axisbank.com  
Website: www.axisbank.com  
Contact Person: Mr. Vikas Shinde  
Compliance Officer: Mr. Sharad Sawant  
SEBI Registration No.: INM000006104  
CIN: L65110GJ1993PLC020769

**Debenture Trustee:****Catalyst Trusteeship Limited**

GDA House, Plot No 85, Bhusari Colony (Right),  
Paud Road, Pune - 411 038  
Tel: +91 020 2528 0081  
Fax: +91 020 2528 0275  
E-mail: dt@ctltrustee.com  
Investor Grievance Email: grievance@ctltrustee.com  
Website: www.catalysttrustee.com  
Contact Person: Ms. Rakhi Kulkarni  
SEBI Registration No.: IND000000034  
CIN: U74999PN1997PLC110262

**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.ltfin2019@linkintime.co.in  
Investor Grievance mail: ncd.ltfin2019@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Mr. Shanti Gopalkrishnan  
Email (Compliance Officer) : bn.ramakrishnan@linkintime.co.in  
Tel (Compliance Officer) : +91 22 49186200  
SEBI Registration Number: INR000004058  
CIN: U67190MH1999PTC118368

**Statutory Auditor:**

M/s. Deloitte Haskins & Sells LLP  
Indiabulls Finance Centre Tower 3, 27th- 32nd Floor,  
Senapati Bapat Marg, Elphinstone Road (West), Mumbai: 400013  
Tel: +91 22 6185 5390  
Fax: +91 22 6185 4601  
E-mail: spilgaonkar@deloitte.com  
Contact Person: Mr. Sanjiv V. Pilgaonkar  
Firm Registration No.: 117366W/W-100018

**Date of appointment as Statutory Auditor:** June 15, 2016

**Credit Rating Agencies:****CARE Ratings Ltd**

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, 4<sup>th</sup> floor, Bandra Kurla Complex,  
Bandra East, Mumbai 400051  
Tel: +91 22 4000 1700  
Fax: +91 22 4000 1701  
E-mail: shrikant.dev@indiaratings.co.in  
Website: www.indiaratings.co.in  
Contact Person: Mr. Shrikant Dev  
Compliance Officer : Mr. Shrikant Dev  
SEBI Registration No.: IN/CRA/002/1999  
CIN: U67100MH1995FTC140049

**ICRA Ratings Limited\***

Electric Mansion, 3<sup>rd</sup> Floor, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400025  
Tel: +91-22-61143406  
Fax: +91-22-24331390  
E-mail: shivakumar@icraindia.com  
Website: www.icra.in  
Contact Person: Mr. L. Shivakumar  
SEBI Registration No.: IN/CRA/008/2015  
CIN: L74999DL1991PLC042749

*\*ICRA Ratings Limited received a notice from SEBI on December 18, 2018, for conduct of adjudication proceedings in relation to credit ratings assigned to Infrastructure Leasing & Financial Services Limited and one of its subsidiaries, IL&FS Financial Services Ltd. under the SEBI (Procedure for Holding Enquiry and Imposing Penalties by Adjudication Officer) Rules, 1995. These proceedings are under Chapter VI-A of the SEBI Act, 1992, which deals with potential imposition of monetary penalty.*

**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**

**BNP Paribas**

BNP Paribas House, 1, North  
Avenue, Maker Maxity, Bandra -  
Kurla Complex, Bandra East,  
Mumbai – 400051  
**Tel:** 022 3370 4000

**Oriental Bank of Commerce**

Large Corporate Branch  
No. 63, Dr. Radhakrishnan Salai  
Mylapore, Chennai – 600 004  
**Tel:** 044 2466 1078  
**Fax:** 044 2499 8116

**Punjab & Sind Bank**

27/29 Ambalal Doshi Marg  
Fort, Mumbai 400023  
**Tel:** 022 2265 8721  
**Fax:** 022 2265 1752  
**Email:** b0385@psb.co.in

**Fax:** 022 61965099  
**Email:**  
sonal.shah@asia.bnpparibas.com  
**Contact Person:** Ms Sonal Shah  
**Website:** www.bnpparibas.co.in

**Punjab National Bank**  
LCB Rayala Towers, Anna Salai  
Chennai 600002  
**Tel:** 044 6678 5552  
**Fax:** 044 6678 5508  
**Email:** bo0305@pnb.co.in  
**Contact Person:** Mr K S  
Srivastava  
**Website:** www.pnbindia.in

**State Bank of India**  
Bandra Kurla Complex Road, G  
Block BKC, University of  
Mumbai, Vidya Nagari, Kalina,  
Bandra East, Mumbai,  
Maharashtra 400051  
**Tel:** 022 6154 2667  
**Fax:** 022 6154 2802  
**Email:**  
amt4.09995@sbi.co.in  
**Contact Person:** Relationship  
Manager AMT-4  
**Website:** https://sbi.co.in/

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

**Deutsche Bank AG**  
14<sup>th</sup> Floor, The Capital, C70 G  
Block, BKC, Mumbai- 400051  
**Tel :022-7180 4047**  
**Email:** rajeev.sikdar@db.com  
**Contact Person:** Mr Rajeev Sikar  
**Website:** www.deutschebank.co.in

**Email:** bm1043@obc.co.in  
**Contact Person:** Mr. E  
Venkateshwarlu  
**Website:** www.obcindia.co.in

**RBL Bank**  
One India Bulls Centre, Tower 2B,  
6th Floor, 841 Senapati Bapat Marg,  
Lower Parel West,  
Mumbai - 400013  
**Tel:** 022 4302 0927  
**Fax:** 022 4302 0520  
**Email:** Sumant.Paul@rblbank.com  
**Contact Person:** Mr Sumant Paul  
**Website:** www.rblbank.com

**Syndicate Bank**  
SyndicateBank Large Corporate  
Branch, Maker Towers, 2nd Floor,  
Maker Tower 'E' Wing, Cuffe Parade,  
Mumbai - 400005  
**Tel:** 022 2216 6649  
**Fax:** 022 2218 5798  
**Email:**  
br.5037@syndicatebank.co.in  
**Contact Person:** Assistant General  
Manager  
**Website:** www.syndicatebank.in

**Union Bank of India**  
Industrial Finance Branch, Union  
Bank Bhawan, 1st Floor, 239, Vidhan  
Bhavan Marg, Nariman Point,  
Mumbai- 400021.  
**Tel:** 022 2289 6725  
**Fax:** 022 2285 5037  
**Email:**  
ksbabu@unionbankofindia.com  
**Contact Person:** Mr K Sridhar Babu  
**Website:**  
www.unionbankofindia.co.in

**Axis Bank Limited**  
Corporate Banking Branch  
12, Mittal,  
A Wing, Nariman Point  
Mumbai - 400 001  
**Tel:** 022 2289 5139  
**Fax:** 022 2289 5216  
**Email:**  
Srinivasan.vaikundam@axisbank.com  
**Contact Person:** Mr Srinivasan  
Vaikundam  
**Website:** www.axisbank.com

**Contact Person:** Mr Mukesh  
Kumar  
**Website:** www.psbindia.com

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

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

**United Bank of India**  
25 Sir PM Road, Fort,  
Mumbai 400001  
**Tel:** 022 2281 0431  
**Fax:** 022 2281 0440  
**Email:**  
bmzcm@unitedbank.co.in  
**Contact Person:** Mr N  
Srinivasa Rao  
**Website:**  
www.unitedbankofindia.com

**Bank of Baroda**  
CFS Branch, Bank of Baroda  
Bu1st Floor, 3, Walchand  
Hirachand Marg, Ballard Pier,  
Mumbai - 400001  
**Tel:** 022 4340 7313  
**Fax:** 022 2261 0413  
**Email:**  
CFSBAL@bankofbaroda.com  
**Contact Person:** Mr Dattatray  
Hadpadkar  
**Website:**  
www.bankofbaroda.com

**Bank of America**

A-wing, One BKC, G - Block,  
Bandra Kurla Complex, Bandra  
East, Mumbai 400051  
**Tel:** 022 6632 3367  
**Fax:** 022 6646 6075  
**Email:** aaggarwal3@baml.com  
**Contact Person:** Mr Abhishek  
Aggrawal  
**Website:** <http://bofa-india.com/>

**Central Bank of India**

Corporate Finance Branch, 1st  
Floor, MMO Building, Fort,  
Mumbai-400 023  
**Tel:** 022 4078 5841  
**Fax:** 022 4078 5838  
**Email:**  
agmcfb3007@centralabnk.co.in,  
cfbcbi@gmail.com  
**Contact Person:** Mr A.S Cooper  
**Website:**  
[www.centralbankofindia.co.in](http://www.centralbankofindia.co.in)

**Doha Bank**

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

**HSBC Ltd.**

52/60, M G Road,  
Mumbai - 400001  
**Tel:** 022 2268 1864  
**Email:**  
shagunahluwalia@hsbc.co.in  
**Contact Person:** Ms. Shagun  
Ahluwalia  
**Website:** [www.hsbc.co.in](http://www.hsbc.co.in)

**Micro Units Development &  
Refinance Agency Limited  
(MUDRA)**

1<sup>st</sup> Floor, MSME Development  
Centre, C-11, G-Block  
Bandra Kurla Complex

**Bank of Maharashtra**

85-E, Maker Tower, Cuffe Parade,  
Mumbai - 05  
**Tel:** 022 2218 3081  
**Fax:** 022 2218 1031  
**Email:** bom485485@mahabank.co.in  
**Contact Person:** Mr Dilip.K.  
Panigrahi  
**Website:** [www.bankofmaharashtra.in](http://www.bankofmaharashtra.in)

**DBS Bank**

DBS Bank, 19th Floor, Express  
Towers, Nariman Point,  
Mumbai 400 021  
**Tel:** 022 6752 8304  
**Fax:** 022 6752 8399  
**Email:** paragnarula@db.com\_  
**Contact Person:** Mr. Parag Narula  
**Website:** [www.dbs.com](http://www.dbs.com)

**Federal Bank**

A-4, Laxmi Towers, 2nd Floor,  
Bandra Kurla Complex, Bandra East,  
Mumbai, Maharashtra 400051  
**Tel:** 022 61748620  
**Email:** sujitkd@federalbank.co.in  
**Contact Person:** Mr. Sujit Kumar  
Dubey  
**Website:** [www.federalbank.co.in](http://www.federalbank.co.in)

**Indian Bank**

25 Ghanshyam House, Indian Bank,  
Nehru Place, New Delhi, Delhi  
110019  
**Tel:** 9871262862  
**Fax:** 011 26222397  
**Email:** nehruplace@indianbank.co.in  
**Contact Person:** Mrs P Vasundhra  
**Website:** [www.indianbank.in](http://www.indianbank.in)

**Canara Bank**

Prime Corporate Branch II, 2nd  
Floor Varma Chambers Homji  
Street, Fort, Mumbai - 400 001  
**Tel:** 022 2287 5090  
**Fax:** 022 2287 5095  
**Email:**  
cb1903@canarabank.com  
**Contact Person:** Mr Sunil  
Thakkur  
**Website:** [www.canarabank.com](http://www.canarabank.com)

**Dena Bank**

C-10, G Block, Bandra Kurla  
Complex, Bandra East,  
Mumbai 400051  
**Tel:** 022 2654 5013  
**Fax:** 022 2654 5017  
**Email:** bankur@denabank.co.in  
**Contact Person:** Mr Nikhil  
Asthana  
**Website:** [www.denabank.com](http://www.denabank.com)

**HDFC Bank Ltd**

2nd Floor Process House,  
Kamala Mills, Senapati Bapat  
Marg, Lower Parel (West),  
Mumbai – 400013.  
**Tel:** 022 3395 8143  
**Fax:** 022 3078 8579  
**Email:**  
anant.kumar@hdfcbank.com  
**Contact Person:** Mr Anant  
Kumar  
**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)

**Small Industries Development  
Bank of India**

MSME Development Centre,  
Plot No. C-11, G-Block, Bandra  
Kurla Complex, Bandra East,  
Mumbai 400051  
**Tel:** 022- 67531100  
**Fax:** 022- 67531236  
**Email:**  
Insti\_marketing@sidbi.in  
**Contact Person:** Deputy  
General Manager, Institutional  
Finance Vertical  
**Website:** [www.sidbi.in](http://www.sidbi.in)



Bandra (E), Mumbai 400051  
**Tel:** 022-67531100  
**Email:**  
mudrarefinance@mudra.org.in  
**Contact Person:** Shri. Rajesh  
Kumar, AGM  
**Website:** www.mudra.org.in

### **Consortium Members**

As specified in relevant Tranche Prospectus.

### **Self-Certified Syndicate Banks**

The banks which are registered with SEBI under 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 at <http://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time.

### **Syndicate SCSB Branches**

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

### **Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

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

### **Impersonation**

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

*“Any person who:*

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

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

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

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

extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 20 lakh or with both.

### Minimum Subscription

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

### 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 '[ICRA] AAA / Stable' by ICRA for an amount of upto ₹ 5,00,000 lakh, 'CARE AAA / Stable' by CARE for an amount of upto ₹ 5,00,000 lakh and 'IND AAA / Stable' by India Ratings for an amount of upto ₹ 5,00,000 lakh. The rating of NCDs by ICRA, CARE and India Ratings indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

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

### Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see the chapter titled "*Objects of the Issue*" on page 60 of this Draft Shelf Prospectus.

### Issue Programme

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

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

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

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

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

## CAPITAL STRUCTURE

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as of December 31, 2018:

(₹ in lakhs)

| Authorised share capital   | Aggregate value |
|--|-----------------|
| 265,43,09,610 Equity Shares of face value of ₹ 10                        | 265,430.96      |
| 10,00,000 Redeemable Cumulative Preference Shares of face value of ₹ 100 | 1,000.00        |
| Total Authorised Share Capital   | 266,430.96      |
| <b>Issued, subscribed and paid up Equity Share capital</b>               |                 |
| 1,599,138,199 Equity Shares of ₹ 10 each                                 | 159,913.82      |
| Securities Premium Account   | 6,90,372.40     |

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.

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

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

### Equity Share capital history of our Company as at quarter ended December 31, 2018

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 the 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 (₹) |
| September 24, 2013 | 2,50,00,000          | 10             | 20              | 50,00,00,000                           | Rights Issue to L & T Finance Holdings Ltd   | 17,93,09,610         | 1,79,30,96,100           | 4,33,33,48,380            |
| October 23, 2013   | 25,00,00,00          | 10             | 20              | 50,00,00,000                           | Rights Issue to L & T Finance Holdings Ltd   | 20,43,09,610         | 2,04,30,96,100           | 4,58,33,48,380            |
| February 13, 2017  | 1,235,737,684        | 10             | -               | 12,357,376,840                         | Pursuant to merger of L&T Finance Limited and L&T FinCorp Limited with Family Credit Limited (now known as L&T | 1,440,047,294        | 14,400,472,940           | 4,58,33,48,380            |

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

#### Details of Promoter's shareholding in our Company's subsidiaries as on December 31, 2018:

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

#### Shareholding of Directors in our Company:

The Articles of Association do not require the Directors to hold any qualification Equity Shares. The shareholding of the Directors in our Company as on December 31, 2018 is mentioned below:

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

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

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

Our Company does not have any subsidiary or joint venture. The shareholding of the directors in our Associate Company, L&T Infra Debt Fund Limited as on December 31, 2018 is mentioned below:

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

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

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

#### Shareholding pattern of our Company as of December 31, 2018

The following is the shareholding pattern of our Company, as of December 31, 2018:

| Sr. No. | Name of shareholders         | Total number of Equity Shares held | Number of Equity Shares held in dematerialised form | Total shareholding as % of total no of Equity Shares |
|---------|------------------------------|------------------------------------|---|--|
| 1.      | L&T Finance Holdings Limited | 1,59,91,38,192                     | 1,59,91,38,192                                      | 100  |
| 2.      | Mr. Dinanath Dubhashi*       | 1                                  | -   | -^   |
| 3.      | Mr. Sunil Prabhune*          | 1                                  | -   | -^   |
| 4.      | Mr. Sachinn Joshi*           | 1                                  | -   | -^   |
| 5.      | Mr. Raju Dodti *             | 1                                  | -   | -^   |
| 6.      | Mr. Virender Pankaj*         | 1                                  | -   | -^   |
| 7.      | Mr. Srikanth J*              | 1                                  | -   | -^   |
| 8.      | Mr. Abhishek Sharma*         | 1                                  | -   | -^   |
|         | <b>Total</b>                 | <b>1,59,91,38,199</b>              | <b>1,59,91,38,192</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 December 31, 2018

Our Company has 8 equity shareholders; given below are details of the equity shareholders of our Company as on December 31, 2018:

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

\*Held Jointly with L&T Finance Holdings Limited for the purpose of the compliance with applicable law.

^ Less than 0.01% shareholding.

### Top 10 debenture holders (secured and unsecured) of our Company as of December 31, 2018

Given below are details of the top 10 debenture holders^ (secured and unsecured) of our Company as of December 31, 2018:

| (₹ in lakhs) |   |             |
|--------------|---|-------------|
| Sr. No.      | Name of Debenture Holders                                 | Amount      |
| 1.           | Standard Chartered Bank                                   | 100,000.00  |
| 2.           | Allahabad Bank  | 100,000.00  |
| 3.           | State Bank of India                                       | 75,000.00   |
| 4.           | HDFC Trustee Co. Ltd. A/C HDFC FMP 1344D October 2018 (1) | 66,830.00   |
| 5.           | Postal Life Insurance Fund A/C UTI AMC                    | 53,500.00   |
| 6.           | HDFC Bank Ltd   | 50,000.00   |
| 7.           | DBS Bank Limited  | 39,000.00   |
| 8.           | United Bank of India                                      | 36,000.00   |
| 9.           | The Hongkong And Shanghai Banking Corporation Limited     | 35,000.00   |
| 10.          | SBI Debt Fund Series C 27 1260 Days                       | 33,880.00   |
|              | <b>Total</b>  | 5,89,210.00 |

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

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

NIL

### Debt to equity ratio\*

| (₹ in lakhs)                            |                          |              |
|---|--------------------------|--------------|
| Particulars                             | As at September 30, 2018 | Post-Issue*  |
| Debts                                   |                          |              |
| Debt Securities                         | 11,32,477.64             | 16,32,477.64 |
| Borrowings (Other than debt securities) | 3,049,872.19             | 3,049,872.19 |

| Particulars                          | As at September 30, 2018 | Post-Issue*          |
|--------------------------------------|--------------------------|----------------------|
| Subordinated liabilities             | 115,632.78               | 115,632.78           |
| <b>Total debts (A)</b>               | <b>4,297,982.61</b>      | <b>4,797,982.614</b> |
| <b>Shareholders' fund</b>            |                          |                      |
| Share capital                        | 159,913.73               | 159,913.73           |
| Other Equity                         | 710,545.34               | 710,545.34           |
| <b>Total shareholders' funds (B)</b> | <b>870,459.07</b>        | <b>870,459.07</b>    |
| <b>Total debt/ equity(A/B)</b>       | <b>4.94</b>              | <b>5.51</b>          |

\*Any change in total debt and Net Worth after September 30, 2018 has not been considered.

The debt to equity ratio post the Issue (assuming subscription of ₹ 5,00,000 lakh) would be 5.51 times, the actual debt equity ratio post the Issue would depend upon the actual position of debt and equity on the date of allotment.

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

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

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

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

NIL

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

NIL

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

**Employee Stock Option Scheme:**

*Our Company has no employee stock option scheme.*

## OBJECTS OF THE ISSUE

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

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

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

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

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

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

(₹ in lakhs)

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

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

### Requirement of funds and Utilisation of Net Proceeds

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

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



**Issue related expenses**

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

**Interim Use of Proceeds**

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

**General Corporate Purposes**

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

**Monitoring of Utilization of Funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Committee of Directors and/or the Authorised Personnel shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2018-19, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges.

**Other Confirmation**

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

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

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

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

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

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

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

investments, if any, of such unutilized proceeds of the Issue.

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

We shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Draft Shelf Prospectus in the section titled “***Issue Related Information***” beginning on page 220 of this Draft Shelf Prospectus.

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

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

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

#### **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 the Draft Shelf Prospectus or objects for which the 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

January 17, 2019

The Board of Directors  
L&T Finance Limited (formerly known as “Family Credit Limited”)  
7th Floor, Technopolis  
A- Wing, Plot No 4  
Block - BP, Sector - V  
Salt Lake, Kolkata 700091

Dear Sirs,

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

We refer to the proposed Issue by **L&T Finance Limited** (formerly known as “Family Credit Limited”) (the “**Company**”) and enclose the Statement of possible tax benefits available to the debenture holders under the Income-tax Act, 1961 (the “**Statement**”) showing the current position of taxation applicable to the debenture holders as per the provisions of the Income Tax Act, 1961 (the “**Act**”) and Income tax Rules, 1962 including amendments made by Finance Act 2018 as applicable for the financial year 2018-19, for inclusion in the Draft Shelf Prospectus and Shelf Prospectus (together the “**Prospectus**”) which is proposed by the Company to be issued in connection with the Issue. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence the ability of the debenture holders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

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

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

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

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

### Limitations

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

This Statement is addressed to you solely for the use of the Company in relation to the Issue and, except with our prior written consent, is not to be transmitted or disclosed to or used or relied upon by any other

person or used or relied upon by you for any other purpose, save that you may disclose this Statement to Edelweiss Financial Services Limited A.K. Capital Services Limited, Axis Bank Limited and Trust Investment Advisors Private Limited (together, the “Lead Managers” or “Permitted Recipients”) on the basis that (i) the Lead Managers cannot rely on this Statement, (ii) we do not assume any duty or liability to the Lead Managers (iii) the Lead Managers have no recourse on us.

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

Sanjiv V. Pilgaonkar  
Partner  
(Membership No. 39826)

Place: MUMBAI  
Date: January 17, 2019

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

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

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

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

#### I. *To the Resident Debenture Holder*

1. Interest on NCD received by Debenture Holder(s) would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. Tax would need to be withheld at the rate of 10% at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:
  - a. On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.
  - b. In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), the interest does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
  - c. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
  - d. (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being accompany or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the amount of any income of the nature referred to in section 197A(1) or 197A(1A), as the case may be, or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income-tax.

To illustrate, as on 01.04.2018 –

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is ₹ 2,50,000;
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is ₹ 3,00,000; and
- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is ₹ 5,00,000 for Financial Year 2018-19

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of ₹ 2,500 whichever is less to a resident individual whose total income does not exceed ₹ 3,50,000.

- (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. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.
3. *Capital gains and other general provisions*
- a) As per the provisions of section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. In all other cases, it is 36 months immediately preceding the date of its transfer.
  - b) As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.
  - c) However as per the fourth proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.
  - d) In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long- term capital gains shall be computed at the rate mentioned above.
  - e) Short-term capital gains on the transfer of listed debentures, where 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 where debentures are held as trading asset / stock in trade.

## **II. To the Non Resident Debenture Holder**

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

1. *Interest on NCD and capital gains on transfer*
  - a. Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
  - b. Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the entire 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.
2. *Others relaxations*
  - a. Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
  - b. Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
3. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
  - a. Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10 percent computed without indexation.
  - b. Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
4. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E, and 30% for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian. This is subject to discussion in para 7.
5. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any,

could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

6. The income tax 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 and 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.
  - b. In case of foreign companies, where the income paid or likely to be paid exceeds ₹ 1,00,00,000 but does not exceed ₹ 10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds ₹ 10,00,00,000, surcharge at 5% of such tax is payable.
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(2) & 195(3) 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.

5. In accordance with and subject to the provisions of section 196D (2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs/FPIs.
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 Sections 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

#### ***VII. 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.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, new 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.

**VIII. Taxability of Gifts received for nil or inadequate consideration**

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

- i. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- ii. for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration; shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the Act.

**Notes**

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2019-20 (considering the amendments made by Finance Act, 2018).
4. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
5. This statement is intended only to provide general information to the Debenture Holder(s) and is neither
  - a. designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax
  - b. consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the nonresident 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 ICRA Research – ‘Industry Overview of Retail focused NBFCs, Housing Finance Companies and Infrastructure Finance NBFCs’ dated January 2018. References to “2014-15”, “2015-16” and “2016-17”, etc., or “FY 15”, “FY 16” and “FY 17”, etc. or “Mar-15”, “Mar-16” and “Mar-17, etc. or “Fiscal 2015”, “Fiscal 2016” and “Fiscal 2017” in these tables and charts are to the financial years ended March 31, 2015, March 31, 2016 and March 31, 2017, etc., or as at March 31, 2015, March 31, 2016 and March 31, 2017, etc., as applicable. 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

#### Global Economy

Global growth for 2018–19 is projected to remain steady at its 2017 level, but its pace is less vigorous than projected in April and it has become less balanced. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded. Global growth is projected at 3.7 percent for 2018–19—0.2 percentage point lower for both years than forecast in April. The downward revision reflects surprises that suppressed activity in early 2018 in some major advanced economies, the negative effects of the trade measures implemented or approved between April and mid-September, as well as a weaker outlook for some key emerging market and developing economies arising from country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills. Beyond the next couple of years, as output gaps close and monetary policy settings begin to normalize, growth in most advanced economies is expected to decline to potential rates well below the averages reached before the global financial crisis of a decade ago. Medium-term prospects remain generally strong in emerging Asia but subpar in some emerging market and developing economies, especially for per capita growth, including in commodity exporters that continue to face substantial fiscal consolidation needs or are mired in war and conflict.

The balance of risks to the global growth forecast has shifted to the downside in a context of elevated policy uncertainty. Several of the downside risks highlighted in the April 2018 World Economic Outlook (WEO)—such as rising trade barriers and a reversal of capital flows to emerging market economies with weaker fundamentals and higher political risk—have become more pronounced or have partially materialized. Meanwhile, the potential for upside surprises has receded, given the tightening of financial conditions in some parts of the world, higher trade costs, slow implementation of reforms recommended in the past, and waning growth momentum. While financial market conditions remain accommodative in advanced economies, they could tighten rapidly if trade tensions and policy uncertainty intensify, or unexpectedly high inflation in the United States triggers a stronger-than-anticipated monetary policy response. Tighter financial conditions in advanced economies could cause disruptive portfolio adjustments, sharp exchange rate movements, and further reductions in capital inflows to emerging markets, particularly those with greater vulnerabilities. The recovery has helped lift employment and income, has strengthened balance sheets, and has provided an opportunity to rebuild buffers. However, with risks shifting to the downside, there is greater urgency for policies to enhance prospects for strong and inclusive growth. Avoiding protectionist reactions to structural change and finding cooperative solutions that promote continued growth in goods and services trade remain essential to preserving and extending the global expansion.

At a time of above-potential growth in many economies, policymakers should aim to enact reforms that raise medium-term incomes for the benefit of all. With shrinking excess capacity and mounting downside

risks, many countries need to rebuild fiscal buffers and strengthen their resilience to an environment in which financial conditions could tighten suddenly and sharply.

### Global Growth Outlook

Global growth is expected to remain steady at 3.7 percent in 2020, as the decline in advanced economy growth with the unwinding of the US fiscal stimulus and the fading of the favorable spillovers from US demand to trading partners is offset by a pickup in emerging market and developing economy growth. Thereafter, global growth is projected to slow to 3.6 percent by 2022–23, largely reflecting a moderation in advanced economy growth toward the potential of that group. Growth in advanced economies will remain well above trend at 2.4 percent in 2018, before softening to 2.1 percent in 2019.

### Overview of the World Economic Outlook Projections

(percent change, unless noted otherwise)

|  | Year over Year |            |             |            | Q4 over Q4 <sup>7</sup> |            |             |            |
|--|----------------|------------|-------------|------------|-------------------------|------------|-------------|------------|
|  | 2016           | 2017       | Projections |            | 2016                    | 2017       | Projections |            |
|  |                |            | 2018        | 2019       |                         |            | 2018        | 2019       |
| <b>World Output</b>                                  | <b>3.3</b>     | <b>3.7</b> | <b>3.7</b>  | <b>3.7</b> | <b>3.2</b>              | <b>4.0</b> | <b>3.5</b>  | <b>3.8</b> |
| <b>Advanced Economies</b>                            | <b>1.7</b>     | <b>2.3</b> | <b>2.4</b>  | <b>2.1</b> | <b>2.0</b>              | <b>2.5</b> | <b>2.3</b>  | <b>1.9</b> |
| United States  | 1.6            | 2.2        | 2.9         | 2.5        | 1.9                     | 2.5        | 3.1         | 2.3        |
| Euro Area  | 1.9            | 2.4        | 2.0         | 1.9        | 2.0                     | 2.7        | 1.7         | 1.9        |
| Germany  | 2.2            | 2.5        | 1.9         | 1.9        | 1.9                     | 2.8        | 1.9         | 1.6        |
| France   | 1.1            | 2.3        | 1.6         | 1.6        | 1.2                     | 2.8        | 1.3         | 1.7        |
| Italy  | 0.9            | 1.5        | 1.2         | 1.0        | 1.0                     | 1.6        | 0.8         | 1.3        |
| Spain  | 3.2            | 3.0        | 2.7         | 2.2        | 2.9                     | 3.0        | 2.5         | 2.1        |
| Japan  | 1.0            | 1.7        | 1.1         | 0.9        | 1.5                     | 2.0        | 1.0         | -0.3       |
| United Kingdom                                       | 1.8            | 1.7        | 1.4         | 1.5        | 1.7                     | 1.3        | 1.5         | 1.4        |
| Canada   | 1.4            | 3.0        | 2.1         | 2.0        | 2.0                     | 3.0        | 2.1         | 1.9        |
| Other Advanced Economies <sup>2</sup>                | 2.3            | 2.8        | 2.8         | 2.5        | 2.6                     | 2.9        | 2.8         | 2.4        |
| <b>Emerging Market and Developing Economies</b>      | <b>4.4</b>     | <b>4.7</b> | <b>4.7</b>  | <b>4.7</b> | <b>4.4</b>              | <b>5.2</b> | <b>4.6</b>  | <b>5.3</b> |
| Commonwealth of Independent States                   | 0.4            | 2.1        | 2.3         | 2.4        | 1.0                     | 1.7        | 2.2         | 2.3        |
| Russia   | -0.2           | 1.5        | 1.7         | 1.8        | 0.8                     | 1.2        | 2.1         | 1.9        |
| Excluding Russia                                     | 2.0            | 3.6        | 3.9         | 3.6        | ...                     | ...        | ...         | ...        |
| Emerging and Developing Asia                         | 6.5            | 6.5        | 6.5         | 6.3        | 6.3                     | 6.7        | 6.2         | 6.5        |
| China  | 6.7            | 6.9        | 6.6         | 6.2        | 6.8                     | 6.8        | 6.4         | 6.2        |
| India <sup>3</sup>                                   | 7.1            | 6.7        | 7.3         | 7.4        | 6.1                     | 7.7        | 6.5         | 7.9        |
| ASEAN-5 <sup>4</sup>                                 | 4.9            | 5.3        | 5.3         | 5.2        | 4.8                     | 5.4        | 5.1         | 5.6        |
| Emerging and Developing Europe                       | 3.3            | 6.0        | 3.8         | 2.0        | 3.8                     | 6.1        | 0.9         | 4.0        |
| Latin America and the Caribbean                      | -0.6           | 1.3        | 1.2         | 2.2        | -0.8                    | 1.7        | 0.5         | 2.8        |
| Brazil   | -3.5           | 1.0        | 1.4         | 2.4        | -2.4                    | 2.2        | 1.7         | 2.5        |
| Mexico   | 2.9            | 2.0        | 2.2         | 2.5        | 3.3                     | 1.6        | 2.2         | 3.0        |
| Middle East, North Africa, Afghanistan, and Pakistan | 5.1            | 2.2        | 2.4         | 2.7        | ...                     | ...        | ...         | ...        |
| Saudi Arabia   | 1.7            | -0.9       | 2.2         | 2.4        | 2.1                     | -1.4       | 3.5         | 2.1        |
| Sub-Saharan Africa                                   | 1.4            | 2.7        | 3.1         | 3.8        | ...                     | ...        | ...         | ...        |
| Nigeria  | -1.6           | 0.8        | 1.9         | 2.3        | ...                     | ...        | ...         | ...        |
| South Africa   | 0.6            | 1.3        | 0.8         | 1.4        | 1.0                     | 1.9        | 0.5         | 0.9        |
| <i>Memorandum</i>                                    |                |            |             |            |                         |            |             |            |
| European Union                                       | 2.0            | 2.7        | 2.2         | 2.0        | 2.1                     | 2.8        | 1.9         | 2.1        |
| Low-Income Developing Countries                      | 3.6            | 4.7        | 4.7         | 5.2        | ...                     | ...        | ...         | ...        |
| Middle East and North Africa                         | 5.2            | 1.8        | 2.0         | 2.5        | ...                     | ...        | ...         | ...        |

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 17–August 14, 2018. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

<sup>2</sup>Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

<sup>3</sup>For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

<sup>4</sup>Indonesia, Malaysia, Philippines, Thailand, Vietnam.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2018/09/24/world-economic-outlook-october-2018>)

## Macroeconomic view of the Indian Economy

India remains one of the drivers of world growth, in an improving global economic environment. According to the data released by the International Monetary Fund (IMF) in October 2018, the world economy grew by 3.3% and 3.7%, respectively, in 2016 and 2017 (refer Exhibit 1). Notwithstanding a mild slowdown in the pace of growth, the Indian economy expanded by a sharper 7.1% and 6.7%, respectively, in 2016 and 2017. This makes it one of the fastest growing large economy in the world, along with China (+6.7% and +6.9%, respectively). The pace of growth of the Indian economy in 2016 and 2017 has been significantly healthier than the performance of South Africa (+0.6% and +1.3%), Brazil (-3.5% and +1.0%) and Russia (-0.2% and +1.5%). The advanced economies recorded an uptick in growth from 1.7% in 2016 to 2.3% in 2017, led by acceleration in growth in the US (from +1.6% to +2.2%), the Euro Area (from +1.9% to +2.4%), and Japan (from +1.0% to +1.7%). The economy of the UK was an exception to this trend, with growth easing marginally from 1.8% in 2016 to 1.7% in 2017.

**Exhibit 1: Global GDP growth and forecasts (as per IMF)**

| Country/ Group     | Real GDP Growth (%) |             |             |             |             |             |             |
|--------------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                    | Actual              |             |             |             |             | Forecasted  |             |
|                    | 2013                | 2014        | 2015        | 2016        | 2017        | 2018E       | 2019E       |
| China              | 7.8%                | 7.3%        | 6.9%        | 6.7%        | 6.9%        | 6.6%        | 6.2%        |
| Brazil             | 3.0%                | 0.5%        | -3.5%       | -3.5%       | 1.0%        | 1.4%        | 2.4%        |
| Russia             | 1.8%                | 0.7%        | -2.5%       | -0.2%       | 1.5%        | 1.7%        | 1.8%        |
| South Africa       | 2.5%                | 1.8%        | 1.3%        | 0.6%        | 1.3%        | 0.8%        | 1.4%        |
| <b>India</b>       | <b>6.4%</b>         | <b>7.4%</b> | <b>8.2%</b> | <b>7.1%</b> | <b>6.7%</b> | <b>7.3%</b> | <b>7.4%</b> |
| Japan              | 2.0%                | 0.4%        | 1.4%        | 1.0%        | 1.7%        | 1.1%        | 0.9%        |
| Euro Area          | -0.2%               | 1.4%        | 2.1%        | 1.9%        | 2.4%        | 2.0%        | 1.9%        |
| United Kingdom     | 2.0%                | 2.9%        | 2.3%        | 1.8%        | 1.7%        | 1.4%        | 1.5%        |
| United States      | 1.8%                | 2.5%        | 2.9%        | 1.6%        | 2.2%        | 2.9%        | 2.5%        |
| Advanced Economies | 1.4%                | 2.1%        | 2.3%        | 1.7%        | 2.3%        | 2.4%        | 2.1%        |
| World              | 3.5%                | 3.6%        | 3.5%        | 3.3%        | 3.7%        | 3.7%        | 3.7%        |

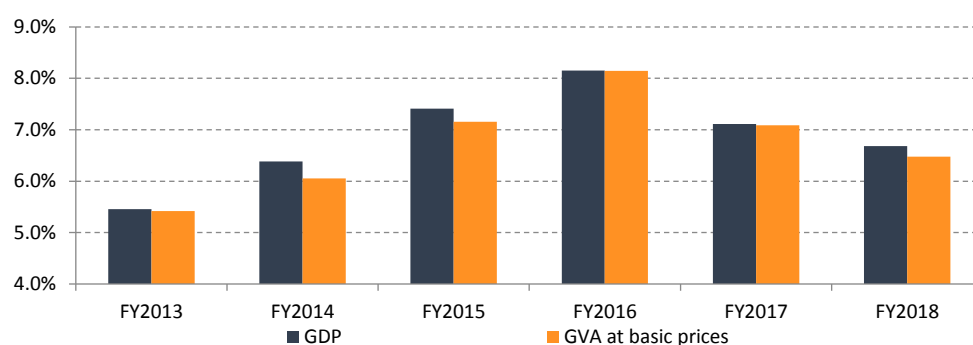
\* For India, data and forecasts are presented on a fiscal year basis i.e. 2013 refers to 2013-14 or FY2014. Data for other countries calculated on a calendar year basis.

Source: IMF World Economic Outlook (October 2018), ICRA Research

Looking ahead, the IMF expects global economic growth to remain steady at 3.7% each in 2018 and 2019. India's growth rate is expected to improve to 7.3% in 2018 and further to 7.4% in 2019, led by strong private consumption, and fading temporary effects of the note ban and transition to the Goods and Services Tax (GST). The IMF also said that India's growth is expected to rise gradually over the medium-term, with the continued implementation of structural reforms that boost productivity and incentivise private sector investment. In contrast, the IMF expects the rate of expansion of economic activity in China to decline to 6.6% in 2018 and further to 6.2% in 2019, on account of the aftermath of the recently announced trade protectionism measures.

Growth of Indian GDP and gross value added (GVA) at basic prices displayed an uptrend from FY2013 to FY2016. GDP and GVA growth rose from the subdued prints of 5.5% and 5.4%, respectively, in FY2013, to the robust 8.2% and 8.1%, respectively, in FY2016. However, the GDP and GVA growth witnessed a slowdown to 7.1%, each in FY2017 (refer Exhibit 2). Moreover, this trend continued in FY2018, with GDP and GVA growth slowing to a four-year low 6.7% and 6.5%, respectively during the year, partly driven by the disruption in economic activity after the transition to GST. The decline in GDP growth in FY2018 was broad-based, with Private Final Consumption Expenditure (PFCE), Government Final Consumption Expenditure (GFCE) and Gross Fixed Capital Formation (GFCF) recording a slowdown (to +6.6%, +10.9%, and +7.6%, respectively, from +7.3%, +12.2% and +10.1%, respectively), partly offset by a contrasting trend in exports, inventories and valuables (to +5.6%, +4.5% and +58.8%, respectively from +5.0%, -61.2% and -13.9%, respectively). The dip in the GVA growth in FY2018 relative to FY2017 was led by a moderation in the growth of agriculture (to +3.4% from +6.3%) and industry (to +5.5% from +6.8%), offset by a revival in the expansion of services (to +7.9% from +7.5%).

## Exhibit 2: YoY Growth in GDP and GVA at basic prices (Constant 2011-12 Prices)



Source: CSO; ICRA research

Growth of India's GDP (at constant 2011-12 prices) eased to a three-quarter low 7.1% in Q2 FY2019 from 8.2% in Q1 FY2019, while improving relative to the 6.3% recorded in Q2 FY2018. Similarly, the growth of GVA at basic prices declined to a three-quarter low 6.9% in Q2 FY2019 from 8.0% in Q1 FY2019, while exceeding the 6.1% print for Q2 FY2018.

The substantial improvement in GDP growth to 7.1% in Q2 FY2018 from 6.3% in Q2 FY2018 was led by GFCF, GFCE and PFCE, which more than offset the slowdown in growth of inventories, valuables and the drag imposed by net imports. GFCF growth doubled to 12.5% in Q2 FY2019 from 6.1% in Q2 FY2018. Moreover, GFCE growth rose sharply to 12.7% in Q2 FY2019 from 3.8% in Q2 FY2018. In addition, the growth of PFCE rose modestly to 7.0% in Q2 FY2019 from 6.8% in Q2 FY2018. With the rise in the expansion of imports (to +25.6% from +10.0%) sharply outpacing the uptick in the growth of exports (to +13.4% from +6.8%), net imports exerted a larger drag upon GDP expansion in Q2 FY2019 relative to Q2 FY2018. The shift in production schedules related to a later start to the festive season is likely to have resulted in the easing in the growth of inventories to 3.8% in Q2 FY2019 from 5.8% in Q2 FY2018.

On a YoY basis, the pace of expansion of GVA at basic prices improved to 6.9% in Q2 FY2019 from 6.1% in Q2 FY2018, led by a broad-based improvement in growth of industry (to +6.8% from +6.1%; driven by manufacturing, construction and electricity, gas, water supply and other utility services), services (to +7.5% from +6.8%, led by public administration, defence and other services and financial, real estate and professional services), and agriculture, forestry and fishing (to +3.8% from +2.6%).

### Growth Outlook for the Indian Economy

The deficit in post-monsoon rainfall, lagging rabi sowing and disinflation in food prices pose concerns for the outlook for rural sentiment. Whether market prices rise closer to the revised minimum support prices (MSPs) for various crops would crucially affect rural sentiment and demand going forward. While the staggered pay revision by various state governments and the recent GST rate cuts would support urban consumption demand, higher fuel prices on a YoY basis may pose a risk to the purchasing power of consumers to some extent. Moderately healthy consumption demand, as well as the benefits of the implementation of the GST, are expected to support volume growth going forward, which would boost capacity utilisation for the organised sector, and set the stage for a broadening of the investment recovery. Completion of the resolution process of cases admitted to the NCLT would improve utilisation of existing capacity and promote consolidation in some sectors.

The fiscal space for spending by the Government of India (GoI) in FY2019 is contingent on several revenue and expenditure risks, such as the likelihood of meeting the targets for the GST, dividends and profits, and disinvestment, and the adequacy of outlays for revised MSPs, the National Health Protection Scheme, fuel and other subsidies. Additionally, a trend of expenditure announcements from various state governments over the recent months may result in a fiscal slippage, unless revenues exceed the targeted level or there is a cutback in budgeted expenditure. Overall, there could be some cutback in capital spending to offset higher-than-budgeted revenue expenditure, which would support consumption growth at the cost of infrastructure spending in FY2019.



Notwithstanding the Central Bank's recent decision to defer the scheduled increase in capital conservation buffer for FY2019 by one year, most public-sector banks still face capital constraints, which would limit their ability to drive credit growth. Meanwhile, private banks are constrained by their ability to attract incremental deposits, as the deposit franchise of the PSBs largely remains intact. The extent to which access to credit improves for the MSME sector would have an impact on business sentiment and economic growth in FY2019.

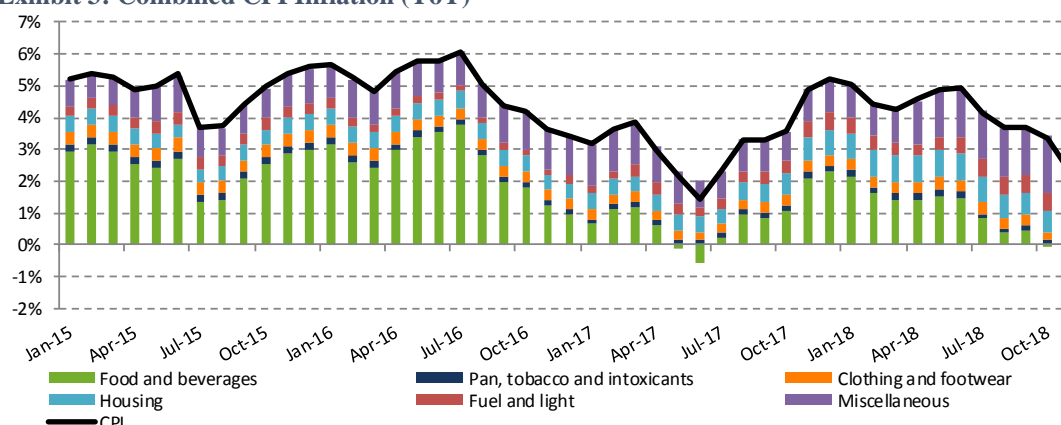
*Given the risks posed by the YoY rise in commodity prices and the depreciation of the INR, as well as the availability and cost of financing for some sectors, GDP and GVA growth are likely to record a shallow recovery to 7.2% and 7.1%, respectively, in FY2019 from 6.7% and 6.5%, respectively, in FY2018.*

## Inflation and Monetary Policy

The CPI inflation in India eased dramatically from 9.9% and 9.4%, respectively, in FY2013 and FY2014, to 5.9% in FY2015, led primarily by food inflation. Subsequent improvements were relatively modest, with the average CPI inflation moderating to 4.9% in FY2016 and 4.5% in FY2017. However, following this, CPI inflation softened considerably to 3.6% in FY2018. Notably, the Agreement on the Monetary Policy Framework of the GoI and the Reserve Bank of India (RBI), signed in February 2015, set a CPI inflation target for FY2017 and all subsequent years of 4% +/-2%.

The headline CPI inflation has recorded a sharp downtick to 2.3% in November 2018 (refer Exhibit 3) from 4.9% in June 2018, primarily led by a disinflation in food and beverages index. The urban CPI inflation softened to 3.1% in November 2018 from 4.8% in June 2018, while the rural CPI inflation corrected to 1.7% from 4.9%, respectively. The food and beverages index recorded a YoY disinflation of 1.7% in November 2018, in contrast to the inflation of 3.1% in June 2018. However, the inflation for fuel and light rose to 7.4% in November 2018 from 8.4% in June 2018.

**Exhibit 3: Combined CPI Inflation (YoY)**



Source: CSO; ICRA research

Furthermore, the core-CPI inflation (excluding food and beverages, fuel and light, as well as petrol and diesel for vehicles) displayed a correction to 5.7% in November 2018 from 6.3% in June 2018. In particular, the YoY inflation for housing moderated to 6.0% in November 2018 from 8.4% in June 2018, reflecting the favourable base effect emanating from the revision in house rent allowance (HRA) of central government employees in FY2018. Moreover, inflation fell in November 2018 relative to June 2018 for pan, tobacco and intoxicants (to +6.1% from +8.1%), and clothing and footwear (to +3.5% from +5.6%), whereas it hardened for miscellaneous items (to +6.2% from +5.7%). Notably, core-CPI inflation exceeded the headline inflation for 27 months in a row in November 2018.

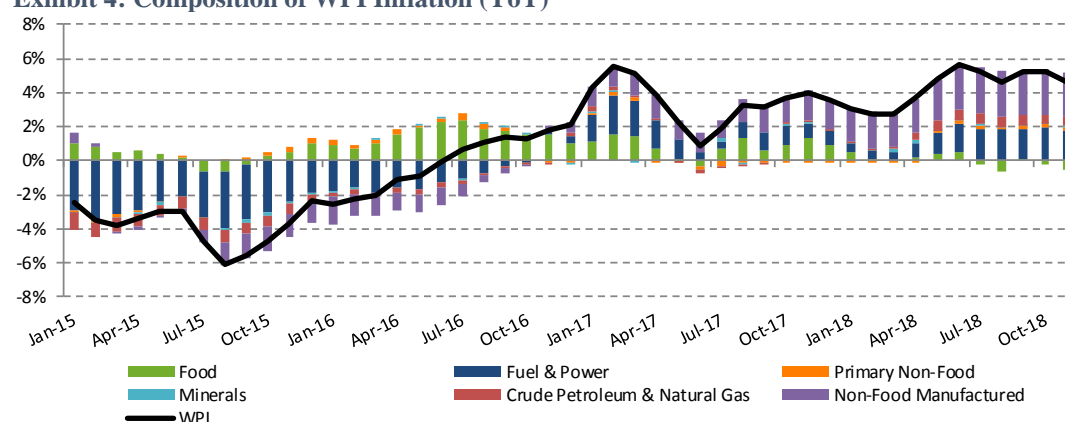
The Indian WPI inflation declined from 6.9% in FY2013 to 5.2% in FY2014, and further to a low 1.3% in FY2015. Subsequently, there was a YoY disinflation of 3.7% in FY2016, reflecting the collapse in global commodity prices. This was followed by an uptick in WPI inflation to 1.7% and 2.9%, respectively, in FY2017 and FY2018, reflecting the recovery in commodity prices.

In the recent months, the headline WPI inflation has eased to 4.6% in November 2018 from 5.7% in June 2018 (refer Exhibit 4), led by primary food articles (to -3.3% from +1.9%), crude petroleum and natural gas



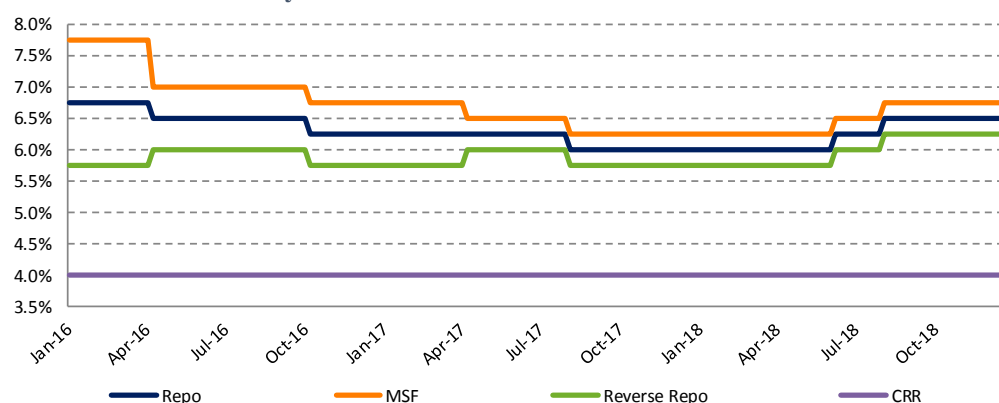
(to +33.0% from +47.0%), manufactured food products (to +0.7% from +1.1%), and fuel and power (to +16.3% from +16.5%). However, the inflation for non-food manufactured products (“core inflation”) rose to 4.9% in November 2018 from 4.7% in June 2018.

**Exhibit 4: Composition of WPI Inflation (YoY)**



Source: Office of Economic Advisor, Ministry of Commerce and Industry; ICRA research

**Exhibit 5: Movement in Key Rates**



Source: RBI; ICRA research

Reflecting the easing in the CPI inflation, the policy Repo rate was reduced by 200 basis points (bps) in various tranches to 6.0% in August 2017 from 8.0% in January 2015. The corridor of rates for the liquidity adjustment facility (LAF) was reduced from +/- 100 bps around the Repo rate, to +/-50 bps around the repo rate in April 2016, and further to +/- 25 bps in April 2017. As a result, the Reverse Repo rate has declined by 125 bps to 5.75% in January 2018 from 7.0% in January 2015, whereas the Marginal Standing Facility (MSF) rate has declined by 275 bps to 6.25% from 9.0%, respectively.

A new era in monetary policy setting was ushered in from October 2016 onwards, with a six-member Monetary Policy Committee (MPC) determining the policy rate required to achieve the inflation target.

The MPC hiked the repo rate by 25 bps each in June 2018 and August 2018 (refer Exhibit 5). While it retained the policy repo rate at 6.5% in the October 2018 policy review, the Committee changed the stance of monetary policy from neutral to calibrated tightening.

In the Fifth Policy Review of FY2019, held in December 2018, the six-member MPC voted unanimously for a pause in the policy repo rate at 6.5%, reflecting the recent dip in CPI inflation, as well easing concerns regarding the crude oil prices and INR. In addition, it retained the stance of monetary policy at calibrated tightening, by a vote of 5:1, while emphasising the prevailing uncertainty related to various inflation risks. With status quo on the Repo rate, the Reverse Repo rate, MSF rate and bank rate were also kept unchanged 6.25%, 6.75% and 6.75%, respectively. However, the MPC has proposed to reduce the Statutory Liquidity Ratio (SLR) by 25 bps every quarter, starting January 2019, until the same reaches 18% of Net Demand and Time Liability (NDTL).

The CPI inflation projections were revised downwards by the MPC, with risks tilted to the upside. However, the MPC retained its GDP growth projection for FY2019 at 7.4%, while placing its GDP growth forecast for H1 FY2020 at a higher 7.5% with downside risks.

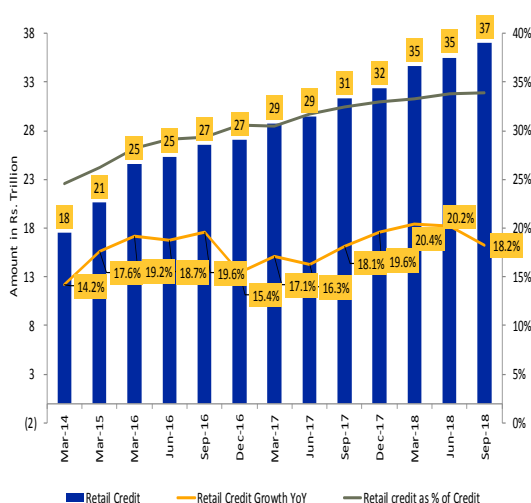
*There appears to be a significant likelihood of a change in the monetary policy stance back to neutral from calibrated tightening in the February 2019 MPC review. This is likely to serve as a precursor to a repo rate cut in Q1 FY2020, if inflationary risks remain in check.*

## Overview of Indian retail credit market

The Indian retail credit (Retail credit includes that of scheduled commercial public and private banks (SCBs), non-banking financial companies (excluding entities which are in the process of conversion or have already converted to banks and SFBs and housing finance companies)) market stood at ~Rs. 37 trillion as on September 30, 2018 registering a YoY growth of about 18%; NBFC retail credit grew at 25% while HFC credit growth moderated to 19%. SCBs retail credit expanded by about 15% yoy in September 2018. The retail credit growth in FY2018 and FY2017 stood at about 20% and 17% respectively. Overall, housing credit continued to account for about 46% of the total domestic retail credit and registered a moderate growth of about 15% in H1FY2019 vis a vis 16% in FY2018. While SCB housing credit growth improved during the period; the credit growth for HFCs moderated.

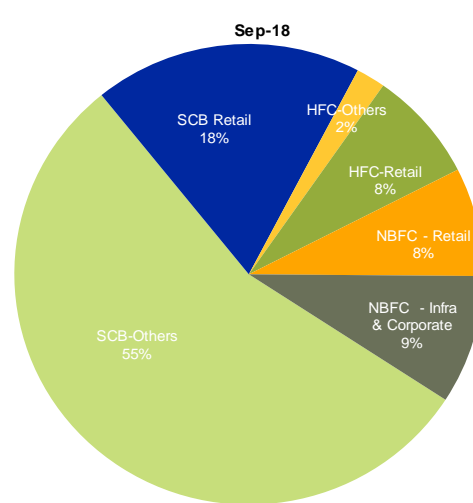
Given the stressed liquidity condition, Retail-NBFC credit growth would be lower at 16-18% in FY2019 as compared to 19-21% envisaged earlier. Also, some key growth drivers in the retail segment –mortgage loans, microfinance and other asset backed loans are likely to grow at a slower pace than in the past, however some pick up is expected in some of the vehicle finance segments (tractors, CE etc) vis a vis earlier levels. Business volumes are expected to remain subdued in the near to medium term as the GST related uncertainties wane-off and demand from key retail segments improve in a meaningful and stable manner. In the medium to long term however, credit growth would be supported by the movement of borrowers from the informal sector to the organised sector for meeting their incremental credit demand.

Size of the Retail Credit Market



Source: Source: RBI, financials of NBFCs & Mortgage lenders; ICRA Research

Share of the Pie: Total Industry Credit



Source: RBI, financials of NBFCs & Mortgage lenders; ICRA Research

Note: "SCB-Others" include corporate, SME and agriculture credit

As on September 30, 2018, retail credit accounted for ~34% of total industry credit. The share of retail credit in the overall bank credit remained stable at 25% in September 2018.

ICRA expects retail credit to grow by 17-19% over the period FY2019-FY2022 as retail credit penetration is low at ~22% of the GDP. This however continues to remain lower than in developed countries, which indicates a significant scope for growth.

NBFCs share was stable at 22% of total domestic retail credit as on September 30, 2018. The conversion of some NBFCs (5% of the NBFC retail credit in March 2016) to small finance banks also impacted NBFC share expansion to an extent. The competitive pressures for retail-focussed NBFCs are expected to intensify going forward, especially in the large ticket size loan categories like M&HCV and mortgage. Nonetheless, NBFCs' niche positioning, differentiated product offering, good market knowledge and large customer outreach is expected to enable them to continue to tap opportunities.

### Types of NBFCs

In India, a Non-Banking Financial Company ("NBFC") is a company registered under the Companies Act, 1956 and Companies Act 2013, as amended and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a NBFC (Residuary non-banking company). It is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. All NBFCs are not entitled to accept public deposits. Only those NBFCs holding a valid Certificate of Registration with authorization to accept public deposits can accept/hold public deposits. NBFCs authorized to accept/hold public deposits besides having minimum stipulated net owned fund should also comply with the directions such as investing part of the funds in liquid assets, maintain reserves, rating etc. issued by the Bank. As on October 26, 2018, there were 102 NBFCs in India registered to accept public deposits. Further, on October 26, 2018, there were 10,402 NBFCs in India that do not accept public deposits.

### Types of NBFCs

NBFCs are categorized in terms of the type of liabilities into deposit and non-deposit accepting NBFCs, non-deposit taking NBFCs by their size into systemically important and other non-deposit holding companies and by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

- **Asset Finance Company:** is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipment, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.
- **Investment Company:** is any company which is a financial institution carrying on as its principal business the acquisition of securities,
- **Loan Company:** is any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.
- **Infrastructure Finance Company:** is a non-banking finance company which deploys at least 75% of its total assets in infrastructure loans, has a minimum net owned funds of ₹ 3,000 million, has a minimum credit rating of 'A' or equivalent and a capital to risk assets ratio of 15%.
- **Infrastructure Debt Fund: Non- Banking Financial Company ("IDF-NBFC"):** IDF-NBFC is a company registered as NBFC to facilitate the flow of long term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum five year maturity. Only a bank or an infrastructure finance company can sponsor IDF-NBFCs.
- **Systemically Important Core Investment Company:** is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:
  - it holds not less than 90% of its Total Assets in the form of investment in equity shares, debt or loans in group companies
  - its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;

- it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;
  - it does not carry on any other financial activity referred to in Section 45II and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.
  - its asset size is ₹ 1,000 million or above and
  - it accepts public funds
- **NBFC – Micro Finance Institution (“NBFC-MFI”):** NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:
    - loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 100,000 or urban and semi-urban household income not exceeding Rs. 1,60,000;
    - loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 100,000 in subsequent cycles;
    - total indebtedness of the borrower does not exceed ₹ 100,000;
    - tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;
    - loan to be extended without collateral;
    - aggregate amount of loans, given for income generation, is not less than 50% of the total loans given by the MFIs;
    - loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower.
  - **NBFC Factors:** is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50% of its total assets and its income derived from factoring business should not be less than 50% of its gross income.
  - **Mortgage Guarantee Companies:** are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 1,000 million.
  - **NBFC- Non-Operative Financial Holding Company:** is financial institution through which promoter/promoter **groups** will be permitted to set up a new bank. It’s a wholly-owned non-operative financial holding company which will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

#### **LAP and SME Finance**

The SME segment of NBFCs (includes secured and unsecured credit to small undertakings, business loans and enterprise loans) continues to grow at a healthy pace. NBFCs are increasingly focussing on loans for productive purposes vis a vis the conventional LAP, where the end use could be production or consumption. Larger NBFCs, in view of asset quality concerns and increased competitive pressure, have moderated their ticket sizes (focus largely on <₹10 million). The niche positioning of NBFCs along with a differentiated product offering, good market knowledge, and large unmet demand, are likely to support their credit growth. Also, the emergence of the new-age NBFCs (average ticket size of ~₹1.0 million), with a focus on the small business loans segment, would provide them with growth impetus going forward.

## Movement of NBFC LAP+SME segment



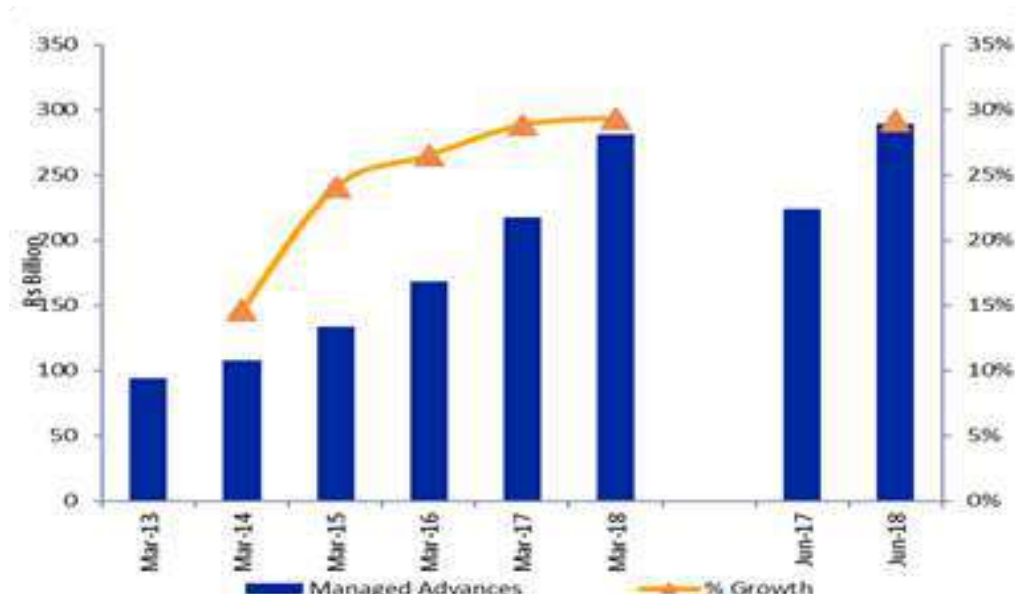
Source: ICRA Research; Company/ Company Investor presentations

Overall NBFC credit to SMEs grew at about 38% YoY in June 2018 (40% growth in FY2018). Large unmet demand and the emergence of new NBFCs focussing on SME credit are expected to support growth in this segment. The LAP segment however continued to register a relatively subdued growth; it registered an YoY growth of 14% (12% in FY2018) in June 2018.

The current liquidity squeeze is expected to impact credit flow to the MSME segment in view of the expected pressure on account of the high fuel prices and increase in the interest rates, which would have a cascading effect on the asset quality; overall LAP+SME segment is expected to grow at about 18-20% in FY2019 vis a vis the strong growth reported in the recent past.

## 2-Wheeler Finance

### Movement of NBFC Managed Portfolio in 2- Wheeler segment



Source: ICRA Research; company/company investor presentations

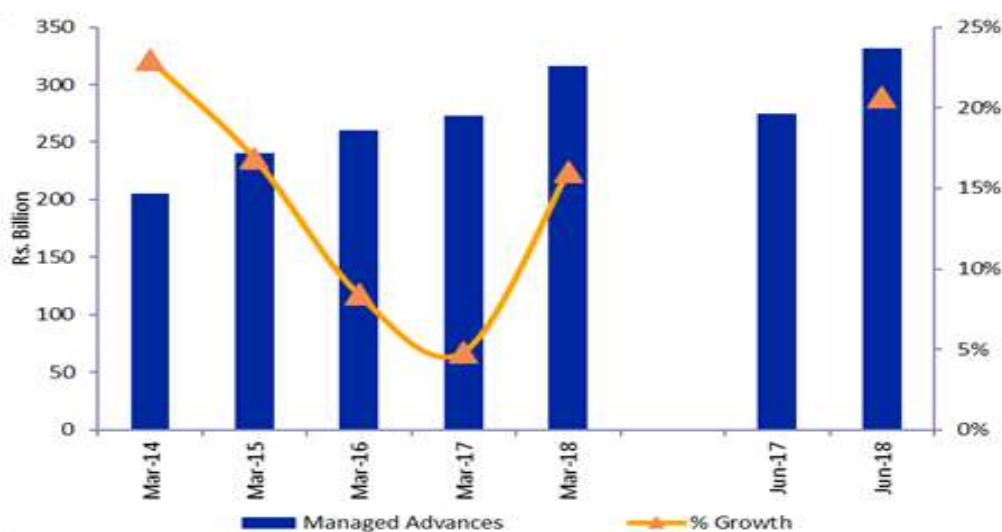
The NBFC two-wheeler finance segment credit grew by about 30% YoY in June 2018, in line with the trend witnessed in FY2018 and FY2017. The segment is expected to grow at about 26-28% in FY2019, supported by good rural demand and borrower liquidity.

The sharp growth in the NBFC credit to the two-wheeler segment resulted in an increase in their market share and credit penetration in this segment. As per estimates, the credit penetration in this segment has increased to over 40% from 30% in March 2014. NBFC credit to the two-wheeler segment grew at a CAGR of 28% during April 2014-March 2018, while bank credit grew at a CAGR of 21%. Consequently, the NBFC share increased to over 69% in March 2018 from 64% in March 2014. The customer profile of NBFCs in two-wheeler financing is relatively risky as a large proportion of the disbursements are to customers without banking habits and formal income proof, and collections are largely in cash.

The large NBFCs in this segment include Bajaj Finance Limited (BFL) and Shriram City Union Finance Limited (SCUF), which together accounted for close to 35% of the total NBFC credit to the two-wheeler sector. NBFCs face competitive pressure largely from some private sectors banks like HDFC Bank and IndusInd Bank. Competition in the segment is set to intensify as new players i.e. large NBFCs, small finance banks and microfinance companies, are expected to focus on this segment for better yield and product diversification. The average ticket sizes are currently about ₹ 45,000-50,000 with an average LTV of about 70% with a tenure of about 24-36 months. The aggregate two-wheeler portfolio of NBFCs was estimated to be about ₹ 295 billion as on June 30, 2018.

## Tractor Loans

### Movement of Managed Portfolio in Tractor Segment



Source: ICRA Research

The total NBFC credit to the tractor segment grew by a robust 20% YoY in June as compared to 16% during FY2018 and stood at about Rs. 332 billion. Credit growth rate, in the last two fiscals, remained relatively subdued even as sales volumes grew at a healthy pace of 18% and 22% respectively during FY2017 and FY2018, as NBFCs were cautious because of the high delinquencies observed in the segment. Better agricultural cash flows over the last two seasons coupled with good haulage demand on the back of higher pace of infrastructure activities improved asset quality performance which supported some revival in FY2018.

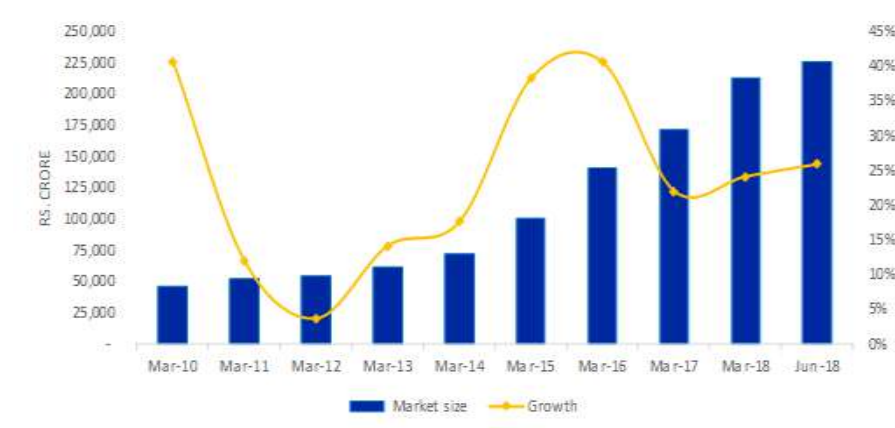
NBFCs continue to be the preferred route for tractor financing. The credit growth rate is expected to be about 14-16% in FY2019 vis a vis the 20% YoY growth reported in Q1FY2019, as NBFC liquidity has tightened. Further, there are concerns emerging from the wide variation in precipitation across regions, which could impact borrower cash flows and asset quality.

## Microfinance Sector

The overall Indian microfinance sector (including the SHG Bank Linkage Programme) grew 25% (annualised) in Q1 FY2019 to ₹ 2.25 lakh crore. Fresh loan disbursements by MFIs and SFBs put together saw a 48% YoY growth for the quarter ended June 30, 2018. However, this was 8% lower than the disbursements in the previous quarter, a reflection of the seasonal nature of the microloan business. Good collection efficiency, continued investor support to MFIs, funding availability and demand for microcredit have all supported the traction in disbursements.

The traction in disbursements is likely to continue and the industry is expected to grow at 20-22% per annum over the medium term. While the segment continues to offer good growth potential, most of the incremental growth opportunities lie in the relatively tougher states, which are less penetrated, or in mature states that offer higher ticket sizes to borrowers. Foray into the relatively under-penetrated markets would also entail investments in terms of creating a microfinance credit culture and training potential borrowers. However, these are crucial for instilling credit discipline, which, in turn, is a critical factor for ensuring good asset quality in the long term. Further, in the mature states, the credit evaluation processes will have to be upgraded as the MFIs move to higher ticket sizes.

### Trend in market size and growth



Source: ICRA Research

## Overview of the Indian Housing Finance Industry

The total housing credit was estimated to be ₹ 17.2 lakh crore as on June 30, 2018 (₹ 16.7 lakh crore as on March 31, 2018) leading to overall YoY growth of 18% (vis-à-vis 15% YoY growth for the period ended June 30, 2017). While the home loan portfolio of housing finance companies (HFCs) continued to grow at a faster pace of 21%, the pace of growth for banks also increased 16% YoY growth for the period ended June 2018 (11% YoY growth for the period ended June 2017) supported by a lower base effect. The prospects of housing finance industry are closely linked to country's economic growth which impacts primary as well as secondary real estate sales, interest rate environment, government policies, and income levels of individuals and saving habits. Over the last 5 years (FY12-FY17), the housing credit growth has remained steady despite a tough operating environment, subdued real estate demand and low affordability levels. This could be attributed to construction linked housing loans (and thus disbursements being linked to construction stages), secondary sales and low mortgage penetration in India. Housing Finance Companies (HFCs) have been able to grow at a faster pace, owing to their focus on niche segments such as self employed and affordable housing segments which have been largely served by the HFCs and have higher growth potential.



## Overview of the Indian Housing Finance Market

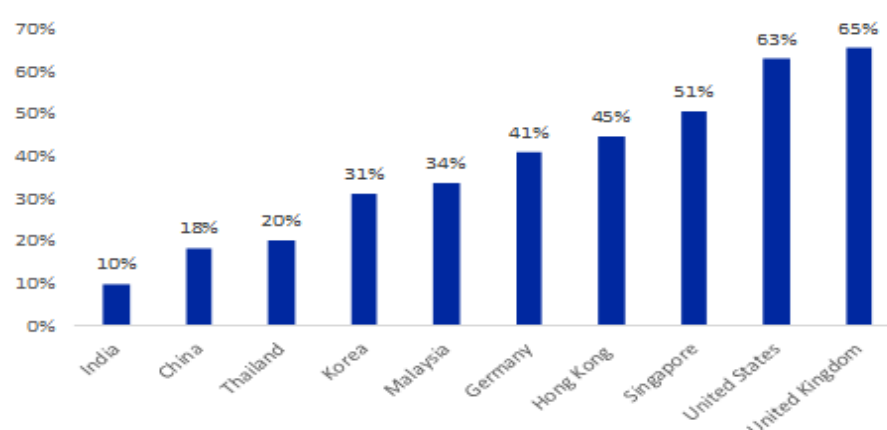
|  | Mar-13 | Mar-14 | Mar-15 | Mar-16 | Mar-17 | Mar-18 | Jun-18 |
|--|--------|--------|--------|--------|--------|--------|--------|
| HFC and NBFCs                              | 2.61   | 3.13   | 3.79   | 4.52   | 5.33   | 6.49   | 6.69   |
| Scheduled Commercial Banks (SCBs)          | 4.81   | 5.69   | 6.64   | 7.86   | 9.05   | 10.26  | 10.51  |
| Total Housing Credit Outstanding           | 7.42   | 8.82   | 10.43  | 12.38  | 14.38  | 16.75  | 17.20  |
| Credit Growth – HFC and NBFCs              | 26%    | 20%    | 21%    | 19%    | 18%    | 22%    | 21%    |
| Credit Growth – SCBs                       | 15%    | 18%    | 17%    | 18%    | 15%    | 13%    | 16%    |
| Overall Housing Credit Growth (Annualised) | 19%    | 19%    | 18%    | 19%    | 16%    | 16%    | 18%    |

Source: ICRA Research, Amounts in ₹ lakh crore

While earlier it was estimated that the overall housing credit growth to pick up to 17-19% in FY2019 on the back of an improvement in primary sales, along with support from the Government of India (GoI) for the affordable housing segment, which is likely to expand the market. However, owing to the tight liquidity situation, the growth is now expected to slow down by around 200-300 bps to 14-17% in FY2019. Growth trends are likely to reverse as the pace of growth for banks is expected to go up, also supported by the increase in direct assignment transaction activity seen in early Q3 FY2019 to raise funds. A marginal shift in market share across HFCs and banks is also expected. Nevertheless, ICRA expects the long-term growth prospects for the segment to remain good. Additionally, the pace of growth in the non-housing loan segment is expected to come down as HFCs would prefer to conserve liquidity given the lumpy nature of these loans. However, owing to increased retail portfolio sales by various HFCs, the share of home loans in the overall on-book portfolio could come down for the HFCs.

Mortgage penetration levels (mortgage loans as a percentage of GDP) in India, has increased to around 10% as on June 30, 2018 vis-a-vis 8.0% as on March 31, 2014. Nevertheless, it continues to remain lower than other developed countries so it appears to point to a significant scope for further growth in future. Over the medium and long term, the housing credit growth could be supported further by focus of the government on Housing for all by 2022, which could push the mortgage penetration levels to double digits around 300-500bps higher than what could be achieved otherwise.

## Housing Credit as a % of GDP for Various Countries



Source: ICRA research, HOFINET, data for India for March 2018, data for other countries as of 2016

The key growth drivers for the housing loan growth are rising share of urbanization and nuclearisation, increasing ticket sizes and, improved affordability. Good demand prospects for the sector have led to a rise in new entrants over the last decade. As on October 2018, 97 HFCs were operational with eleven applications for fresh HFC licences currently under process by the NHB. During March 2015 to August



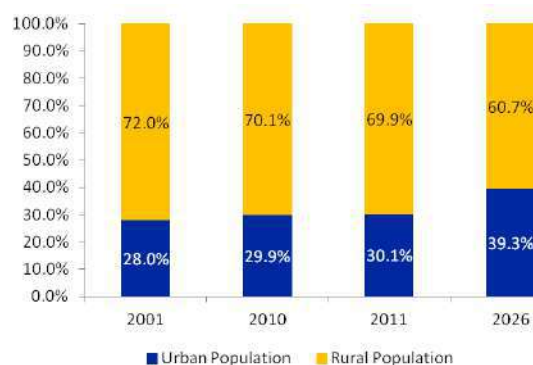
2017 itself, there have been 27 new entrants into the markets. Most new entrants in the past two years have focused on the relatively under-penetrated low-ticket affordable housing and self-employed segments. Notwithstanding the large number of participants in the housing finance market, the sector remains concentrated with the top five players. While the large players to continue to dominate the mortgage market in the medium term, smaller HFCs that have been expanding their portfolios over the last few years are likely to increase their share given their focus on the relatively untapped segments.

HFCs reported a 22% YoY growth in the overall portfolio for the 12 months ended June 2018, supported by a higher 27% YoY growth in the non-housing loan segment while the home loan portfolio grew by 20% during the same period. Although housing loans continue to dominate the HFC loan book, the share of housing loans in the overall HFC portfolio reduced to 66% as on June 30, 2018 owing to the higher pace of growth of non-housing loans. The share of housing loans in the overall portfolio of smaller HFCs was higher than all HFCs. The pace of growth for home loans for smaller HFCs slowed down to 21% for the 12 months ended June 2018.

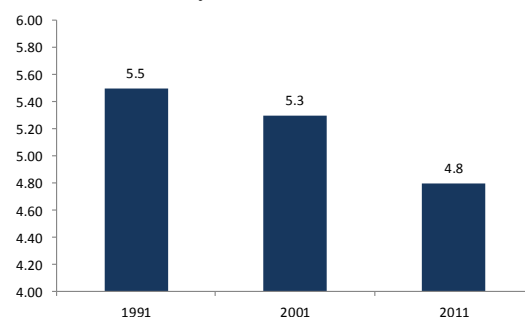
### Growth Drivers for Mortgage Finance in India

- **Rising Urbanisation and Nuclearisation** - Rising urbanisation and nuclearisation is likely to keep demand for housing units in urban areas high.

Trends and projections for urbanisation in India



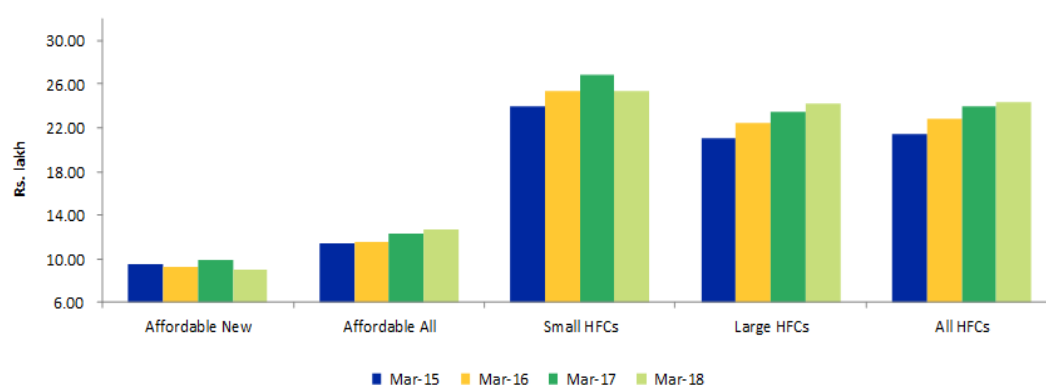
Trends in family size



Source; Census 2011, Population Projections for India, Report of the technical group on population projections constituted by the national commission on population May 2006

- **Rising Ticket Size** - Increasing ticket sizes are also likely to be a growth driver for housing loans over the medium term.

Trend in Ticket Sizes (₹ lakh)



- **Increasing Share of Self Employed Segment** - The borrower segments that HFCs cater to include the prime salaried, self-employed and low-income segments. Though some of the larger HFCs are competing with banks on the salaried home loan segment, some of the larger and most of the smaller HFCs target special customer segments such as the self-employed or the affordable housing segment

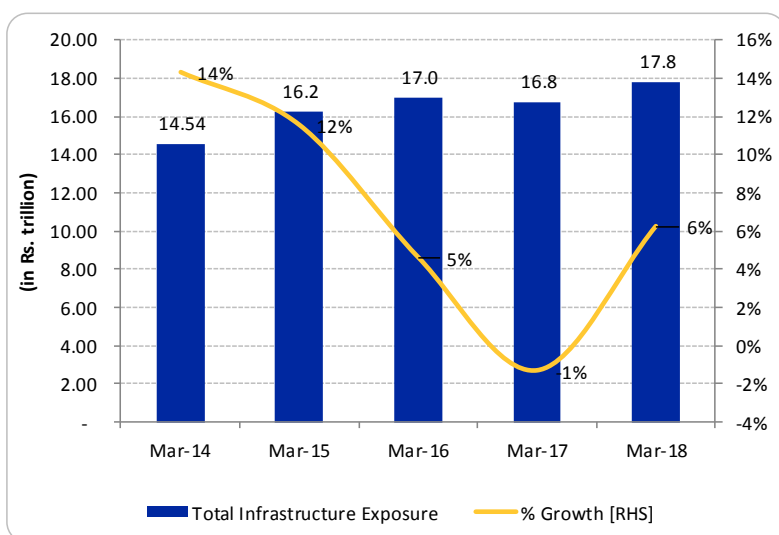
to optimise their yields and capitalize on the higher growth potential. Overall, rising share of borrowers in self employed and affordable segment.

## Overview of the Infrastructure Finance Sector

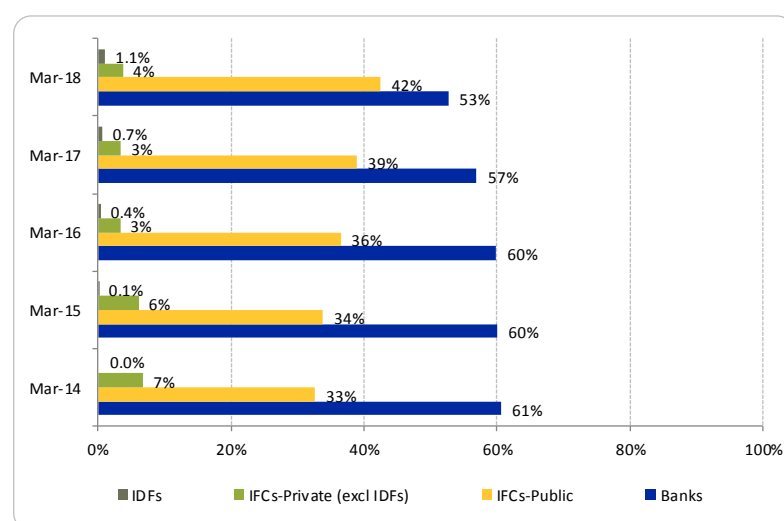
As per ICRA's estimates, the total infrastructure credit in India (banks and NBFCs) increased marginally to ₹17.8 trillion as on March 31, 2018 after declining to ₹17 trillion as on March 31, 2017 (from ₹17.2 trillion as on March 31, 2016). While banking sector credit to this sector continued to de-grow, NBFC-IFCs continue to grow at a much high pace of 17% largely driven by the good portfolio growth in the public sector players. At this industry size, India's infrastructure credit penetration to GDP stood at around 11.2% as on March 31, 2018. Over the years, the share of banks in total Infrastructure credit has been reducing and stood at 53% as on March 31, 2018 (59% as on March 31, 2016), while that of IFCs-Private was at 4% while IFC-Public continued to increase their market share to 42% in this period. The decline in the credit books of banks is largely attributable to the conversion of their exposures to state distribution companies into bonds (from loans earlier) following Ujwal DISCOM Assurance Yojana (UDAY) and the subdued bank lending given their asset quality issues and capital constraints. IFCs' credit growth in India remained subdued at 5% in FY2018 and FY2017 (similar in FY2016). However, excluding IDFC (across all years), the sectoral growth slowed down from 14% in FY2016 to 5% in FY2017 and FY2018.

Exposure to the power sector (including renewable and transmission segments) continued to dominate the overall portfolio mix of banks and IFCs, accounting for 63% of their total loan book as on March 31, 2018. Other substantial exposures were to the road (12%) and telecommunications (5%) sectors. Within the IFC space (excluding banks), the concentration on power sector was higher at ~67% of the portfolio as on March 31, 2018. This is also on account of Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) – which are specialised institutions with focus only on the power sector – comprising ~59% of the entire IFC book as on March 31, 2018, and accounting for ~88% of the IFCs' exposure to power sector. Further, IFC-Public's exposure is largely to state-owned entities, while IFC-Private largely lend to private players and IPPs. The share of road sector exposure in the overall IFC credit book was stable at around 4% as on March 31, 2018. The other prominent exposure was to railways, constituting 18% of the total IFC exposure. The balance 10% was spread across other sectors.

## Trend in Infrastructure Finance Credit

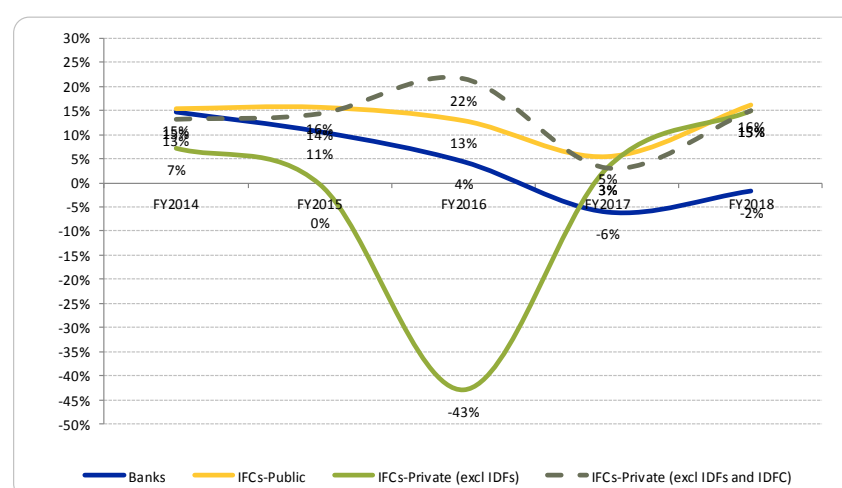


## Breakup of Infrastructure Finance Credit across FIs (Banks, IFCs, NBFC-Others, IDFs)



With the objective of reviving the investment cycle, the Union Budget 2017-18 laid emphasis on rural roads and affordable housing segments. The allocation to affordable housing increased by 39% to ₹ 29,043 crore, which is expected to boost order books of medium-sized construction companies over the next two years. Further, with affordable housing given an ‘infrastructure’ status, funding availability to the segment would improve manifold with access to external commercial borrowings, Employees’ Provident Fund Organisation and insurance funds. The budgetary allocation to railways and road sectors increased only by 7.9% to ₹ 2,22,000 crore, against more than 20% increase last year. The progress towards meeting the 100% rural electrification target by May 2018, as announced in the 2016 Budget, is on track, which coupled with funding support under the Deen Dayal Upadhyay Gram Jyoti Yojana is likely to gradually improve energy demand. For private developers, operations and maintenance of airports in tier-II cities and redevelopment of 25 railways stations provide new opportunities. Further, enactment of the new Metro Rail Act with its focus on innovative models of implementation and financing could result in more private sector participation.

## Loan book growth trend for Banks and IFCs

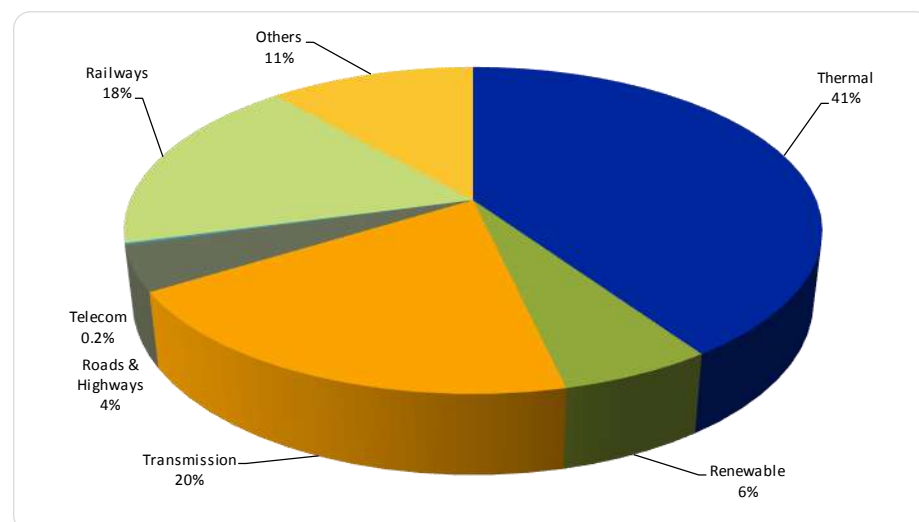


The government’s thrust on improving port connectivity and logistics will reduce the transit time and overall costs for exporters and importers. Ports would benefit by way of faster evacuation of cargo and increased trade volumes. The Sagar Mala project is being implemented in various forms by the GoI to improve port infrastructure and connectivity, which in turn would contribute to economic growth. As a part of the plan, various port connectivity schemes are being implemented that will increase the road and rail network between centres of economic activity and the ports. The government has also announced plans for the development of inland waterways to reduce transportation costs. While the total funding required for the

implementation of the planned initiatives is expected to be significantly high, the allocation of ₹ 650 crore in the Union Budget for the development of port connectivity projects should facilitate some progress on these initiatives and is a positive factor for the incumbents in the port sector. However, the allocation remains low compared with the overall requirements.

The announcement of a specific programme to implement the development of multi-modal logistics parks (MMLPs), together with multi-modal transport facilities will indirectly improve port connectivity. The programme would benefit port logistics, as there is still a significant scope to improve the efficiency of inward and outward logistics at ports. However, the extent of benefit to the port sector can be estimated only when the details of the programme are known.

#### **Breakup of NBFC-IFC portfolio as on March 31, 2018, by sector**



#### **Growth Prospects of NBFC - Infrastructure Finance Companies**

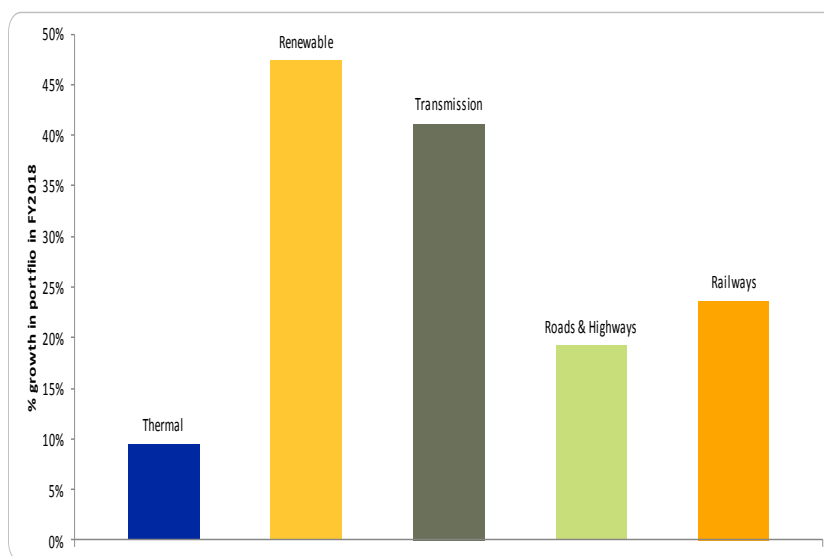
NBFC-IFCs' growth is likely to remain subdued over the short term. However, over the medium to long term, the growth rate would hinge on the extent and speed of resolution of structural issues in the infrastructure sector and the extent of private sector participation in it. In the long term, if the structural issues are resolved, IFCs should be able to grow their balance sheets at a faster pace than in the recent past, provided they are able to mobilise resources at competitive rates.

The total NBFC-IFC credit book stood at ₹ 7.8 trillion as on March 31, 2018, registering a marginal growth of 5% each in FY2017 and 2018. Within this, IFCs-Public constituted around 90% of the book while IFCs-Private had an 8% share and balance contributed by the IDFs. IFCs-Public continued to grow at 5% in FY2018, IFCs-Private witnessed a marginal improvement in growth rate from 2% in FY2017 to 3% in FY2018; however overall their shares in the total pie have remained steady.

In terms of portfolio mix, exposure to traditional thermal and hydro projects constituted the highest proportion of the loan books of IFCs as on March 31, 2018, followed by transmission, roads & highways and railways.

The thermal power constitutes the largest proportion of the loan books of NBFC-IFCs; this sector has been witnessing stress on account of various structural issues, resulting in the credit profiles of these issuers being impacted. Consequently, the focus of these lenders has increasingly been shifting in favour of the renewable energy and transmission sectors.

### NBFC-IFC portfolio growth in some sectors in FY2018



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## OUR BUSINESS

### Overview

We are one of the leading private non-banking financial services companies in India in terms of total loans outstanding, as of September 30, 2018. Our Promoter is registered with the RBI as a Non-Banking Finance Company – Core Investment Company (“**NBFC-CIC**”) conducting business through its wholly-owned subsidiaries.

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

Our rural business comprises of farm equipment finance, two-wheeler finance and micro loans. As of September 30, 2018, our total adjusted loans and advances under our rural business were ₹ 21,43,287.66 lakhs, with ₹ 6,73,562.41 lakhs, ₹ 4,27,208.83 lakhs and ₹ 10,42,516.42 lakhs of adjusted loans and advances under our farm equipment finance, two wheeler finance and micro loans businesses, respectively.

Our wholesale business initially comprised of infrastructure finance, supply chain finance and structured corporate finance. Earlier this financial year, our Company, by way of a slump sale, had agreed to transfer its supply chain financing business to Centrum Financial Services Ltd (“**Centrum**”) by way of a Business Transfer Agreement dated September 4, 2018. The supply chain financing business was effectively transferred to Centrum through a Deed of Assignment dated December 31, 2018. However, to support the transfer of a large portfolio, our Company in terms of the Transition Services Agreement has agreed to provide certain transition support services to Centrum till March 31, 2019, where our Company would assist them with certain portfolio maintenance activities regarding the supply chain financing business transferred to Centrum. This Transition Services Agreement was effective from December 31, 2018. As of September 30, 2018, our total adjusted loans and advances under our wholesale business were ₹ 16,48,572.73 lakhs; with ₹ 6,19,518.75 lakhs, ₹ 7,14,764.85 lakhs, ₹ 2,40,321.03 lakhs and ₹ 73,968.10 lakhs of adjusted loans and advances under our infrastructure finance, structured corporate finance, debt capital markets and supply chain finance businesses, respectively.

Our housing business comprises of loans against property and real estate finance. As of September 30, 2018, our adjusted total loans and advances under our housing business were ₹ 6,86,372.65 lakhs with ₹ 10,831.72 lakhs and ₹ 6,75,540.93 lakhs of adjusted loans and advances under our loans against property and real estate finance, respectively.

Our operations are spread throughout India and we have 225 branches in 220 cities across 21 states and 3 union territories, as of September 30, 2018. In addition, for our micro loans business we have 1114 meeting centres covering 275 districts across 14 states in India, as of September 30, 2018.

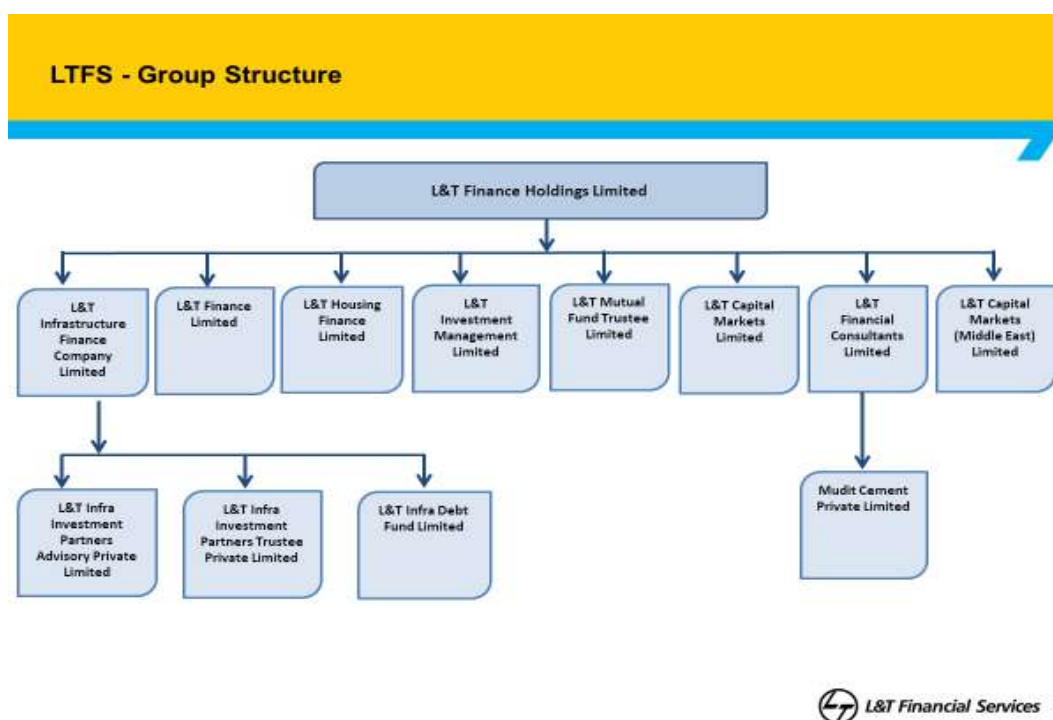
We have 17,998 employees as of September 30, 2018. Each of our businesses are led by senior executives who are, generally, also responsible for certain organizational functions at the group level. Together, they have demonstrated the ability to manage and grow our operations.

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

|   | (₹ in lakhs)                                       |
|---|--|
|   | <b>For the Period Ended<br/>September 30, 2018</b> |
| Total Adjusted Loans & Advances Outstanding | 45,83,549.48                                       |
| Total Disbursements                         | 21,44,253.11                                       |
| Average Assets Under Management             | 41,43,149.56                                       |
| Total Income                                | 3,36,777.20  |
| Profit for the Period                       | 44,760.97  |
| Gross Stage 3 Assets (GS3) (%)              | 4.21%  |
| Net Stage 3 Assets (NS3) (%)                | 1.62%  |

|  | As of / For the Period Ended |              |             |
|--|------------------------------|--------------|-------------|
|  | March 31,                    |              |             |
|  | 2018                         | 2017         | 2016        |
| Total Adjusted Loans & Advances Outstanding                                | 41,01,914.02                 | 31,41,905.99 | 5,12,984.02 |
| Total Disbursements  | 49,85,882.00                 | 31,77,085.00 | 3,52,354.40 |
| Average Assets Under Management  | 34,19,502.93                 | 17,19,824.19 | 4,32,722.54 |
| Total Income   | 5,24,568.84                  | 4,14,497.54  | 77,284.97   |
| Profit for the Period/Year Attributable to the Shareholders of our Company | 28,992.16                    | 1,604.17     | 8,739.51    |
| Gross NPA (%)  | 6.07%                        | 6.51%        | 5.21%       |
| Net NPA to Net Advance (%)   | 2.81%                        | 3.99%        | 3.36%       |

#### Organisation Chart of our Promoter and its subsidiaries as on December 31, 2018.



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

#### Our Strengths

##### *Significant presence across diversified businesses*

We are one of the leading private non-banking financial services companies in India with total adjusted loans outstanding aggregating to ₹43,71,738.29 lakhs as of September 30, 2018. Our primary businesses are rural, wholesale and housing and our customers include farmers, individuals, small and medium-sized enterprises, real estate developers and large corporates.

**Rural business:** In our farm equipment finance business, we have 14 years of operating experience in rural markets. Under our rural business, we recorded loan disbursements of ₹9,18,973.79 lakhs and ₹13,44,175.58 lakhs for the six months ended September 30, 2018 and the financial year 2018, respectively. We benefit from the reach of our branch network, continued association with large equipment manufacturers and strong relationship with 2,550 farm equipment dealerships which allows us to provide on-site financing. We started our two-wheeler financing business in 2012 and we have 72 branches across 70 cities in 21 states and 3 union territories in India as of September 30, 2018. We seek to differentiate ourselves in our two-wheeler finance business through the effective use of algorithm driven mobile-based solutions, relying on electronic

customer checks, electronic data capture and other automated processes. Our Company's close relationships with 2,557 two-wheeler dealerships as of September 30, 2018, help us effectively source, and better serve, our customers. We operate our micro loans business in the rural market covering 275 districts across 14 states in India through a network of 1,114 meeting centers as of September 30, 2018. Our micro loans business works on a data analytics, based sourcing and monitoring model which takes into account local demographics, socio-economic factors along with both village and borrower specific credit appraisals.

*Wholesale Business:* Our wholesale business comprises of infrastructure finance, structured corporate finance and debt capital markets. Our infrastructure finance further 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. Under our infrastructure finance business, we recorded loan disbursements of ₹2,86,456.07 lakhs and ₹6,10,880.31 lakhs for the six months ended September 30, 2018 and the financial year 2018, respectively. Under our structured corporate finance business, we provide high yield financing products such as acquisition financing, priority lending, debt financing for equity buyouts, private equity exits and loan against shares.

*Housing Business:* Under our housing business, we recorded loan disbursements of ₹2,09,664.49 lakhs and ₹4,12,196.26 lakhs for the six months ended September 30, 2018 and the financial year 2018, respectively. Our housing business is present in six select urban locations, i.e., Mumbai, Pune, NCR, Bangalore, Chennai and Hyderabad. We offer wide-ranging financing solutions to address funding requirements of real estate developers and concentrate on prominent real estate developers having better delivery and performance records on the basis of their financial strength, business strength, past experience and market reputation.

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

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

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

Further, we generally seek to act as the lead consortium arranger while bringing on additional lenders as part of a syndicated loan to optimize capital allocation and for risk mitigation. We seek to disburse loans leveraging on our sourcing and appraisal strengths and then transfer such loans to other lenders in order to optimize capital. Under our debt capital markets business, we seek to act as the lead arranger for a variety of term loans and structured debt facilities for infrastructure projects, with banks and NBFCs. Our debt capital market business has leveraged synergies from our other businesses in order to generate fees from advisory services, structuring, processing, underwriting and syndication through placement of bonds with banks, mutual funds, insurance companies and pension funds. We believe that our expertise in appraisals, structuring and syndication is one of our key strengths.



### ***Robust risk management framework***

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

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

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

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

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

Our effective credit risk management framework is reflected in our portfolio quality indicators such as high repayment rates, and low rates of Gross Stage 3 assets. As of March 31, 2018, our Gross NPA stood at 6.07% and as of September 30, 2018, our Gross Stage 3 assets accounted for 4.21%, respectively, of our total loans outstanding.

### ***Experienced and professional management team***

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

### ***Brand recall and synergies with L&T***

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

- *For our rural business* we intend to expand our branch network in the rural and semi-urban markets of India, as well as additional districts in the states in which we are present. We believe this allows us to expand to markets which are underserved while reducing our presence in saturated markets. In opening each branch or site, we analyze the local market and proximity to target customers and dealerships. In addition, we also seek to grow our presence at dealerships and points of sale for farm equipment and two-wheelers and seek to strengthen our relationships with equipment manufacturers by providing trade advances and improve service levels;
- *For our housing business*, we intend to leverage on synergies with L&T to increase lending to larger real estate developers with better credit ratings and emphasize monitoring projects closely, including through monitoring the early warning signals and progress of collections. We, through our business including structured debt business intend to offer flexible and customized loan products to real estate developers. Further, we seek to syndicate the loans we provide and bring in consortium lenders to mitigate the risk from individual projects;
- *In our wholesale business*, we intend to continue to grow our loans disbursed in the sectors in which we have significant presence such as renewable power generation, transportation, and power transmission, while also seeking to expand our focus to other sectors. Further, we plan to increase debt capital markets services by providing - structured solutions and offering subscription and sale of bonds and other debt products against loans to operational infrastructure projects, with banks and NBFCs. In order to syndicate loans and increase our fee income, we intend to leverage on our ability to evaluate project finance risks and construction timelines and act as lead consortium arranger for the same.

### ***Emphasise fee income and cost efficiency to deliver improved performance metrics***

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

Additionally, we intend to increasingly syndicate loans and grow our fee income, such as fees related to processing, underwriting and syndication, particularly for our housing business and through our debt capital markets business by sale of bonds and structured solutions to operational infrastructure projects. Further, we endeavour to achieve increasing cost efficiencies through initiatives such as rationalizing inefficiencies in processes by reducing manual data entry errors and removing unnecessary procedures between loan application submission to disbursement, streamlining our branch network through consolidation of branches and increasing use of information technology and data analytics.

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

To reduce costs and manual intervention in favour of automated processes, improve productivity and performance, manage risk, approve loans at a quicker rate and have a competitive advantage, we intend to continue to leverage on technology. The key technology initiatives that we intend to implement in this regard, are as follows:

- implement cloud- based loan origination and loan management systems to enable quicker operations and allow us to scale up cloud capacity when we require more computing and scale down when we have lower requirements;

- revamp our mobile-based platform and extend it across our businesses, with an emphasis on automated processes as a substitute to manual input of data to reduce operational costs and errors;
- replace our current loan management systems with an integrated loan management system across our businesses to enable seamless data sharing across businesses;
- leverage Aadhaar's QR code for pre-populating KYC details and generate computerized application forms and rely on customers' electronic signatures in order to achieve lower costs, decreased risk of fraud and quicker turn-around times;
- increasingly utilize electronic payment gateways for transactions; and
- improve customer experience through implementation of user accessible applications which are connected to transmit real time information and enable direct connections with banks make disbursements.

We believe that, as we develop and integrate such programs into our business, we can further capitalise on the reach of our offices and increase our market share. The adoption of a mobile-based solution and related automated processes is aimed at streamlining our customer acquisition processes and creating a data management platform to run our customer acquisition campaigns.

Further, while we have deployed data analytics in our business operations, particularly for our rural business, we intend to expand its use to all our businesses. We intend to increasingly shift from discretion-based loan approval to rule-based underwriting, relying on established evaluation metrics and parameters and similarly drive our collection strategy based on data analytics. For example, for our two-wheeler finance and micro loans businesses we analyse data gathered for loan disbursement and assessing collection patterns, credit stress on borrowers due to delay or inability to pay and likelihood of default. We intend to increase its use for our farm equipment financing business. We also intend to increasingly add additional external and public data inputs, such as telecom payments, credit bureau assessments, utility payments, credit history with other lenders and real time bank account information as data points into our evaluation metrics. We believe these initiatives will also enable us to assess potential cross-selling opportunities over time, for example top-up and refinancing loans, sale of two-wheeler loans to farm equipment financing or micro loan clients, among others. Further adoption of data analytics will also help us increasingly assess customers using algorithms, particularly those customers who do not have a credit history and have historically been under-served.

## DESCRIPTION OF OUR BUSINESS

We are one of the leading private non-banking financial services companies in India with total adjusted loans and advances outstanding aggregating to ₹ 4,58,354.94 lakhs as of September 30, 2018. Our Company is registered with the RBI as a Non-Banking Finance Company – Non-Deposit Taking – Systemically Important ("NBFC-ND-SI").

Our primary businesses are rural, wholesale and housing.

### Key Operational and Financial Parameters:

A summary of our key operational and financial parameters for the last three completed Financial Years and for the half year ended September 30, 2018 are as follows:

#### A. Standalone

(₹ in lakhs)

| Parameters   | As at / for the years ended |                |                |
|--|-----------------------------|----------------|----------------|
|  | March 31, 2018              | March 31, 2017 | March 31, 2016 |
| Net worth (Note 1)                                   | 8,56,389.80                 | 687,938.89     | 63,196.89      |
| Total Borrowings of which                            | 34,76,180.10                | 27,82,970.26   | 4,49,260.87    |
| - Long Term Borrowings                               | 21,21,680.51                | 15,31,439.66   | 2,80,398.88    |
| - Short Term Borrowings                              | 7,24,999.59                 | 9,97,051.60    | 1,14,291.66    |
| - Current Maturities of Long Term Secured Borrowings | 6,29,500.00                 | 2,54,479.00    | 54,570.33      |
| Fixed Assets (Note 2)                                | 2,05,841.24                 | 2,78,168.85    | 432.15         |
| Non-Current Assets (Note 3)                          | 27,32,580.36                | 19,26,043.97   | 2,89,404.44    |

|                                       |              |              |             |
|---------------------------------------|--------------|--------------|-------------|
| Cash and Cash Equivalents             | 34,871.53    | 29,487.59    | 4,431.39    |
| Current Investments                   | 1,50,358.67  | 2,36,072.17  | 171.05      |
| Other Current Assets (Note 4)         | 13,42,045.24 | 11,27,910.26 | 2,41,291.36 |
| Non-Current Liabilities (Note 5)      | 14,759.69    | 23,631.12    | 3,192.10    |
| Current Liabilities (Note 6)          | 1,16,082.13  | 1,03,142.57  | 20,080.53   |
| Loan Book (Note 7)                    | 39,14,560.74 | 29,24,445.12 | 5,12,984.02 |
| Off Balance Sheet Loan                | 25,558.32    | 28,581.71    | -           |
| Total Income                          | 5,24,568.84  | 4,14,497.54  | 77,284.97   |
| Finance Cost                          | 2,49,684.66  | 1,95,951.53  | 30,599.31   |
| Provisions & Contingencies (Note 8)   | 90,445.63    | 78,833.74    | 11,304.92   |
| Profit After Tax                      | 28,992.16    | 1,604.17     | 8,739.51    |
| Gross NPA (%) (Note 9)                | 6.07%        | 6.51%        | 5.21%       |
| Net NPA to Net Advances (%) (Note 10) | 2.81%        | 3.99%        | 3.36%       |
| CRAR - Tier I Capital Ratio (%)       | 15.64%       | 13.36%       | 11.95%      |
| CRAR - Tier II Capital Ratio (%)      | 2.28%        | 3.06%        | 4.41%       |

## B. Consolidated

(₹ in lakhs)

| Parameters  | As at / for the year ended March 31, 2018 | As at / for the year ended March 31, 2017 |
|---|---|---|
| Net worth (Note 1)                                | 8,62,598.83                               | 6,90,270.14                               |
| <b>Total Borrowings</b> of which                  | 34,76,180.10                              | 27,82,970.26                              |
| - Long Term Borrowing                             | 21,21,680.51                              | 15,31,439.66                              |
| Short Term Borrowing                              | 7,24,999.59                               | 9,97,051.60                               |
| Current Maturities of Long Term Secured Borrowing | 6,29,500.00                               | 2,54,479.00                               |
| Fixed Assets (Note 2)                             | 2,05,841.24                               | 2,78,168.85                               |
| Non-Current Assets (Note 3)                       | 27,38,789.39                              | 19,28,375.22                              |
| Cash and Cash Equivalents                         | 34,871.53                                 | 29,487.59                                 |
| Current Investments                               | 1,50,358.67                               | 2,36,072.17                               |
| Other Current Assets (Note 4)                     | 13,42,045.24                              | 11,27,910.26                              |
| Non-Current Liabilities (Note 5)                  | 14,759.69                                 | 23,631.12                                 |
| Current Liabilities (Note 6)                      | 1,16,082.13                               | 1,03,142.57                               |
| Loan Book (Note 7)                                | 39,14,560.74                              | 29,24,445.12                              |
| Off Balance Sheet Loan                            | 25,558.32                                 | 28,581.71                                 |
| Total Income                                      | 5,24,568.84                               | 4,14,497.54                               |
| Finance Cost                                      | 2,49,684.66                               | 1,95,951.53                               |
| Provisions & Contingencies (Note 8)               | 90,445.63                                 | 78,833.74                                 |
| Profit After Tax                                  | 33,225.09                                 | 4,266.17                                  |
| Gross NPA (%) (Note 9)                            | 6.07%                                     | 6.51%                                     |
| Net NPA to Net Advances (%) (Note 10)             | 2.81%                                     | 3.99%                                     |
| Tier I Capital Adequacy Ratio (%)                 | 15.64%                                    | 13.36%                                    |
| Tier II Capital Adequacy Ratio (%)                | 2.28%                                     | 3.06%                                     |

**Notes:** The below notes are applicable to the key operational and financial parameters (both on consolidated and standalone basis), are as follows:

1. "Net Worth" refers to the aggregate of share capital, reserves and surplus and net off unamortized premium on loans and prepaid expenses.

2. "Net Fixed Assets" refers to the aggregate of net block of property, plant and equipment and intangible assets and intangible assets under development.
3. "Non-Current Assets" refers to the aggregate of non-current investments, deferred tax assets, long term loans and advances, long term loans and advances towards financing activities and other non-current assets.
4. "Other Current assets" include trade receivables, short term loans and advances, short term loans & advances towards financing activities, current maturities of long-term loans & advances towards financing activities and other current assets.
5. "Non-Current liabilities" refers to the aggregate of other long-term liabilities and long-term provisions.
6. "Current liabilities" refers to the aggregate of trade payables, other current liabilities and short-term provisions but excludes current maturities of secured long term debt.
7. "Loan book" is the aggregate of our Company's long-term loans and advances (secured and unsecured), short term loans and advances (secured and unsecured) (Gross of allowances for non performing assets).
8. "Provisions & Contingencies" refers to the aggregate of bad- debts and advances written off, loss on sale of non performing assets, provision for standard assets, provision for restructured assets, provision for non performing assets.
9. "Gross NPAs (%)" refers to Gross NPAs divided by Loan book.
10. "Net NPAs" reflect our gross NPAs less provisions for NPAs and "net NPA (%)" refers to the ratio of net NPAs to Loan book.

A summary of our key operational and financial parameters as at and for the half year ended September 30, 2018 are as follows:

| (₹ in lakhs)   |                                       |
|--|---------------------------------------|
| Parameters   | Half Year ended<br>September 30, 2018 |
| Net worth (Note 1)   | 8,69,669.23                           |
| Total Borrowings   | 42,97,982.61                          |
| Debt Securities  | 11,32,477.64                          |
| Borrowings (Other than debt securities)  | 30,49,872.19                          |
| Subordinated liabilities   | 1,15,632.78                           |
| Net Fixed Assets (Note 2)  | 1,72,791.43                           |
| Non-Financial Assets (Note 3)  | 2,71,041.78                           |
| Financial Assets: Investments  | 4,53,474.31                           |
| Non Financial Liabilities (Note 5)   | 14,534.10                             |
| Cash and Cash Equivalents  | 1,41,999.59                           |
| Financial Asset other than Investment and Cash & Cash Equivalents (Note 4)       | 43,72,300.23                          |
| Financial Liabilities (Note 6)   | 43,53,822.74                          |
| Assets Under Management (Note 7)   | 43,71,740.50                          |
| Off Balance Sheet Assets   | 6,234.37                              |
| Interest Income (including other income)   | 3,36,777.20                           |
| Interest Expense (Note 8)  | 1,48,951.18                           |
| Net Loss on Fair Value Changes   | 333.27                                |
| Net loss on derecognition of financial instruments under amortised cost category | 20,124.72                             |
| Impairment on financial instruments  | 15,647.18                             |
| PAT  | 44,760.97                             |
| Gross Stage 3 Assets (%) (Note 9)  | 4.21%                                 |
| Net Stage 3 Assets (%) (Note 10)   | 1.62%                                 |
| CRAR - Tier I Capital Ratio (%)  | 15.11%                                |
| CRAR - Tier II Capital Ratio (%)   | 2.00%                                 |

#### Debt Equity Ratio of our Company:

|  |      |
|--|------|
| Before the issue of debt securities as at September 30, 2018 (Note 11) | 4.94 |
|--|------|

|                                     |      |
|-------------------------------------|------|
| After the issue of debt securities* | 5.52 |
|-------------------------------------|------|

\*The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹5,00,000 lakh from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

**Notes:** The below notes are applicable to the key operational and financial parameters for the quarter ended September 30, 2018 as specified below, and are as follows:

1. "Net Worth" refers the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, Deferred Expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Section 2(57) of Companies Act, 2013.
2. "Net Assets" includes net block of property, plant and equipment, intangible assets and goodwill and intangible assets under development.
3. "Non Financial Assets" includes net block of property, plant and equipment, intangible assets and goodwill, intangible assets under development, current tax assets, deferred tax assets and net assets.
4. "Financial Assets other than "Investment and Cash & Cash Equivalent" includes derivative financial instruments, receivables, loans and other financial assets.
5. "Non Financial liabilities" includes current tax liabilities (net), provisions and other non financial liabilities.
6. "Financial liabilities" includes trade payables, debt securities, borrowings (other than debt securities), subordinate debt and other financial liabilities.
7. "Assets Under Management" refers to loans (gross of allowances for non performing assets and standard assets).
8. "Interest Expense" represents Finance Cost.
9. "Gross Stage 3 Assets" refers to Gross Stage 3 Assets divided by Assets under management.
10. "Net Stage 3 Assets" reflect Net Stage 3 Assets divided by Net Assets under Management.
11. "Cash Profit" refers to cash generated from operations.

### Key Business Parameters

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

(₹ in lakhs); (% of Total of segmental revenue)

|                    | Financial Year ended March 31, |         |             |         |
|--------------------|--------------------------------|---------|-------------|---------|
|                    | 2018                           | %       | 2017        | %       |
| Rural Business     | 2,47,510.35                    | 49.53%  | 1,80,098.97 | 44.12%  |
| Wholesale Business | 1,61,319.82                    | 32.28%  | 1,39,269.69 | 34.12%  |
| Housing Business   | 68,409.72                      | 13.69%  | 41,103.41   | 10.07%  |
| Defocused Business | 22,505.06                      | 4.50%   | 47,733.16   | 11.69%  |
| Total              | 4,99,744.95                    | 100.00% | 4,08,205.23 | 100.00% |

The table below sets forth details in relation to our loan portfolio by business segment as of the dates indicated:

(₹ in lakhs); (% of Total Adjusted loans and advances outstanding)

|                    | As of September 30, |        |              |        | As of March 31, |        |              |        |
|--------------------|---------------------|--------|--------------|--------|-----------------|--------|--------------|--------|
|                    | 2018                | %      | 2017         | %      | 2018            | %      | 2017         | %      |
| Rural Business     | 21,43,287.66        | 46.76% | 11,87,410.24 | 33.08% | 16,45,690.87    | 40.13% | 10,04,073.77 | 31.96% |
| Wholesale Business | 16,48,572.74        | 35.97% | 17,65,883.25 | 49.19% | 17,41,837.29    | 42.46% | 15,18,197.69 | 48.32% |
| Housing Business   | 6,86,372.65         | 14.97% | 4,35,828.08  | 12.14% | 5,60,409.04     | 13.66% | 3,52,564.65  | 11.22% |

|                    |                     |                |                     |                |                     |                |                     |                |
|--------------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|
| Defocused Business | 1,05,316.44         | 2.30%          | 2,00,530.77         | 5.59%          | 1,53,976.82         | 3.75%          | 2,67,069.87         | 8.50%          |
| <b>Total</b>       | <b>45,83,549.48</b> | <b>100.00%</b> | <b>35,89,652.34</b> | <b>100.00%</b> | <b>41,01,914.02</b> | <b>100.00%</b> | <b>31,41,905.99</b> | <b>100.00%</b> |

### Our Rural Business

Our rural business segment comprises farm equipment finance, two-wheeler finance and micro loans businesses. The adjusted loans and advances under our rural business comprised 46.76%, 33.08%, 40.12%, and 31.96% of our adjusted total loans and advances as of September 30, 2018 and 2017 and March 31, 2018 and 2017, respectively.

We commenced our farm equipment finance business in 2004, micro loans business in 2008 and two-wheeler finance business in 2012. We benefit from our long-standing relationships with equipment manufacturers and dealers. We believe that technology is a key driver for the growth of these businesses. Accordingly, we have implemented electronic processes and data analytics in sourcing, centralized underwriting and collection functions.

The table below sets forth adjusted loans and advances broken down by businesses in our rural business segment, as of dates indicated:

(₹ in lakhs)

| Rural Business       | As of September 30, |                     | As of March 31,     |                     |
|----------------------|---------------------|---------------------|---------------------|---------------------|
|                      | 2018                | 2017                | 2018                | 2017                |
| Farm Equipment Loans | 6,73,562.41         | 4,84,872.40         | 5,59,170.23         | 4,37,934.34         |
| Two-Wheeler Loans    | 4,27,208.33         | 2,53,225.13         | 3,31,640.86         | 2,11,035.81         |
| Micro Loans          | 10,42,516.42        | 4,49,312.71         | 7,54,879.77         | 3,55,103.62         |
| <b>Total</b>         | <b>21,43,287.16</b> | <b>11,87,410.24</b> | <b>16,45,690.86</b> | <b>10,04,073.77</b> |

The table below sets forth loans disbursed broken down by businesses in our rural business segment, for the periods indicated:

(₹ in lakhs)

| Rural Business       | As of September 30, |                    | The financial year  |                    |
|----------------------|---------------------|--------------------|---------------------|--------------------|
|                      | 2018                | 2017               | 2018                | 2017               |
| Farm Equipment Loans | 1,72,760.99         | 1,30,301.89        | 3,24,947.66         | 21,379.02          |
| Two-Wheeler Loans    | 2,05,917.55         | 1,20,059.54        | 2,97,808.69         | 1,75,289.93        |
| Micro Loans          | 5,40,295.25         | 2,43,462.89        | 7,21,419.23         | 3,51,402.59        |
| <b>Total</b>         | <b>9,18,973.79</b>  | <b>4,93,824.32</b> | <b>13,44,175.58</b> | <b>5,48,071.54</b> |

### Farm Equipment Finance

We provide financing to our customers in rural India through 200 branches in 17 states and 1 union territory as of September 30, 2018, with a focus on Telangana, Madhya Pradesh, Uttar Pradesh, Karnataka and Maharashtra, primarily to individual farmers, for the acquisition of a wide range of farm equipment for their own use, such as tractors, trailers and harvesters. As of September 30, 2018, we financed farm equipment through 2,550 equipment dealerships. We typically provide two types of loans, new tractor loans and refinance or top-up loans to existing customers. Loan monthly instalments are structured in accordance with cropping and harvest cycles to enable smooth repayment flow. We provide secured term loans for the financing of both new and used farm equipment and typically, the tenure of a farm equipment loan is between one and six years, and a charge on the equipment is created in our favour as security for repayment of the loan by asset hypothecation. Our LTV in relation to our loans disbursed for the quarter ended September 30, 2018 was 69%.

Under our farm equipment business, the terms and conditions of our loans are typically standardized. Our farm equipment loan interest rate is generally in the range of 14% to 22%, however actual interest rates for a customer may vary based on market conditions and the level of credit worthiness of such customer. The average ticket size for such loans was ₹3.9 lakh and the average tenure was 46 months for the quarter ended September 30, 2018. Eligible borrowers are between the age of 18 to 65 years, and are required to meet our income requirement criteria which is articulated in relation to the size of landholdings and per acre yield and must complete know-your-customer compliance. In the tractor financing business, we operate by using handheld scanners to scan loan documents into a tablet using a mobile application. The scanned documents

are then uploaded into the central underwriting system using tablets that allows a quick turnaround of loan assessment. We conduct credit bureau checks, receive field investigation reports and disburse loans based on assessed landholding and revenue capabilities of borrowers.

### **Two-Wheeler Finance**

We provide loans for the purchase of two-wheelers such as scooters and motorcycles to individuals such as salaried professionals and self-employed non-professionals wherein we provide financing for up to 95% of the on-road price with tenures ranging from three months to four years. Our interest rate for our two-wheeler finance business is generally in the range of 14% to 23% based on the profile and credit worthiness of the borrower. The average ticket size for such loans was ₹0.54 lakhs and the average tenure was 24 months, as of September 30, 2018. Eligible borrowers are required to be between 18 to 65 years old and we consider the residence and employment or business stability of borrowers as well as income generating capacity in order to accept applications for a two-wheeler loans and providing the two wheeler loan. Loans to customers are secured by asset hypothecation. Our LTV in relation to our loans disbursed for the quarter ended September 30, 2018 was 75%.

We have presence through 72 branches across 70 cities in 20 states and 2 union territories in India as of September 30, 2018, with a focus on Kolkata, Ahmedabad, Surat, Mumbai, Pune, Bangalore, NCR, Malda and Guwahati. As on September 30, 2018 we have financed two wheelers through 2,557 dealerships. In two-wheeler finance business, we seek to differentiate ourselves through effective use of algorithm-based mobility solutions relying on electronic customer checks, electronic data capture and other automated processes. This has resulted in reducing the turnaround time in sanctioning of loan and communicating our decision to the customer in a single visit.

### **Micro Loans**

We operate our micro loans business in the rural market covering 275 districts across 14 states in India through a network of 1,114 meeting centres, as of September 30, 2018. Our micro loans business is aimed at providing capital to women for small business start-ups and entrepreneurial initiatives. These loans are intended primarily to finance activities such as dairy production and processing, goat rearing and the operations of grocery shops, hawkers and vegetable vendors. Loans granted are in the range of ₹30,000 to ₹45,000 having repayment tenure of typically two years. The average ticket size for such loans was ₹32,360 and the average tenure was 24 months, for the quarter ended September 30, 2018. The principal and interest payments are due on a monthly basis. The ultimate credit decision is based on both village and borrower-specific credit appraisals.

Our micro loans business works on the model of joint liability groups. We use analytics for our sourcing and appraisal of our loans. We lend directly to the customers rather than through an intermediary such as a self-help group or an NGO. We also extend credit to individuals to enable them to grow their existing business or identify new income-generating opportunities. We identify potential geographical areas to commence business using evaluation metrics based on population demographics, portfolio quality, law and order situation and environmental factors. Once an area is shortlisted, our field staff conducts an on-ground survey to identify villages to commence business. Potential micro loan borrowers are then individually accessed and appraised and if approved, are grouped together to form a joint liability group. We also conduct pre-disbursement training to ensure that the borrower is aware of their obligations as a borrower. Loans are disbursed at one of our meeting centres after formation of joint liability groups and completion of all requisite documentation. Our customers are given a loan passbook which captures all transactions related to the loan. Our loans have a monthly repayment frequency. On the day that the repayment is due for a particular joint liability group, our staff in charge of the joint liability group visits the village, calls for a joint liability group meeting, records attendance of the borrowers, collects the repayment amount and updates the loan passbook accordingly.

### **Our Lending Policies and Process**

Our loan offerings cater to a broad cross-section of Indian businesses and consumers. The lending policies that we have in place are aimed at ensuring that our loan portfolio remains of a high quality. We also maintain prudent provisioning and write-off policies in respect of our NPAs in line with regulatory requirements.



## Lending Policies

Our lending products and policies are aligned to the specific needs of diverse categories of our customer base. To ensure this, each of our business segments maintains its own internal credit policies and approval processes, which are in line with our established risk evaluation criteria.

### Rural Business: Credit Policy and Approval Process

Our rural business has Product specific policies in place in order to manage the credit risks associated with the loans granted by these businesses. Various aspects of credit risk management are addressed by different processes and teams and are designed to manage risks at different stages of the financing process, i.e. both pre- and post-disbursement.

### Credit Assessment Process

With inputs from portfolio trends over the years in our rural business, we have built analytics based proprietary decision management algorithms and evaluation metrics. The credit decisions are therefore standardised, template driven and generally objective. These statistical models generally consist of variables attributable to demographics, credit repayment history and asset selection that assist in the evaluation of the credit-worthiness of the borrower. In the case of asset finance loans or loans against property the asset's value and income-generating capability forms an integral component of the credit assessment process. For all cases, diligence is undertaken in respect of know-your-customer policies, credit references and banking history. We carry out verification of the customers and documents submitted by them to prevent manipulation of information, identity and frauds.

### Eligibility Criteria

One of the key eligibility criteria for approving a customer's loan is the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, number of dependents and the stability and continuity of the customer's income, and, if applicable, the co-applicant's income, assets and liabilities. Subject to the regulatory limits, the amount of the loan is determined on the basis of our evaluation of the repayment capacity of the customer and the value of the relevant property. Value of the property is assessed by empanelled valuers. We also carry out legal diligence of the property through our empanelled lawyers. Loans are generally required to be repaid in equated monthly instalments over an agreed period.

Upon completion of the initial evaluation and approval process, we execute the loan documentation, ensuring that we perfect security over the collateral. We perform know-your-customer checks with the customer information in our files. We aim to appraise customers and complete disbursement within short turn-around-times while adhering to our internal standards and regulatory requirements.

### Loan Administration and Monitoring

We give our customers an option to pay using methods such as cash, cheque, automated clearing house and other electronic modes of payment - at a frequency that is fixed after determining the customer's expected cash flow. For cash collections, our field executives visit customers to collect instalments as they become due. We engage with the customers through call- centres, SMS or face to face meetings, in accordance with the payment behaviour of a customer.

We track loan repayment schedules on a monthly basis and monitor instalments due and loan defaults. We ensure that all customer accounts are reviewed periodically, with customers who have larger exposures or missed payments reviewed more frequently. We carry out portfolio-level monitoring on a regular basis to help us take appropriate decisions for steering the portfolio in the desired direction.

### Collection and Recovery

We have asset management teams across our businesses whose responsibility is to streamline the asset management activities for individual business segments. We believe that this helps the respective business groups to focus on business generation and collections while expert teams deal with NPA management, re-possession and resales of assets in a timely and efficient manner. We also believe that this enables the timely involvement of recovery experts in the debtor management process.

Our asset management teams generally have a collection function which manages all accounts moving into the delinquency stage. These accounts are managed through either the collection of dues or the repossession and resale of assets through appropriate legal measures. In addition, these teams are responsible for identifying signs of delinquency at an early stage, implementing appropriate recovery measures in order to prevent the degradation of accounts, repossession of assets in cases of wilful default, storing and valuation of assets, obtaining best possible prices on resale, minimizing repossession sale losses, instituting appropriate legal action (in conjunction with the legal team) and obtaining property details of the customer for attachment of the assets.

The repossession of assets typically only takes place when recovery is not possible. Re-possession is undertaken by an appointed panel of repossession agents, and in accordance with the guidelines prescribed by us. Once the asset is repossessed, the customer is given an opportunity to clear any outstanding amounts and take back possession of the asset, failing which we proceed with the sale of the asset. Asset liquidation is normally done within 45 to 60 days of repossession to reduce depreciation on the farm equipment or two-wheelers. Any shortfall on sale of assets is recovered from the customer through arbitration loss recovery.

### Our Wholesale Business

As on the date of this Draft Shelf Prospectus, our wholesale business comprises of infrastructure finance, structured corporate finance and debt capital markets. Our infrastructure finance further 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 and structured debt typically in the range of ₹ 5,000 lakhs to ₹ 100,000 lakhs 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 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 under this business is 140 months for infrastructure finance and 42 months for structured corporate finance. The interest rates vary across businesses depending on the nature of the asset and the type of loan required. Variable interest rates are generally linked to the lending rate of L&T Infrastructure Finance Company Limited, one of our Group Company.

Adjusted loans and advances under our wholesale business comprised 36.0%, 49.20%, 42.50% and 48.30% of our total adjusted loans and advances as of September 30, 2018 and 2017 and as of March 31, 2018 and 2017, respectively. The key sectors in which we had adjusted loans and advances were renewable energy, transportation and power transmission, which accounted for 8.27%, 2.21% and 1.09%, respectively of our loans outstanding under our wholesale financing business as of September 30, 2018.

The table below sets forth adjusted loans and advances outstanding broken down by businesses in our wholesale business segment, as of dates indicated:

(₹ in lakhs)

| Wholesale Business           | As of September 30, |                     | As of March 31,     |                     |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
|                              | 2018                | 2017                | 2018                | 2017                |
| Infrastructure Finance       | 6,19,518.75         | 5,71,891.77         | 5,72,016.62         | 4,72,106.00         |
| Structured Corporate Finance | 7,14,764.85         | 6,61,114.15         | 7,31,787.38         | 6,31,686.27         |
| Debt Capital Markets         | 2,40,321.03         | 3,36,731.00         | 2,64,664.80         | 2,02,122.00         |
| Supply Chain Finance         | 73,968.10           | 1,96,146.32         | 1,73,368.48         | 2,12,282.82         |
| <b>Total</b>                 | <b>16,48,572.73</b> | <b>17,65,883.24</b> | <b>17,41,837.28</b> | <b>15,18,197.69</b> |

The table below sets forth loans disbursed broken down by businesses in our wholesale business segment, for the periods indicated:

(₹ in lakhs)

| Wholesale Business           | Six months ended September 30, |             | For financial year ended March 31, |              |
|------------------------------|--------------------------------|-------------|------------------------------------|--------------|
|                              | 2018                           | 2017        | 2018                               | 2017         |
| Infrastructure Finance       | 2,86,456.07                    | 3,49,740.52 | 6,10,880.31                        | 3,61,345.32  |
| Structured Corporate Finance | 81,084.75                      | 1,89,663.60 | 4,20,413.37                        | 3,75,469.96  |
| Debt Capital Markets         | 3,39,211.46                    | 6,89,352.00 | 11,82,312.00                       | 3,11,920.00  |
| Supply Chain Finance         | 3,08,862.57                    | 5,04,185.98 | 10,15,899.44                       | 11,54,839.48 |

| Wholesale Business | Six months ended September 30, |              | For financial year ended March 31, |              |
|--------------------|--------------------------------|--------------|------------------------------------|--------------|
|                    | 2018                           | 2017         | 2018                               | 2017         |
| <b>Total</b>       | 10,15,614.85                   | 17,32,942.10 | 32,29,505.12                       | 22,03,574.76 |

### *Infrastructure Finance*

Our infrastructure business provides customised debt financing products to infrastructure projects and their sponsor companies, with a focus on construction and development of renewable power generation projects, power transmission and transportation projects.

Our loan products typically have a floating interest rate either linked to the prime lending rate of L&T Infrastructure Finance Company Limited or a periodic interest rate or spread resets, depending on the structure of the project being financed and our customers' financing requirements for the project. In addition, we frequently also structure our loans with put and call options and interest rate resets, in order to maximise opportunities presented by prevailing economic conditions. The tenure and repayment schedules of the loans vary depending on our assessment of the cash flows of the borrower. The collateral is determined following our assessment of the borrower, and includes forms of security such as charges (over the project assets or assets of the borrower (as the case may be), a project escrow account, debt service repayment accounts and/or residual cash flows of the borrower), and rights typically granted under various project concession agreements including but not limited to substitution rights, termination payments and tolling rights or collateral such as guarantees from the project promoters or sponsors, corporate guarantees or pledges of shares, government guarantee or a combination of one or more of these forms of security.

Our Company's focus is principally on the renewable power generation, transportation and power transmission sectors, which accounted for 44.10%, 11.80% and 5.82%, respectively, of the adjusted loans and advances under our wholesale business as of September 30, 2018. The table below sets forth adjusted loans outstanding broken down by sectors in our infrastructure finance business, as of dates indicated:

(₹ in lakhs)

| Infrastructure Finance Loans | As of September 30, |             | As of March 31, |             |
|------------------------------|---------------------|-------------|-----------------|-------------|
|                              | 2018                | 2017        | 2018            | 2017        |
| Renewable power generation   | 3,79,190.39         | 3,47,162.00 | 3,75,235.02     | 2,75,895.00 |
| Transportation               | 1,01,421.94         | 1,81,873.00 | 89,293.82       | 78,162.00   |
| Power transmission           | 50,012.06           | 65,511.00   | 14,870.00       | 91,515.00   |
| Others                       | 3,29,215.79         | 3,14,077.00 | 3,57,282.93     | 2,28,662.00 |
| <b>Total</b>                 | 8,59,840.18         | 9,08,623.00 | 8,36,681.77     | 6,74,234.00 |

*Renewable Power Generation Sector:* We finance and advise on projects for renewable electricity generation, primarily for photo-voltaic cell based solar power generation and wind power generation. As part of our infrastructure finance business, our adjusted loans and advances under the renewable power sector were ₹3,79,190.39 lakhs, which accounted for 44.10% of the adjusted loans and advances under our infrastructure finance business, as of September 30, 2018. For the six months ended September 30, 2018 and 2017, and the financial years ended March 31, 2018 and March 31, 2017 our disbursements were ₹2,25,999.60 lakhs, ₹1,71,159.74 lakhs, ₹3,40,299.88 lakhs and ₹252,064.70 lakhs respectively, under the renewable power sector.

*Transportation Sector:* We finance and advise on projects involving the operation and maintenance of existing stretches of national and state highways and expressways, focusing on National Highway Authority of India projects and state-sponsored projects and financing of other transportation projects such as airports, ports, railways, among others. As part of our infrastructure finance business, our adjusted loans and advances under the operational roads sector were ₹1,01,421.94 lakhs, which accounted for 11.80% of the adjusted loans and advances under our infrastructure finance business, as of September 30, 2018. For the six months ended September 30, 2018 and 2017, and the financial years 2018 and 2017, our disbursements were ₹7,349.00 lakhs, ₹1,70,155.78 lakhs, ₹1,76,057.78 lakhs and ₹90,468.54 lakhs respectively, under the transportation sector.

*Power Transmission Sector:* We finance and advise on projects for setting up power transmission as well as for the maintenance of grid capacity and operation of the distribution networks. As part of our infrastructure finance business, our adjusted loans and advances under the power transmission sector were ₹50,012.06 lakhs, which accounted for 5.82% of the adjusted loans and advances under our infrastructure

finance business, as of September 30, 2018. For the six months ended September 30, 2018 and 2017, and the financial years ended March 31, 2018 and March 31, 2017, our disbursements were ₹24,528.85 lakhs, ₹60,551.00 lakhs, ₹64,956.97 lakhs and ₹85,381.00 lakhs, respectively, under the power transmission sector.

*Other Sectors:* Healthcare, education, hotels, social infrastructure, infrastructure engineering, construction and telecom, among others. As part of our infrastructure finance business, our adjusted loans and advances under other sectors were ₹3,29,215.79 lakhs, which accounted for 38.28% of the adjusted loans and advances under our infrastructure finance business, as of September 30, 2018. For the six months ended September 30, 2018 and 2017, and the financial years 2018 and 2017, our disbursements were ₹3,67,790.02 lakhs ₹6,37,242.00 lakhs, ₹12.11.893.68 lakhs and ₹2,45,347.76 lakhs respectively, in other sectors.

### **Structured Corporate Finance**

Under our structured corporate finance business, we provide high yield financing products such as acquisition financing, priority lending, debt financing for loans against shares. We provide financing in the form of bridge loans, acquisition financing and loan against shares to corporate entities and their promoters. We provide loans to customers (principally corporate entities, their promoters and high net worth individuals), against the pledge of securities. The tenure of such loans against securities typically varies between six months and three years.

### **Debt Capital Markets**

We act as the lead arranger for a variety of term loans and structured debt facilities for project finance transactions. As a lead arranger, our responsibilities include conducting the syndication of project debt obligations among a variety of other financial institutions for both new and expansion projects, the general syndication of long-term and short-term debt for corporate customers, and designing, financing and implementing structured products. Commencing in the financial year 2017, we have focused on fee optimization strategies which would ultimately improve our fee to income ratio. Our debt capital market business has leveraged synergies between businesses in order to generate fees from advisory services, structuring, processing, underwriting and syndication.

### **Supply Chain Finance**

Our supply chain finance was a part of the Wholesale Business as of September 30, 2018. Pursuant to the Business Transfer Agreement read together with the Deed of Assignment, our Company sold/ transferred the supply chain finance to Centrum, effective from December 31, 2018.

### **Our Housing Business**

Our housing business comprises of loans against property and real estate finance. The adjusted loans and advances under our housing business comprised 14.97%, 13.66% and 11.22%, of our total adjusted loans and advances as of September 30, 2018, March 31, 2018 and March 31, 2017, respectively.

We primarily provide loans against properties to salaried professionals and self-employed non-professionals. We also provide real estate financing to developers including financing for construction of residential and commercial projects, pre-approval funding, lease rental discounting, corporate loans and structured debt. Our housing finance business is focussed on larger cities in 6 (six) key markets of Mumbai, Pune, NCR, Hyderabad, Bangalore and Chennai, respectively.

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

| <b>Housing Business</b> | <b>As of September 30,</b> |                   | <b>As of March 31,</b> |                   |
|-------------------------|----------------------------|-------------------|------------------------|-------------------|
|                         | <b>2018</b>                | <b>2017</b>       | <b>2018</b>            | <b>2017</b>       |
| Loans against property  | 10,831.72                  | 12,196.23         | 14,236.19              | 4,781.94          |
| Real estate finance     | 675,540.93                 | 423,631.85        | 546,172.85             | 347,782.72        |
| <b>Total</b>            | <b>686,372.65</b>          | <b>435,828.08</b> | <b>560,409.04</b>      | <b>352,564.65</b> |

(₹ in lakhs)

The table below sets forth loans disbursed broken down by businesses in our housing business segment, for the periods indicated:

(₹ in lakhs)

| Housing Business       | Six months ended September 30, |                   | The financial year |                    |
|------------------------|--------------------------------|-------------------|--------------------|--------------------|
|                        | 2018                           | 2017              | 2018               | 2017               |
| Loans against property | 0.00                           | 8,246.19          | 11,311.94          | 0.00               |
| Real estate finance    | 2,09,664.49                    | 2,07,760.45       | 4,00,884.32        | 2,94,490.35        |
| <b>Total</b>           | <b>2,09,664.49</b>             | <b>216,006.64</b> | <b>4,12,196.26</b> | <b>2,94,490.35</b> |

*Loans against Property*

Loans against property are provided primarily for business financing requirements, such as the expansion or working capital requirements for a business. Loans against property are usually secured through an equitable mortgage by way of deposit of title deeds or by registered mortgage on the customers' existing commercial, residential or industrial property or land assets. Certain self-employed customers are professionals such as lawyers, doctors or chartered accountants with higher incomes, referred to as "self-employed professionals". Certain other self-employed customers rely on their commercial businesses for their income, referred to as "self-employed non-professionals".

*Real Estate Finance*

In our real estate finance business, we offer financing solutions to address overall funding requirements of real estate developers in 6 (six) key markets of Mumbai, Pune, NCR, Hyderabad, Bangalore and Chennai, respectively. We concentrate on prominent real estate developers having better delivery and performance records and provide loans such as construction finance, structured debt, corporate loans, pre-approval 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 ₹10,000 lakhs to ₹60,000 lakhs, and average loan sizes of ₹ 22,013 lakhs, at interest rates ranging between 11% to 16%.

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 typically higher than what we offer to our home loan customers.

The security for all the construction finance loans are created either through equitable or registered mortgages (as defined in the Transfer of Property Act, 1882, as amended) of immovable property tendered as collateral for the loan. In addition to the mortgage of immovable property, in most of the cases, security is also provided by the developers by way of personal guarantee of the promoters and/or a corporate guarantee of the related holding or group companies in addition to the hypothecation of project or rent receivables and assignment of the relevant insurance policy based on credit requirements.

Loans under this business are structured to provide customized loans to real estate developers. Loans under this business are provided to real estate developers whom we determine as the most reputable based on our evaluation criteria and with whom we have a well-established relationship. For example, a structured debt

loan may be a loan where end use is a combination of payments for land, pre-approval funding and construction finance. The security for each facility is structured in such a manner so as to cover the associated risks and specific covenants are generally entered into in consultation with our legal department and legal counsel.

Corporate loans are general purpose loans granted to developers or corporates for purposes of on-going projects or business needs. The security for all corporate loans is created either through equitable or English mortgages 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 customer by way of personal guarantees of the promoters or a corporate guarantee of the related holding or group companies or both.

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. In a majority of our loans approved under our housing business, the loan requirement includes partial pre-approval funding and the remainder as construction finance. Risks evaluation parameters followed by us are generally more stringent for our pre-approval funding business than for our construction finance loans. In certain cases, where initial disbursement is towards sourcing the land and where for a few initial months land title is not available for mortgage, real estate developers are generally required to provide alternate properties for mortgage to cover the asset cover requirements.

We may also offer lease rental discounting facilities against rental receivables (which are typically routed through an escrow account) derived from lease contracts with tenants of an operational commercial property, which is the primary source of repayment of the loan and other related dues. The size of the loan is based on the discounted value of the rentals and the underlying property value. An equitable mortgage is created over the commercial property to secure the loan and other related dues. In certain circumstances, security may also be created in the form of pledge over the shares of the customer or mortgagor. A key consideration in the credit appraisal process is the tenure of lease, quality of tenant, location and grading of property and enforceability of the security.

### **Housing Business and Wholesale Business: Credit Policy and Approval Process**

Our Housing Business and Wholesale Business manage their investment and credit approval process in accordance with their investment and credit policy. Dedicated credit committees discharge the responsibility for approving a majority of the advances made by our Housing and Wholesale Businesses at meetings which are generally convened periodically.

#### **Eligibility and Policy Objectives**

The policy objectives include, providing a framework for evaluating financing opportunities aligned to our risk-return strategy and in the context of the applicable regulatory environment and building a robust asset portfolio with selective reconfiguration of our portfolio to enhance our returns on capital employed and managing the credit risk profile of our portfolio with an emphasis on portfolio quality, close monitoring, timely collection and well delineated exit options.

#### **Project and Credit Assessment Process**

A dedicated team within the project finance segment, appraises the proposed project for which funding is sought and conducts due diligence investigations on the project and project sponsor. The following aspects of the project are assessed: the project sponsor group; the industry and sector in which the project is being undertaken; the nature of the project and structure of the concession; technical feasibility evaluation of the project, including site visits; commercial and economic viability evaluation; credit checks and due diligence with the existing lenders or bankers of the sponsor(s), or both, and or TransUnion CIBIL Limited; interaction with the key management personnel of the project group; risk identification, risk allocation, risk mitigation and risk pricing of the transaction; and arrangements for the monitoring of the project and project assets by competent external technical agency, where considered necessary, are put in place. Technical feasibility is appraised by reputed valuation firms. We also have our internal valuation team which independently assesses the valuation and other aspects related with the project. Legal diligence is undertaken by reputed law firms, wherein title of the property is verified and based on the clear title report given by the firm, we release the funding for the project. We also seek inputs from L&T where applicable.

We have developed an internal credit rating model that provides a consistent and uniform scale for measurement of credit risk of a loan asset in terms of 'probability of default' across products and sectors. All credits proposals are assigned internal credit ratings, which coupled with an estimation of 'loss given default', enables the organisation to make an estimate of credit cost for the loan assets and thus, helps to differentiate among loan assets as objectively as possible.

#### Repayment Schedule

The repayment of our loans and facilities is normally structured on a case-by-case basis, depending on the nature of the project, its projected cash flows and the maturity profile of our own funding mix. A pre-payment premium may be charged in case of early repayment of the facility.

#### Security

The project assets typically form the security for the credit facilities we provide. The security package for each facility is structured in such a manner so as to endeavour to cover the risks associated with the facility. In cases of funding which are serviced entirely from project revenues, escrow or water-fall arrangements are acceptable to support the security provided. In the case of loans made for specific infrastructure assets, the security is normally an exclusive and first charge on the cash flows and underlying assets and pledge of shares of special purpose vehicles typically set up to execute such projects. We follow appropriate processes to create enforceable security in the form of a mortgage, hypothecation, assignment or pledge.

#### Documentation

We make disbursements on the completion of all requisite legal documentation. The documentation process seeks to ensure that: our customers' obligations are clearly defined and established by the documents; the charges created on our customers' assets as security for the debt or other facilities provided are suitably registered (to the extent applicable) and maintained, such that it is enforceable at all times during the term of the loan provided; and our rights to enforce the security for the recovery of the debt or facilities provided (including committed return thereon, if any), through a court of law or other applicable forum, is as extensive and unambiguous as possible under relevant statutes of limitations in applicable jurisdictions. We evolve and adopt standard documentation (to the extent applicable) and commitment processes for various products and services we offer. For each structured finance facility, specific covenants are designed in consultation with our legal counsel.

#### Portfolio and Asset Monitoring

Once the funds are disbursed, periodic reviews on the borrowers are conducted. Notwithstanding our appraisal and risk management procedures, some accounts may develop weakness due to changes in internal or external factors, such as delay in approvals, sale of the project and legal issues. Mechanisms for monitoring and identifying early warning signals are put in place to review the portfolio and identify such weak accounts before they turn into NPAs, thereby allowing remedial actions to be taken so as to limit losses.

#### Recovery Process

Loans for real estate projects are structured facilities. Thus, depending on the completion timelines of the project, repayment schedule varies for each project. Typically, repayment schedule comprises of moratorium during which the borrower pays only the interest amount and post moratorium period, repays principal based on agreed schedule. We set up an escrow mechanism for each project and project receivables are collected in the designated escrow account and that amount is then used for repayment of principal and interest payments.

Primary responsibility of recovery is allocated to our relationship teams. Our operations team sends invoices for collection of dues every month. In the event there are delays in payment of interest or principal, relationship manager for the account follows up with the borrower for payments. Cash flows in real estate project may be dependent on collection from new and existing sales resulting in short term mismatches. We also create a Debt Service Reserve Account (DSRA) equivalent to interest payments for up to three months. In case an account incurs greater delays towards repayment we involve our legal team. Various legal actions are explored including through SARFAESI, Bankruptcy Code and arbitration proceedings.

## Our Defocused Financing Businesses

In the year 2016, our Promoter streamlined and reorganised its financing business into three primary financing business segments, i.e., rural, housing and wholesale. Post this reorganization, we have divested or are in the process of running-down certain non-core business assets, i.e. our defocused businesses. The former subsidiaries of our Promoter namely, L&T FinCorp Limited and L&T Finance Limited were amalgamated with our Company, then named as Family Credit Limited by way of a scheme of amalgamation, the appointed date being April 1, 2016. The name of our Company was subsequently changed to L&T Finance Limited.

We also reorganised our group corporate structure, optimised human resources across our operations, including completing the merger of our Company with L&T FinCorp Limited and L&T Finance Limited in February 2017 with the appointed date as April 1, 2016. Correspondingly, we have divested or are in the process of running-down certain non-core business assets which we believe do not contribute to our long-term growth, classified as our other financing businesses. Our other financing businesses include commercial vehicle financing, construction equipment financing, receivable discounting, small and medium enterprise term loans, car financing, loyalty and personal loans, among others. Our other financing businesses comprised 2.30%, 3.75% and 8.50% of our adjusted total loans and advances as of September 30, 2018, March 31, 2018 and March 31, 2017, respectively.

### Origination

#### Customer Base of Primary Businesses

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

| Business                     | Key customers   |
|------------------------------|---|
| <b>Rural Business</b>        |   |
| Farm equipment finance       | Farmers   |
| Two-wheeler finance          | Salaried and self-employed individuals across all age groups  |
| Micro loans                  | Women micro entrepreneurs (through a joint liability group model)   |
| <b>Housing Business</b>      |   |
| Real estate finance          | Real estate developers  |
| Loans against property       | Self-employed non-professionals and salaried professionals, and in relation to loans against property, small and medium enterprises |
| <b>Wholesale business</b>    |   |
| Infrastructure finance       | Infrastructure project developers   |
| Structured corporate finance | Corporate clients   |

### Office Network

Our operations are spread throughout India and we have 225 branches in 220 cities across 21 states and 3 union territories, as of September 30, 2018. In addition, for our micro loans business we have 1114 meeting centres covering 275 districts across 14 states in India, as of September 30, 2018.

### 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 prudent LTV ratios 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.

### Asset Classification

The Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("Master Directions") provide standards for asset



classification, treatment of NPAs and provisioning against NPAs for non-deposit-taking NBFCs in India. 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/ Non Performing Assets and provisions thereon of our Company, as of the specified dates are set out in the table below:

| (₹in lakhs)                                      |                          |
|--|--------------------------|
| Particulars                                      | As of September 30, 2018 |
| Gross Stage 3 Assets                             | 1,79,182.32              |
| Provisions                                       | 1,12,177.31              |
| Net Stage 3 Assets                               | 67,005.00                |
| Gross Outstanding Loans and advances             | 43,71,738.29             |
| Net Outstanding Loans and advances               | 42,59,560.98             |
| Gross Stage 3 Assets to Gross Loans and advances | 4.21%                    |
| Net Stage 3 Assets to Net Loans and advances     | 1.62%                    |
| Stage 3 Assets Coverage Ratio                    | 62.61%                   |

| (₹in lakhs)                           |                 |              |             |
|---------------------------------------|-----------------|--------------|-------------|
| Particulars                           | As of March 31, |              |             |
|                                       | 2018            | 2017         | 2016        |
| Gross NPAs                            | 2,37,663.81     | 1,90,521.56  | 26,735.94   |
| Provisions                            | 1,31,187.69     | 76,756.00    | 9,816.78    |
| Net NPAs                              | 1,06,476.12     | 11,37,650.60 | 16,919.16   |
| Gross Outstanding Loans and advances  | 39,14,560.74    | 29,24,445.12 | 5,12,984.04 |
| Net Outstanding Loans and advances    | 37,83,373.05    | 28,47,688.52 | 5,03,167.26 |
| Gross NPA to Gross Loans and advances | 6.07%           | 6.51%        | 5.21%       |
| Net NPA to Net Loans and advances     | 2.81%           | 3.99%        | 3.36%       |
| NPA Coverage Ratio                    | 55.20%          | 40.29%       | 36.72%      |

### 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 17.11% and 17.92% as on September 30, 2018 and March 31, 2018 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 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. As on September 30, 2018, investments in liquid schemes of mutual funds and fixed deposits stood at ₹ 1,10,000 lakhs and ₹ 60,000 lakhs respectively. As on December 31, 2018, investments in liquid schemes of mutual funds stood at ₹ 2, 37,000 lakhs.

In our wholesale, rural and housing businesses, we generate profit from the difference between the interest rates on our interest-earning assets, which are the loans we extend, and interest-bearing liabilities, which are our borrowings. The average cost of borrowings for our Company for six months ended September 30, 2018 and 2017 and the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 was 8.27%, 8.08%, 8.05%, 8.77% and 9.04%, respectively.

### Our Credit Ratings

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

|                            | CARE   | ICRA   | India Ratings                               |
|----------------------------|--|--|---|
| Bank Loan Facilities       | CARE AAA; Stable (Triple A; Outlook: Stable)   | -  | -   |
| Non-Convertible Debentures | CARE AAA; Stable (Triple A; Outlook: Stable)   | ICRA AAA; Stable (Triple A; Outlook: Stable)   | IND AAA; Stable (Triple A; Outlook: Stable) |
| Market Linked Debentures   | PP-MLD CARE AAA; Stable (Principal Protected Market-linked Debentures Triple A; Outlook: Stable) | PP-MLD ICRA AAA; Stable (Principal Protected Market-linked Debentures Triple A; Outlook: Stable) | -   |
| Subordinated Debt          | CARE AAA; Stable (Triple A; Outlook: Stable)   | ICRA AAA; Stable (Triple A; Outlook: Stable)   | -   |
| Perpetual Debt             | CARE AA+; Stable (Double A Plus; Outlook: Stable)  | ICRA AA+; Stable (Double A Plus; Outlook: Stable)  | -   |
| Commercial Paper           | CARE A1+ (A One Plus)  | ICRA 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 Promoter and its subsidiaries (including our Company). The major types of risk we face in our businesses are credit risk, concentration risk, interest rate risk, operational risk, liquidity risk, cash management risk, asset risk and foreign exchange risk.

We have a robust and comprehensive credit assessment and risk management framework to identify, monitor and manage risks inherent in our operations. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures as well as uniform pricing and rating models, across our business segments. We have implemented a centralized risk management framework, covering capital adequacy, liquidity and earnings volatility and maintain a comprehensive system of internal controls. These include establishing well-defined key risk parameters which are customized for each of our businesses, instituting systems and procedures to monitor transactions at various stages and undertaking adequate provisioning and contingency planning.

For our rural business, credit management is crucial since a significant number of our customers are from the underserved financial categories and are primarily first-time purchasers of financial products. We have a risk management policy and several processes in place to assist our personnel to take significant measures to mitigate risks. Our credit teams conduct an independent verification of customers and joint-liability groups and evaluate their business and financing needs, and analyze their ability to repay loans. We

emphasize continuous project and payment monitoring, which tie into our key risk parameters and early warning signals.

### **Credit Risk**

Credit risk is the risk of loss that may occur from the default by our customers under our loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. Our credit approval policy includes a proposal evaluation and investigation procedure for credit appraisal. We manage our credit risk by evaluating the creditworthiness of our customers, carrying out cash flow analysis, setting credit exposure limits, obtaining collateral and setting prudent LTV ratios. Actual credit exposures, credit limits and asset quality are regularly monitored at various levels.

### **Concentration Risk**

We have laid down portfolio concentration limits which are reviewed on a quarterly basis to ensure that the overall portfolio is within the approved limits to minimize concentration risk to any particular business segment, industry, group, geography or borrower. Further, we have identified risk hotspots which are closely monitored to identify any earlier signs of weakness. Based on the severity of the identified risk hotspots, appropriate business strategies are developed to mitigate these risks through, for instance, sell-downs, securitizing or reducing the loan component.

At portfolio level, the credit risks are managed through risk dashboards where critical information is captured on a monthly basis. The organization also monitors risk through appropriate early warning signals to identify, isolate and manage risk proactively.

### **Interest Rate Risk**

We are subject to interest rate risk, principally because we lend to customers at floating interest rates and for periods that may differ from our funding sources, which bear a mix of fixed and floating rates. Floating interest rates on borrowings are primarily limited to our bank borrowings.

Interest rates are highly sensitive to many factors beyond our control, including the monetary and fiscal policies, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage the interest rate risk on our balance sheet by managing our assets and liabilities. As of September 30, 2018, 65% of our total borrowings was at fixed rates and 35% at variable rates.

We maintain an asset liability management policy, which has been approved and adopted by our Asset Liability Committee. Assets and liabilities are categorized into various time buckets based on their maturities, interest rate sensitivity and re-pricing options and we try to ensure minimum mismatch in each of the time buckets in line with guidelines prescribed by the RBI.

We implement various limits, for instance, portfolio stop loss limit, for monitoring of our portfolio and taking corrective steps based on the prevailing market conditions.

### **Operational Risk**

Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. As one of the features of our lending operations, we offer a speedy loan approval process and therefore have adopted automated and data-analytics based loan approval systems. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, having a dedicated team for monitoring potential frauds, maintaining key back-up procedures and undertaking contingency planning.

In addition, we have appointed local audit firms to conduct internal audits at our branches to assess adequacy of and compliance with our internal controls, procedures and processes. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

Further, our IT security policies and procedures address issues relating to cyber security to mitigate the information security risk.

## Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate price and tenure. We minimize this risk through a combination of strategies by maintaining a liquidity buffer along with undrawn facilities from the commercial banks. We maintain liquidity buffer in the form of pre-approved high-quality liquid assets comprising of government securities, state development loans and high-rated bonds and debentures of public sector entities. As on September 30, 2018, investments in liquid schemes of mutual funds and fixed deposits stood at ₹ 1,10,000 lakhs and ₹ 60,000 lakhs respectively. As on December 31, 2018, investments in liquid schemes of mutual funds stood at ₹ 2, 37,000 lakhs. 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, 2018, which is based on certain estimates, assumptions and our prior experience of the performance of its assets, is set out below:

(₹ in lakh)

|                                     | 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                      | -               | -                              | -                           | -                            | 1,59,914         | <b>1,59,914</b>  |
| Non-Perpetual Preference shares     | -               | -                              | -                           | -                            | -                | -                |
| Reserves and Surplus                | -               | -                              | -                           | -                            | 7,43,011         | <b>7,43,011</b>  |
| Total Borrowings                    | 3,91,925        | 14,67,866                      | 17,65,361                   | 5,57,000                     | 78,167           | <b>42,60,319</b> |
| Current Liabilities and Provisions  | 45,766          | 64,208                         | 4,974                       | 782                          | 12,030           | <b>1,27,761</b>  |
| Unutilized Lines                    | -               | -                              | 3,21,296                    | -                            | -                | <b>3,21,296</b>  |
| <b>Total</b>                        | <b>4,37,691</b> | <b>15,32,074</b>               | <b>20,91,631</b>            | <b>5,57,782</b>              | <b>9,93,122</b>  | <b>56,12,300</b> |
| <b>Assets / Inflow</b>              |                 |                                |                             |                              |                  |                  |
| Fixed Assets                        | -               | -                              | -                           | -                            | 1,72,791         | <b>1,72,791</b>  |
| Investment                          | 2,37,110        | 1,43,354                       | -                           | -                            | 69,424           | <b>4,49,888</b>  |
| Cash and Bank Balance               | 1,39,266        | 5,647                          | 21                          | -                            | -                | <b>1,44,934</b>  |
| Inflow from Loans and Advances      | 1,31,495        | 16,80,664                      | 13,81,728                   | 4,53,772                     | 5,23,430         | <b>41,71,089</b> |
| Other Assets                        | 1,56,433        | 1,09,328                       | 22,223                      | 9,838                        | 54,478           | <b>3,52,301</b>  |
| Unutilized Lines                    | 3,21,296        | -                              | -                           | -                            | -                | <b>3,21,296</b>  |
| <b>Total</b>                        | <b>9,85,600</b> | <b>19,38,993</b>               | <b>14,03,972</b>            | <b>4,63,610</b>              | <b>8,20,124</b>  | <b>56,12,300</b> |
| <b>Surplus / (Deficit)</b>          | <b>5,47,910</b> | <b>4,06,919</b>                | <b>-6,87,659</b>            | <b>-94,172</b>               | <b>-1,72,997</b> | <b>-</b>         |
| <b>Cumulative Surplus (Deficit)</b> | <b>5,47,910</b> | <b>9,54,829</b>                | <b>2,67,170</b>             | <b>1,72,997</b>              | <b>-</b>         | <b>-</b>         |

## Cash Management Risk

Our offices collect and deposit a large amount of cash through a high volume of transactions, particularly for our rural business. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems. Additionally, we have obtained insurance policies covering our cash management and handling, including money insurance.

## Asset Impairment Risk

Asset impairment risks may arise due to the decrease in the value of the security over time. The selling price of a re-possessed asset may be less than the total amount of loan and interest outstanding in such borrowing

and we may be unable to realize the full amount lent to our customers due to such a decrease in the value of the collateral/security. We may also face certain execution difficulties during the process of seizing collateral. We engage experienced repossession agents to repossess assets of defaulting customers. We ensure that these repossession agents follow legal procedures and take appropriate care in dealing with customers for seizing assets.

### **Foreign Exchange Risk**

While our revenues are denominated in Indian rupees, we have incurred and expect to incur indebtedness denominated in currencies other than rupees for our funding and capital requirements. As of September 30, 2018, we had an FCNRB loan of US\$ 100 million, for which we have undertaken hedging of our foreign currency liability to Indian rupee liability. We hedge our foreign currency liability to INR liability using currency and interest rate derivative instruments such as forwards, interest rate swaps, principal only swap, full currency swap, coupon only swap options or as a combination of the stated instruments. We did not have any un-hedged foreign currency exposure as on September 30, 2018.

### **Risk Management Framework**

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through the Audit Committee, the Asset Liability Committee and the Risk Management Committee.

#### *Audit Committee.*

Our Audit Committee acts as a link between the statutory and internal auditors and our Board. Our Audit Committee oversees our financial reporting process, reviews our financial statements and relevant disclosures, auditors' independence and performance, effectiveness of our audit process and adequacy of internal control systems and recommends the appointment and remuneration of the auditors to the Board. Our Audit Committee is entitled to obtain external professional advice where required.

#### *Asset Liability Committee.*

Our Asset Liability Committee reviews the structural mismatches in our liquidity statement, as per the guidelines of the RBI and other regulatory or statutory bodies. Depending upon inherent nature of required assets and prevailing interest rate view, the committee provides guidance on borrowing instruments and overall debt composition. Our Asset Liability Committee also reviews risk management policies related to liquidity, interest rates and investment policies periodically. Other functions include monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board and ensuring adherence to the regulatory guidelines; monitoring our business strategy in line with our budget and risk management practices; reviewing the effects of changes in market conditions and recommending the action needed to adhere to the organization's internal limits related to liquidity and interest rate risk management.

#### *Risk Management Committee.*

Our Risk Management Committee manages the integrated risk which includes credit risk, liquidity risk, interest rate risk and operational risk. Our Board is informed about the risk assessment and risk reduction procedures undertaken. Our Board periodically reviews the risk management policies and practices followed by our Company.

### **Information Technology and Data Analysis**

Information technology and data analysis play an important role in performing our businesses operations, as detailed below:

**On-boarding and servicing:** We have implemented mobile-based solutions for our customer-facing employees for our rural business to capture information accurately. Our mobile-based platform enables us to capture information electronically, reduce human error and enable increased productivity of our employees. For example, through our IT systems, loan applications are logged, scanned and validated electronically for our two wheelers and farm equipment financing businesses. We have also implemented receipting for payments and collections through an SMS based receipting system for our rural business in order to reduce paper-work and ensure speedy confirmations to our customers and also provide additional data on timing of payments made and received by us. We also have a loan management system to provide an integrated platform for loan origination and sourcing. Our loan management system is integrated with our in-house customized enterprise reporting tool, which enables us to service our customers seamlessly across locations.

**Credit Assessment:** We use multiple variables, across our financing businesses, such as industry performance, analysis of our loan portfolio, market share of a particular asset, our channel partner's turnover, among others, to develop and update our evaluation and assessment metrics. These evaluation and assessment metrics are utilized for credit assessments of customers. Evaluation and assessment metrics help us to deliver standardized credit assessments and faster turnaround time to customers. These evaluation and assessment metrics are updated at regular intervals in order to accurately assess risk parameters and status of loans disbursed and are utilized for our 'business rule engine' which is integrated with our loan management system.

**Data Analytics:** We have instituted an enterprise data warehouse which serves our entire operations. Our management reporting data and information is generated from our data warehouse without manual intervention and on a real time basis. Our data warehouse enables our management to take timely decisions that affect the strategy and operations of our Company and businesses. We have also implemented a business information system which is integrated with our data warehouse to enable analysis of data across parameters and presentation metrics. This assists our management in applying data analysis to business processes such as customer segmentation, determining geographic expansion strategy, allocating targets to teams, designing incentive programs, selecting channel partners, among others.

Our data analytics team carries out various analysis for our businesses in order to continually assess credit-worthiness, attrition analysis of our home loan customers and trend analysis across businesses. Our risk management framework is further supported by data analysis and emphasizes on rule-based assessment as opposed to individual discretion. Based on our key risk parameters, we have deployed algorithms to trigger early warning signals, for each of our business segments. These early warning signals rely on in-depth data analysis and utilize extensive data collected over the course of our operations.

**IT Security:** We have also instituted security protocols such as firewalls, intrusion prevention system to detect and stop threats and have separations for internet facing applications and critical internal applications. We periodically assess our IT infrastructure and applications to find potential security threats and remedy threats discovered as well as monitor critical applications and systems for any suspicious activity. We have internal policies for acceptable use of corporate systems, confidential data, email, mobile devices and passwords. We also have deployed tools such as 'data loss prevention' and 'identity and access management' to handle different threats and unauthorised access to our systems and networks. We have a disaster recovery system for our applications critical to the functioning of our business, located at Chennai.

### **Insurance**

We maintain a wide range of insurance policies including standard fire and special perils and group personal accident covers in respect of our offices across India. We also have a money insurance policy in respect of cash in safe and cash in transit. In addition, our Directors are insured under directors' and officers' liability insurance policy.

### **Employees**

As of September 30, 2018, we employed 17,998 employees. Each of our businesses are led by senior executives who are generally, also responsible for certain organizational functions at the group level. Our senior managers have diverse experience in various financial services and functions related to our business. We have instituted training and mentorship programs for our junior and mid-management employees and we intend to continue investing in recruiting, training and maintaining a rewarding work environment. In addition to ongoing on-the-job training, we provide employees with courses in specific areas as required. We have recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing. We will continue to attract talented employees through our recruitment and retention initiatives.

To create a sense of ownership among and as a long-term incentive to our employees, our Group Companies has adopted ESOP Schemes to issue options convertible into Equity Shares to select employees linked to their performance. We also carry out periodic evaluations of our senior personnel on an annual basis with the relevant department heads and senior management. We identify key performance indicators and set benchmarks against which we measure the performance of our employees and payment of remuneration and annual increments are determined after the completion of the evaluation process. We identify and reward those employees who have demonstrated exceptional performance during any financial year

### **Awards and Accolades**

**Financial Year 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".

#### ***Financial Year 2017***

Our Promoter has won the 'Golden Peacock Award for Risk Management 2017' and was also awarded the '2017 Oracle Excellence Award for Oracle Cloud Platform Innovation in Connect and Extend Applications with Mobile and Bots'.

#### ***Financial Year 2015***

In the Financial Year 2015, one of our Group Company, L&T Infrastructure Finance Company Limited, was recognized as the second largest lender to renewable energy projects in India by the Association of Renewable Energy Agencies of States. Our Promoter won the Middleware Excellence award for effective usage of Mobile Cloud Service, at the award function held at Oracle Open World, San Francisco.

#### **Competition**

Competition in our industry is expected to continue to increase. Our primary competitors are public sector banks, private banks (including foreign banks), co-operative banks, regional rural banks and NBFCs and private unorganized lenders. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans, particularly because these banks have greater resources and access to cheaper funding than us.

#### **Intellectual Property**

By and under the Trademark Licence Agreement, our Promoter and the pre merger entities, being L&T Finance Limited and L&T FinCorp Limited have been granted a global non-exclusive, non-transferrable license to use the "L&T" trademark and logo for a consideration payable by each of the licensees of up to 0.15% of the assets, or 1.5% of the PAT for the first year, 3.0% of the PAT for the second year or 5.0% of PAT for the third year onwards, of each of the licensees, whichever is lower, plus goods and service tax. In terms of the Scheme of Amalgamation, our Company (then known as Family Credit Limited) became entitled to the use of the "L&T" trademark. The payment of such consideration is to be made on an annual basis, unless otherwise agreed amongst the parties. The Trademark License Agreement can be terminated by the parties thereto upon written notice in accordance with its terms. Furthermore, the Trademark License Agreement can also be terminated by any party upon change in management control of any of the licensees or upon breach of the terms of the Trademark License Agreement by any of the licensees. In the event that the Trademark License Agreement is terminated, we may have to discontinue the use of the "L&T" trademark and logo.

#### **Corporate Social Responsibility**

We have undertaken CSR initiatives in several areas. These include disaster relief and rehabilitation for the flood-affected communities in Gujarat, general health camps in Maharashtra; Breast Cancer Screening Camps in Maharashtra; supported welfare of the family of Bravehearts who sacrificed their lives in the line of duty (Bharat ke Veer); and conservation and promotion of traditional arts.

For the financial year 2018, our expenditure towards CSR initiatives was ₹181.28 lakhs.

#### **Properties**

Our registered and corporate office are located at L&T Finance Limited, Technopolis, 7<sup>th</sup> Floor, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata -700091 and Brindavan, Plot No. 177, CST Road, Kalina, Santacruz (East), Mumbai, which we utilize on a leasehold basis from one Forum Project Holdings Private Limited and L&T Financial Consultants Limited (our group company) respectively. In addition, most of our branches are located on leased premises.

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

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

Our Company was incorporated on November 24, 1993 under the name of Apeejay Finance Group Private Limited as a private limited company under the provisions of the Companies Act, 1956. On February 14, 1994, upon conversion from private limited company to public limited company, the name of our Company was changed to Apeejay Finance Group Limited. Further, on July 12, 2007, the name of our Company was changed to Family Credit Limited. On March 17, 2017, pursuant to the scheme of amalgamation effective from February 13, 2017, the name of our Company was changed to L&T Finance Limited. The registered office of our Company is Technopolis, 7th Floor, A- Wing, Plot No. - 4, Block - BP, Sector -V, Salt Lake Kolkata -700091 West Bengal.

Our Company holds a certificate of registration dated May 4, 2017 bearing number B-05.06200 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934.

### **Change in registered office of our Company**

There has been no change in the registered office of our Company in the last 3 (three) years.

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

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

1. To carry on and undertake the business of financing, leasing, hire purchase and lease operations of all kinds. Purchasing, selling, hiring or letting on hire or financing deferred payments or to purchase or otherwise deal in all forms of immovable properties including lands, buildings, offices, show-rooms, shops, factories, godowns or real estates, all kinds of plant and machinery and equipment including tools, dies, moulds, appliances. Implements, instruments or apparatus, installations and fittings for domestic, industrial, commercial, trading, office or agricultural use, all kinds of vehicles whether moved, propelled or driven by motor, steam, oil, petrol, electricity or any mechanical means or power or other device and accessories of all vehicles, all types of furniture, fixtures and fittings including air-conditioners, refrigerators, televisions, video tape recorders and all other things or whatsoever nature or description capable of being uses therewith or in the manufacture, maintenance and working thereof.
2. To engage in the business of arrangement of security offering/issue of corporate bodies including making arrangements for selling or buying or subscribing to or dealing in securities, preparation of offer documents/prospectus/letters of offer, tying up with other intermediaries in securities, rendering corporate advisory service, determining financial structure of issuer, to manage portfolio of securities, to handle allotment and refund of securities to underwrite issues and to undertake all other matters connected with issue/offering of securities.
3. To act as investors, share brokers, guarantors, and to subscribe for conditionally or unconditionally, to underwrite issue on commission or otherwise, take, hold, deal in and convent stocks, shares, and securities of all kinds subject to prior approval of SEBI.
4. To undertake the business of financing leasing hire purchase, lease operations of all kinds and all other businesses stated in sub-clause I above, electronically through internet based trading mechanisms subject to prior approval of appropriate authorities and Indian Cyber Laws as and when enacted.
5. To carry on business of an Investment Company or an Investment Trust Company, to undertake and transact trust and agency Investment, mutual fund business, financial business, financiers and for that purpose to land or invest money and negotiate loans in any form or manner, to draw, accept, endorse, discount, buy, sell and deal in bills of exchange, hundies, promissory notes and other negotiable instruments and securities and also to issue on commission, to subscribe for, underwrite, take, acquire and hold, sell and exchange, and deal in shares, stocks bonds or debentures or securities of any Government or Public authority or Company, gold and silver and bullion and to form, promote, subsidies and assist companies, syndicates and partnership, subject to compliance with SEBI regulations or any other relevant laws.



6. To act as consultants and to advise and assist on all aspects of corporate commercial and industrial management or activity including production, manufacturing, personnel, advertising and public relations, public welfare, marketing, taxation, technology Insurance, purchasing, sales, quality control, computer application, software, productivity, planning, research and development, organization, Import and export business, industrial, relations and management and to make evaluations, feasibility studies, project reports, forecasts and surveys and to give expert advice and suggest ways and means for Improving efficiency in mines, trades, plantations, business organizations, registered or cooperative societies, partnership or proprietary concerns and Industries of all kinds in India and elsewhere in the world and improvement of business management, office organization and export management to supply to and provide, maintain and operate services, facilities, conveniences, bureau and the like for the benefit of any Company to recruit and / or advice on the recruitment of staff for any Company.
7. To render consultancy services in investment matters to individuals, firms, or corporate bodies and to undertake and carry out portfolio management subject to prior approval of SEBI for portfolio management on behalf of clients in respect of their investment in shares, debentures, bonds or any other securities.
8. To act as investors, guarantors, underwriters subject to prior approval of SEBI for underwriters and financiers with the object of financing industrial enterprises to carry on and undertake all bill discounting to lend or deal with the money either with or without interest or security, including in current or deposit account with an bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on deposit or loan upon such terms and conditions as our Company may approve.
9. To carry on the business of real estate and to acquire by purchase, lease, exchange development, construction, building erection, or to demolish, re-elect, alter, repair, re-model or otherwise deal in and make advances on the security of and deal in land, buildings, estates, hereditaments, roads, highways, docks, bridges, canals, dams, ports, reservoirs, or any other structural or architectural work of any kind whatsoever and for such purpose to prepare, estimates, designs, plans, specifications or models and to do such other or any act that may be requisite thereof, and to otherwise deal in offices, flats, service it (ows, chawls, factories, godowns, warehouses, shops, cinema theatres, and other conveniences of all kinds and properties of all kinds and description and to act as town-planners, surveyors, values, appraisers, decorators, furnishers, furniture makers, merchants, dealers, in cement, steel, iron, fuel, coke, wood cool, timber and other building requisites and to manufacture requisites for above and prefabricated houses, apartments and structures etc.
10. To carry on in India or elsewhere the business to establish and to act as agent, representative, surveyor, sub-insurance agent, franchiser, marketing, market making, market generating, consultant, advisor, collaborator or other-wise to deal in all incidental and allied activities related to insurance business as a corporate on account of insurance companies and to resell insurance products elaborated by third parties contracted insurers and to carry out any other type of financial activities in accordance with applicable laws, organize, manage, promote, encourage, provide, conduct, sponsor, subsidize, operate, develop and commercialize, insurance and assurance business in all its branches of life insurance and general insurance including whole life insurance, endowment insurance, double benefit and multiple benefit insurance, joint life insurance, medical insurance, group insurance, fire insurance, riot insurance, earth quake and natural calamity insurance, crop insurance, animal life insurance, loss of profit insurance, human body part, limbs and organs insurance, theft insurance, transit insurance, vehicle insurance, annuity plans, gratuity plans, fixed income plans, accidental insurance, unit linked insurance and any product to insure any credit performed by a client, any goods acquired through credit and the client itself and such other insurance, assurance, plans and schemes as may be developed from time-to-time and also the various type of mutual fund schemes, bonds, deposits, unit linked schemes, securities with different type of options as offered by companies, banks, Reserve Bank of India, Govt. of India, foreign institutions, financial institutions or other entities and also the various marketing products generated by the banks, institutions, etc. in the form of marketing, selling, distribution, agent, consultant, soliciting credit cards, personal loans, housing loans, business loans, loan against shares, loan against properties, gold loans, gold biscuits, and for the purpose to apply, approach, tender, acquire, hold, procure and obtain such rights, titles, entitlements, licenses and permissions from government, semi government, local authorities, public bodies, public institutions and government undertakings or from other authorities as may be necessary for the attainment of the objects under the Memorandum of Association.

## Key terms of our Material Agreements

***Shareholders' Agreement dated June 5, 2015 ("Shareholders' Agreement") executed among our Company, Grameen Foundation Asia, Mr. Amit Patni, Mr. Arihant Patni, Citicorp Finance (India) Limited and Grameen Capital India Limited.***

Our Company has executed the Shareholders' Agreement with Grameen Foundation USA ("GF US"), Mr. Amit Patni, Mr. Arihant Patni, Citicorp Finance (India) Limited ("CFIL") and Grameen Capital India Limited ("Grameen") (individually as a "Party", together the "Parties")

The salient features of the Shareholders' Agreement are as follows:

- **Pre-emptive Rights:** Each of the Parties have a pre-emptive right to subscribe (in proportion to their respective shareholding) to any additional equity shares or any other securities.
- **Right of First Offer:** In case of fresh issue of securities, GF US and CFIL have the right of first offer and must be accepted within 30 days of such offer.
- **Restriction on transfer and creation of encumbrance:** Any Party is restricted from transferring their shareholding in our Company for 4 years or create any encumbrance on the shares without prior written consent of all other Parties. However, transfers may be made to affiliates in accordance with the Shareholders' Agreement.
- **Restriction on Income:** All amounts received by Grameen including but not limited to income generated from advisory services and other services provided by Grameen and any other type of fee income, shall be solely the income of Grameen. Grameen shall not share, divide or otherwise pay out any portion of such income to the shareholders. <sup>@</sup>
- **Rights to purchase other Party's shareholding:** If any Party becomes insolvent, or in the event of **change** of control of GF US, CFIL or our Company, the other Parties have the right to purchase the insolvent Party's shareholding.

<sup>@</sup>Investment in our Associate i.e. Grameen is accounted in consolidated financial statements in accordance with Accounting Standard (AS) 13, Accounting for Investments and not under the equity method as per Accounting Standard (AS) 23, Accounting for Investments in Associates in consolidated financial statements as the associate operates under severe long-term restrictions (as enshrined in the Shareholders Agreement) that scientifically impair its ability to transfer funds to the investor.

***Securities Subscription Agreement dated June 05, 2015 ("Subscription Agreement") executed between our Company and Grameen Capital India Limited ("Grameen Capital"):***

Pursuant to the Subscription Agreement, Grameen Capital has subscribed to 21,26,000 fully paid up equity shares at a price of ₹ 10 per share ("**Subscription Shares**") constituting 26% of the equity share capital of our Company on a fully diluted basis along with 3,874,000 OCPS (Optionally Convertible cumulative redeemable participating preference shares) of ₹ 10 each aggregating to a sum of ₹ 6,00,00,000. The Subscription Agreement was thus entered into by and between our Company and Grameen Capital for the purpose of recording the terms on which Grameen Capital will subscribe to the Subscription Shares and the OCPS so issued to Grameen Capital.

***Group Function Outsourcing Agreement ("Group Outsourcing Agreement") dated October 5, 2018 between L&T Finance Holdings Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited, L&T Housing Finance Limited and L&T Finance Limited ("Group Function Companies"), made effective from April 1, 2018.***

Pursuant to the Group Outsourcing Agreement, 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.

## 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:

| <b>Name, Designation, Age, DIN, PAN, occupation and Term of Appointment</b>  | <b>Nationality</b> | <b>Date of Appointment</b> | <b>Address</b>   | <b>Other Directorships</b>  |
|--|--------------------|----------------------------|--|---|
| <b>Mr. Dinanath Mohandas Dubhashi,</b><br><i>Designation:</i><br>Chairperson and Non-Executive Director<br><i>Age:</i> 52<br><i>DIN:</i> 03545900<br><i>PAN:</i> AAEPD9649J<br><i>Term of Appointment:</i><br>Liable to retire by rotation | Indian             | December 31, 2012          | 1703, 1704, 17 <sup>th</sup> Floor, Tower T3, Emerald Isle, Saki Vihar Road, Powai, Mumbai - 400 072 | 1. L&T Finance Holdings Limited<br>2. L&T Infra Investment Partners Advisory Private Limited<br>3. L&T Housing Finance Limited<br>4. L&T Infra Debt Fund Limited.<br>5. L&T Infrastructure Finance Co. Limited.<br>6. L&T Capital Markets Limited<br>7. L&T Investment Management Limited |
| <b>Dr. (Mrs) Rajani Rajiv Gupte</b><br><i>Designation:</i><br>Independent Director<br><i>Age:</i> 63<br><i>DIN:</i> 03172965<br><i>PAN:</i> ABDPG8127G<br><i>Term of Appointment:</i><br>Five years commencing from March 20, 2015.        | Indian             | March 20, 2015             | 10, Dream Residency, 128, Anand Park, Aundh, Pune – 411007.  | 1. L&T Finance Holdings Limited<br>2. L & T Housing Finance Limited<br>3. Symbiosis Centre for Entrepreneurship and Innovation<br>4. National Securities Depository Limited   |
| <b>Mr. Pradeep Vasudeo Bhide</b><br><i>Designation:</i><br>Independent Director<br><i>Age:</i> 69<br><i>DIN:</i> 03304262<br><i>PAN:</i> ADYPB4012C<br><i>Term of Appointment:</i><br>Five years   | Indian             | March 18, 2017             | D-1/ 48, First Floor, Vasant Vihar, New Delhi – 110 057  | 1. L&T Finance Holdings Limited<br>2. L&T Housing Finance Limited<br>3. Nocil Limited<br>4. Glaxosmithkline Pharmaceuticals Limited<br>5. A.P.I.D.C. Venture Capital Private Limited<br>6. Heidelbergcement India Limited.  |

| Name, Designation, Age, DIN, PAN, occupation and Term of Appointment   | Nationality | Date of Appointment | Address  | Other Directorships  |
|--|-------------|---------------------|--|--|
| commencing from March 18, 2017   |             |                     |  | 7. Quick Heal Technologies Limited<br>8. Shiksha Financial Services India Private Limited.<br>9. VST Industries Limited<br>10. Tube Investments of India Limited |
| Mr. Ashish Arvind Kotecha<br><br><i>Designation:</i> Non-Executive Director<br><br><i>Age:</i> 42<br><br><i>DIN:</i> 02384614<br><br><i>PAN:</i> AACPK2756R<br><br><i>Term of Appointment:</i><br><i>Not liable to retire by rotation pursuant to the Articles</i> | British     | July 14, 2017       | Ram Mahal, 8<br>Dinshaw Vaccha Road,<br>Mumbai- 400020 | 1. L&T Housing Finance Limited<br>2. Kotecha Investment Corporation Private Limited<br>3. Bombay Cotton and Yarn Company Private Limited                         |

### Profile of Directors

**Mr. Dinanath Mohandas Dubhashi** is the Non-Executive Director and Chairperson of our Company. He has experience of over 27 years across multiple domains in financial services such as corporate banking, cash management, credit ratings, retail lending and rural financing. Prior to joining us, he has been associated with BNP Paribas, CARE Ratings and SBI Capital Markets in various capacities.

**Mr. Pradeep Vasudeo Bhide** is an Independent Director of our Company. He is a retired IAS Officer of the Andhra Pradesh cadre (batch of 1973). He has experience of over 40 years having held various positions in the Ministry of Finance, including as Revenue Secretary.

**Mr. Ashish Kotecha** is a Non-Executive Director of our Company. He has an experience of over 18 years. Currently, he is serving as the Managing Director and Head of the Asia Private Equity Portfolio Group of Bain Capital. Previously, he has been associated with Tournau - a Leonard Green & Partners portfolio company, McKinsey & Company and Goldman Sachs.

**Dr. (Mrs) Rajani R. Gupte** is an Independent Director of our Company. She is currently the Vice Chancellor of Symbiosis International University, Pune. She has experience of over 30 years in teaching and research at prestigious institutes.

### Relationship between Directors

None of our Directors are related to each other. None of our Directors is, or was, a director of any listed company, which has been or was delisted from any recognised stock exchange, during the term of his/her directorship in such company

### Remuneration of the Directors

The Nomination and Remuneration Committee (“NRC”) of the Board reviews and assess Board composition, recommends appointment of new directors and suitable remuneration for such directors.

**Details of remuneration paid/payable to our Directors during the financial year ended March 31, 2018 by our Company are as follows:**

(₹ in lakhs)

| Sl. No. | Name of the Director                    | By our Company             |
|---------|---|----------------------------|
|         |   | Remuneration /Sitting Fees |
| 1.      | Mr. Dinanath Mohandas Dubhashi          | Nil                        |
| 2.      | Mr. Pradeep Vasudeo Bhide               | 4.8                        |
| 3.      | Dr. (Mrs) Rajani Rajiv Gupte            | 5.6                        |
| 4.      | Mr. Ashish Arvind Kotecha               | 1.6                        |
| 5.      | Mr. Mannil Venugopalan*                 | 3.4                        |
| 6.      | Mr. Desh Raj Dogra**                    | 2                          |
| 7.      | Mr. Banavar Anantharamaiah Prabhakar*** | 1.8                        |
| 8.      | Mr. Pavninder Singh****                 | 0.2                        |

\*Mr. Mannil Venugopalan has resigned with effect from June 11, 2018.

\*\* Mr. Desh Raj Dogra has resigned with effect from June 4, 2018.

\*\*\* Mr. Banavar Anantharamaiah Prabhakar has resigned with effect from May 30, 2018.

\*\*\*\* Mr. Pavninder Singh has resigned with effect from July 14, 2017.

Further, one of our directors, Mr. Dinanath Mohandas Dubhashi is a non-executive director and chairperson of our Associate Company, L&T Infra Debt Fund Limited. During the last financial year ended March 31, 2018, he has not received any remuneration from L&T Infra Debt Fund Limited.

Pursuant to the recommendation of our NRC at its meeting held on May 2, 2018 and the resolution passed by the Board of the Directors at its meeting held on May 2, 2018, the eligible Non-Executive directors and Independent Directors have been paid commission for the Fiscal Year 2018, as follows:

(₹ in lakhs)

| Sr. No. | Designation                             | Amount |
|---------|---|--------|
| 1.      | Mr. Pradeep Vasudeo Bhide               | 12.85  |
| 2.      | Dr. (Mrs) Rajani Rajiv Gupte            | 14.90  |
| 3.      | Mr. Ashish Arvind Kotecha               | 6.90   |
| 4.      | Mr. Mannil Venugopalan*                 | 11.75  |
| 5.      | Mr. Desh Raj Dogra**                    | 5.80   |
| 6.      | Mr. Banavar Anantharamaiah Prabhakar*** | 9.45   |
| 7.      | Mr. Pavninder Singh****                 | 1.45   |

\*Mr. Mannil Venugopalan has resigned with effect from June 11, 2018.

\*\* Mr. Desh Raj Dogra has resigned with effect from June 4, 2018.

\*\*\* Mr. Banavar Anantharamaiah Prabhakar has resigned with effect from May 30, 2018.

\*\*\*\* Mr. Pavninder Singh has resigned with effect from July 14, 2017.

Pursuant to the resolutions passed by the Board at its meetings held on July 24, 2017 the Independent Directors and eligible Non-Executive Director(s) are entitled to fees/ remuneration as under:

| Meeting   | Overall limit per Director per meeting (₹) |
|---|--|
| Meetings of the Board of Directors                | 40,000                                     |
| Meetings of Audit Committee                       | 40,000                                     |
| Meetings of Nomination and Remuneration Committee | 40,000                                     |
| Meetings of Stakeholders Relationship Committee   | 20,000                                     |
| Meetings of Risk Management Committee             | 20,000                                     |

### **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 ₹ 56,000 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 non-executive Independent Directors of our Company are entitled to receive sitting fees for every meeting of the Board or a committee thereof. The Manager & Chief Financial Officer of our Company are interested to the extent of remuneration paid for services rendered as an officer or employee of our Company.

All our directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company. None of the Directors have any interest in immovable property acquired or proposed to be acquired by our Company in the preceding two years as of the date of this Draft Shelf Prospectus.

Our Company's directors have not taken any loan from our Company.

None of the relatives of the Directors have been appointed to an office or place of profit.

Save and except to the extent of compensation and commission if any, and their shareholding in our Company (held jointly with L&T Finance Holdings Limited), our Directors do not have any other interest in our business.

### **Debenture holding of Directors:**

As on March 31, 2018, none of the Directors of our Company hold any Debentures issued by our Company.

### **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:

| <b>Name of the Director,<br/>Designation and DIN</b>                        | <b>Appointment<br/>/Resignation/Change in<br/>Designation</b> | <b>Date of<br/>Appointment</b> | <b>Date of<br/>Resignation</b> |
|---|---|--------------------------------|--------------------------------|
| Mr. N. Sivaraman<br>Designation: Non-Executive<br>Director<br>DIN: 00001747 | Resignation   | December 31,<br>2012           | April 12, 2016                 |
| Mr. Kailash Kulkarni<br>Designation: Additional director<br>DIN: 07242982   | Appointment   | April 29, 2016                 | -                              |
| Mr. Prabhakar B.<br>Designation: Non-Executive<br>Director<br>DIN: 02101808 | Change in designation   | June 15, 2016                  | -                              |
| Mr. Kailash Kulkarni<br>Designation: Non-Executive<br>Director              | Change in designation   | June 15, 2016                  | -                              |

| <b>Name of the Director,<br/>Designation and DIN</b>  | <b>Appointment<br/>/Resignation/Change in<br/>Designation</b> | <b>Date of<br/>Appointment</b> | <b>Date of<br/>Resignation</b> |
|---|---|--------------------------------|--------------------------------|
| DIN: 07242982   |   |                                |                                |
| Mr. Kailash Kulkarni<br>Designation: Non-Executive<br>Director<br>DIN: 07242982                 | Resignation   | April 29, 2016                 | March 17,<br>2017              |
| Mr. Yeshwant Moreshwar<br>Deosthalee<br>Designation: Additional<br>Director<br>DIN: 00001698    | Appointment   | March 18, 2017                 | -                              |
| Mr. Yeshwant Moreshwar<br>Deosthalee<br>Designation: Non-Executive<br>Director<br>DIN: 07242982 | Resignation   | March 18, 2017                 | May 31, 2017                   |
| Mr. Pavninder Singh<br>Designation: Additional<br>Director<br>DIN: 03048302                     | Appointment   | March 18, 2017                 | -                              |
| Mr. Pradeep Vasudeo Bhide<br>Designation: Additional<br>Director<br>DIN: 03304262               | Appointment   | March 18, 2017                 | -                              |
| Mr. Pavninder Singh<br>Designation: Non-Executive<br>Director<br>DIN: 03048302                  | Resignation   | March 18, 2017                 | July 14, 2017                  |
| Mr. Desh Raj Dogra<br>Designation: Additional<br>Director<br>DIN: 00226775                      | Appointment   | July 24, 2017                  | -                              |
| Ashish Arvind Kotecha<br>Designation: Additional<br>Director<br>DIN: 02384614                   | Appointment   | July 14, 2017                  | -                              |
| Mr. Pradeep Vasudeo Bhide<br>Designation: Independent<br>Director<br>DIN: 03304262              | Change in designation   | August 22, 2017                | -                              |
| Mr. Desh Raj Dogra<br>Designation: Independent<br>Director<br>DIN: 00226775                     | Change in designation   | August 22, 2017                | -                              |
| Ashish Arvind Kotecha<br>Designation: Non-Executive<br>Director<br>DIN: 02384614                | Change in designation   | August 22, 2017                | -                              |
| Mr. Prabhakar B.<br>Designation: Non-Executive<br>Director<br>DIN: 02101808                     | Resignation   | October 23, 2015               | May 30, 2018                   |
| Mr. Desh Raj Dogra<br>Designation: Independent<br>Director<br>DIN: 00226775                     | Resignation   | July 24, 2017                  | June 4, 2018                   |

| Name of the Director,<br>Designation and DIN                                     | Appointment<br>/Resignation/Change in<br>Designation | Date of<br>Appointment | Date of<br>Resignation |
|--|--|------------------------|------------------------|
| Mr. Mannil Venugoplalan<br>Designation: Independent<br>Director<br>DIN: 00255575 | Resignation  | October 17, 2014       | June 11, 2018          |

#### 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 December 31, 2018 are provided in the table given below:

| Name of the Director   | No. of Shares held as on December<br>31, 2018 | % of total shares<br>of our Company |
|--|---|-------------------------------------|
| Mr. Dinanath Dubhashi<br>(DIN 03545900)<br><i>Chairman and Non- Executive Director</i> | 1*  | -^                                  |

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

^less than 0.01% of the shareholding

#### Details of various committees of the Board

Our Company has various committees which have been constituted as a part of the good corporate governance practices.

##### A. Audit Committee

The Board vide by a resolution passed by circulation on March 18, 2017 reconstituted the Audit Committee. The members of the Audit Committee are:

- (i) Mr. P V Bhide (Chairperson);
- (ii) Dr. (Mrs) Rajani R. Gupte; and
- (iii) Mr. Dinanath Dubhashi.

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

- Recommend to the Board appointment, remuneration and terms of appointment of auditors of our Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examine the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of our Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and other related matters;
- Functioning of the Vigil Mechanism Framework of our Company;



- Full access to information contained in the records of our Company and external professional advice;
- Investigate any activity within its terms of reference, seek information from an employee, obtain outside legal/professional advice;
- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend appointment and removal of external auditor, fixation of audit fees and also approve payment for other services;
- Discuss with the auditors periodically on internal control systems, scope of audit including observations of the auditors, and review the half yearly and annual financial statements before submission to the Board and ensure compliance of internal control system;
- Ensure Information System Audit of the internal systems and processes to assess operational risks faced by our Company in accordance with the requirements stipulated by RBI.
- Recommend on financial management including audit report which shall be binding on the Board;
- Investigate into any matter in relation to the items given above or referred to it by the Board and power to obtain professional advice from external sources and have full access to information contained in the records of our Company;
- Right to call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and discuss any related issues with the internal and statutory auditors and the management of our Company.

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

The Board by a resolution passed by circulation on June 25, 2018 reconstituted the NRC. The constitution and the terms of reference of the NRC are in compliance with the provisions of section 178(1) of the Companies Act, 2013. The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director:

The members of the NRC are:

- (i) Mr. P.V. Bhide (Chairperson);
- (ii) Mr. Dinanath Dubhashi; and
- (iii) Dr. (Mrs.) Rajani R. Gupte.

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

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To ensure that:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of our Company and its goals.
- To ensure fit and proper status of existing/proposed reference directors by obtaining necessary information a declaration from them and undertake a process of due diligence to determine suitability of the person for appointment/continuing to hold appointment as Director on the Board based upon qualification, expertise, track record, integrity and other relevant factors.
  - The process of due diligence should be undertaken at the time of initial appointment and also prior to reappointment.
  - Based on the information provided in the declaration the Committee should decide on the acceptance (and/or otherwise) and may make references where considered necessary to the appropriate person/authority to ensure their compliance with the requirements indicated.
  - To obtain annual declaration confirming that the information already provided had not undergone change and if there is any change requisite details would be furnished by the directors forthwith.
  - To focus on evaluating senior level employees their remuneration, promotion etc.

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

The Stakeholders' Relationship Committee was constituted by a resolution passed by circulation on March 18, 2017

The members of the Stakeholders' Relationship Committee are:

- (i) Mr. Dinanath Dubhashi (Chairperson);
- (ii) Mr. Sunil Prabhune; and
- (iii) Mr. Sachinn Joshi.

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

- The role of the Committee includes to consider and resolve the grievances of the debenture-holders and any other security holders from time to time.

#### **D. Asset Liability Management Committee**

The members of the Asset Liability Management Committee are:

- (i) Managing Director & Chief Executive Officer, L&T Finance Holdings Limited;
- (ii) Mr. R. Govindan;
- (iii) Chief Investments Officer;
- (iv) Group Chief Economist;
- (v) Group Chief Financial Officer;
- (vi) Group Head – Treasury; and
- (vii) Chief Risk Officer

The Asset Liability Management Committee (“ALCO”) was reconstituted by the Board at its meeting held on October 24, 2017. The Committee is responsible for supervising our Company's treasury and financial risk management activities.

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

- Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
- Reviewing the business strategy of our Company (on the assets and liabilities sides) in line with our Company's budget and set risk management objectives;
- Reviewing the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to our Company's internal limits;
- Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- Product pricing for financial assistance, desired maturity profile and mix of the incremental assets and liabilities, based on market conditions;
- Articulating the current interest rate view of our Company and decide about the future business strategy accordingly; and
- Deciding on the source and mix of liabilities and recommending the desired asset mix.

#### **E. Risk Management Committee**

The Risk Management Committee was reconstituted by the Board at its Meeting held on October 24, 2017. The members of the Risk Management Committee are:

- (i) Managing Director & Chief Executive Officer, L&T Finance Holdings Limited;
- (ii) Mr. Ashish Kotecha;
- (iii) Manager; and
- (iv) Chief Risk Officer

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

- While, the Asset-Liability Management Committee (ALCO) has been constituted to monitor the asset liability gap and strategize action to mitigate the associated risks, the Risk Management Committee would be managing the integrated risk for our Company.

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

The Board by a resolution passed by circulation on June 25, 2018 reconstituted the Corporate Social Responsibility Committee. The members of the Corporate Social Responsibility Committee are:

- (i) Dr. (Mrs.) Rajani R. Gupte (Chairperson);
- (ii) Mr. P. V. Bhide; and
- (iii) Mr. Dinanath Dubhashi.

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

- Formulation of CSR Policy indicating the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013 and recommendation of the same to the Board;
- Determine the amount to be spent on CSR from time to time and recommend the same to the Board;
- Monitoring the CSR Policy of our Company from time to time.

## **G. IT Strategy Committee**

In compliance of requirements of Reserve Bank of India Master Direction No. DNBS.PPD.No.04/66.15.001/2016-17 dated June 8, 2017, specifying the IT framework to be adopted for the NBFC sector, our Company has during the year under review constituted an IT Strategy Committee on June 25, 2018 (vide circular resolution).

The Members of the IT Strategy Committee are:

- (i) Dr. (Mrs) Rajani R. Gupte (Independent Director) – Chairperson;
- (ii) MD & CEO - L&T Finance Holdings Limited
- (iii) Chief Information Officer;
- (iv) Chief Technology Officer;
- (v) Manager;
- (vi) Chief Risk Officer; and
- (vii) Chief Information Security Officer

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

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.
- Institute an effective governance mechanism and risk management processes for all outsourced IT operations.
- Our Company may consider outsourcing of some of the IT functions/processes. The Role of IT Strategy committee in respect of outsourced operations shall include:
  - (a) Defining a Framework for outsourced activities and processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner;
  - (b) Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;
  - (c) Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;
  - (d) Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;
  - (e) Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by IT Strategy Committee;
  - (f) Ensuring that, the business continuity preparedness is not adversely compromised on account of outsourcing. Ensuring sound adoption of the business continuity.
  - (g) management practices as issued by RBI and seeks proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis

**Payment of benefits and profit-share to Employees**

The broad structure of compensation payable to employees is under:

- (i) Fixed pay which has components like basic salary & other allowances/ flexi pay as per the grade where the employees can choose allowances from bouquet of options.
- (ii) Variable pay in the form of annual performance pay based on KRA's or Incentive based on targets which is paid monthly/Quarterly/Half yearly or Annually.
- (iii) Retirals such as PF, Gratuity & superannuation (for certain grades).
- (iv) Benefits such as car scheme, medical and dental benefit, loans, insurance, etc., as per grades.

## OUR PROMOTER

### Profile of our Promoter

Our Promoter was incorporated and registered in India under the Indian Companies Act, 1956 on May 01, 2008 as L&T Capital Holdings Limited. The name of our Promoter was changed to L&T Finance Holdings Limited on September 6, 2010. There has been no change in the control or management of our Promoter in the three years preceding the date of this Draft Shelf Prospectus.

The registered office of our Promoter is situated at Brindavan, Plot 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai- 400098.

The equity shares of our Promoter are currently listed on BSE and NSE.

Our Promoter is engaged in non-banking financial services and its primary businesses include wholesale, housing, rural, investment management and wealth management. Our Promoter is registered with the RBI as a Non-Banking Financial Company – Core Investment Company (“**NBFC-CIC**”) conducting business through our wholly-owned subsidiaries.

### Interest of our Promoter in our Company

Except as stated under the chapter titled “**Related Party Transaction**” beginning on page 139 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 December 31, 2018, our Company, has no outstanding bank facilities, which have been guaranteed by our Promoter.

### Other Confirmations

Our Promoter has confirmed that it has not been identified as a wilful defaulter by the RBI or any government authority nor is it in default of payment of interest or repayment of principal amount in respect of debt securities issued by it, if any, for a period of more than six months.

There were no instances of non-compliance by our Promoter on any matter related to the capital markets, resulting in disciplinary action against our Company by the Stock Exchange or Securities & Exchange Board of India (SEBI) or any other statutory authority, as disclosed in the chapter titled “**Outstanding Litigations and Defaults**” on page 167.

Our Promoter has not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchanges in India or abroad.

### Board of Directors of our Promoter

1. Mr. S.V. Haribhakti, Non-Executive Chairperson (Independent Director)
2. Mr. Dinanath Dubhashi, Managing Director and Chief Executive Officer
3. Mr. R. Shankar Raman, Non-Executive Director
4. Mr. P.V. Bhide, Independent Director
5. Mr. Harsh Mariwala, Independent Director
6. Mr. Thomas Mathew T., Independent Director
7. Ms. Nishi Vasudeva, Independent Director
8. Dr. (Mrs) Rajani R. Gupte, Independent Director
9. Mr. Pavninder Singh, Nominee Director
10. Mr. Prabhakar B., Non-Executive Director.

### Shareholding Pattern of our Promoter as on December 31, 2018:

Shareholding pattern of our Promoter is as follows:

**Table I - Summary Statement holding of specified securities**

| Cate<br>gory<br>(I) | Category of<br>shareholder<br>(II) | Nos. of<br>Sharehol<br>ders<br>(III) | No. of fully<br>paid up equity<br>shares held<br>(IV) | No. of<br>Partly paid-<br>up equity<br>shares held<br>(V) | No. of Shares<br>underlying<br>Depository<br>Receipts<br>(VI) | Total Nos. of<br>shares Held<br>(VII) = (IV)+<br>(V)+ (VI) | Shareholding<br>as a % of total<br>no. of shares<br>(calculated as<br>per SCRR,<br>1957)<br>(VIII)<br>As a % of<br>(A+B+C2) | Number of Voting Rights held in each<br>class of securities<br>(IX) |                |            |                               | No. of<br>Shares<br>Underlyi<br>ng<br>Outstand<br>ing<br>converti<br>ble<br>securities<br>(includin<br>g<br>Warrant<br>s)<br>(X) | Shareholdi<br>ng as a %<br>assuming<br>full<br>conversion<br>of<br>convertible<br>securities<br>(as a<br>percentage<br>of diluted<br>share<br>capital)<br>(XI) =<br>(VII) + (X)<br>As a % of<br>(A+B+C2) | Number of<br>Locked in Shares<br>(XII) |  | Number of<br>Shares<br>pledged or<br>otherwise<br>encumber<br>ed<br>(XIII) |  | Number of<br>equity<br>shares held<br>in<br>demateriali<br>zed form<br>(XIV) |
|---------------------|------------------------------------|--------------------------------------|---|---|---|--|---|---|----------------|------------|-------------------------------|--|--|--|--|--|--|--|
|                     |                                    |                                      |   |   |   |  |   | No. of Voting Rights  |                |            | Total as a<br>% of<br>(A+B+C) |  |  | No.<br>(a)                             | As a<br>% of<br>total<br>Shares<br>held<br>(b) | No.<br>(a)   | As a<br>% of<br>total<br>Shar<br>es<br>held<br>(b) |  |
|                     |                                    |                                      |   |   |   |  |   | Class X   | Cla<br>ss<br>Y | Total      |                               |  |  |  |  |  |  |  |
| (I)                 | (II)                               |                                      |   |   |   |  |   |   |                |            |                               |  |  |  |  |  |  |  |
| (A)                 | Promoter &<br>Promoter Group       | 1                                    | 1277520203  | 0   | 0   | 1277520203   | 63.9613   | 1277520203  | 0              | 1277520203 | 63.9613                       | 0  | 63.9613  | 107810899                              | 8.439  | 0  | 0  | 1277520203   |
| (B)                 | Public                             | 484385                               | 7198116572  | 0   | 0   | 719811657  | 36.0387   | 719811657   | 0              | 719811657  | 36.0387                       | 0  | 36.0387  | 0                                      | 0  | NA   |  | 719801731  |
| (C)                 | Non Promoter-Non<br>Public         |                                      |   |   | 0   |  |   |   | 0              |            |                               | 0  |  |  | 0  | NA   |  |  |
| (C1)                | Shares underlying<br>DRs           | 0                                    | 0   | 0   | 0   | 0  | 0   | 0   | 0              | 0          | 0                             | 0  | 0  | 0                                      | 0  | NA   |  | 0  |
| (C2)                | Shares held by<br>Employees Trusts | 0                                    | 0   | 0   | 0   | 0  | 0   | 0   | 0              | 0          | 0                             | 0  | 0  | 0                                      | 0  | NA   |  | 0  |
|                     | <b>Total:</b>                      | 484386                               | 1997331860  | 0   | 0   | 1997331860   | 100   | 1997331860  | 0              | 1997331860 | 100                           | 0  | 100  | 107810899                              | 5.3977   | 0  | 0  | 1997321934   |

**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

| Table 1: Statement showing shareholding pattern of the Promoter and Promoter Group |  |  |  |   |  |   |   |   |         |            |                                     |  |  |                                  |                                 |   |                                 |   |   |
|--|--|--|--|---|--|---|---|---|---------|------------|-------------------------------------|--|--|----------------------------------|---------------------------------|---|---------------------------------|---|---|
| Category (I)   | Category & Name of the Shareholders (II)   | No. of share holders (III) <sup>\$</sup> | No. of fully paid-up equity shares held (IV) | Nos. of Partly paid-up equity shares held (V) | Nos. of Shares Underlying Depository Receipts (VI) | Total Nos. of shares held (VII=IV+V+VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (IX) |         |            |                                     | No. of Shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2) | Number of Locked in Shares (XII) |                                 | Number of Shares pledged or otherwise encumbered (XIII) |                                 | Number of equity shares held in dematerialized form (XIV) |   |
|  |  |  |  |   |  |   |   | No of Voting Rights   |         |            | Total as a % of Total Voting rights |  |  | No. (a)                          | As a % of total Shares held (b) | No.(a)  | As a % of total Shares held (b) |   |   |
|  |  |  |  |   |  |   |   | Class X   | Class Y | Total      |                                     |  |  |                                  |                                 |   |                                 |   |   |
| (1)  | Indian                                     |  |  |   |  |   |   |   |         |            |                                     |  |  |                                  |                                 |   |                                 |   |   |
| (a)  | Individuals/ Hindu undivided Family        | 0  | 0  | 0   | 0  | 0                                       | 0   | 0   | 0       | 0          | 0                                   | 0  | 0  | 0                                | 0                               | 0   | 0                               | 0   | 0 |
| (b)  | Central Government/ State Government(s)    | 0  | 0  | 0   | 0  | 0                                       | 0   | 0   | 0       | 0          | 0                                   | 0  | 0  | 0                                | 0                               | 0   | 0                               | 0   | 0 |
| (c)  | Financial Institutions/Banks               | 0  | 0  | 0   | 0  | 0                                       | 0   | 0   | 0       | 0          | 0                                   | 0  | 0  | 0                                | 0                               | 0   | 0                               | 0   | 0 |
| (d)  | Any Other (specify)                        | 1  | 1277520203                                   | 0   | 0  | 1277520203                              | 63.9613   | 1277520203  | 0       | 1277520203 | 63.9613                             | 0  | 63.9613  | 107810899                        | 8.4391                          | 0   | 0                               | 1277520203  |   |
|  | Bodies Corporate                           | 1  | 1277520203                                   | 0   | 0  | 1277520203                              | 63.9613   | 1277520203  | 0       | 1277520203 | 63.9613                             | 0  | 63.9613  | 107810899                        | 8.4391                          | 0   | 0                               | 1277520203  |   |
|  | Larsen and Toubro Limited (PAN-AAACL0140P) | 1  | 1277520203                                   | 0   | 0  | 1277520203                              | 63.9613   | 1277520203  | 0       | 1277520203 | 63.9613                             | 0  | 63.9613  | 107810899                        | 8.4391                          | 0   | 0                               | 1277520203  |   |
|  | Sub-Total (A)(1)                           | 1  | 1277520203                                   | 0   | 0  | 1277520203                              | 63.9613   | 1277520203  | 0       | 1277520203 | 63.9613                             | 0  | 63.9613  | 107810899                        | 8.4391                          | 0   | 0                               | 1277520203  |   |
| (2)  | Foreign                                    | 0  | 0  | 0   | 0  | 0                                       | 0   | 0   | 0       | 0          | 0                                   | 0  | 0  | 0                                | 0                               | 0   | 0                               | 0   | 0 |
| (a)  | Individuals (Non-Resident                  | 0  | 0  | 0   | 0  | 0                                       | 0   | 0   | 0       | 0          | 0                                   | 0  | 0  | 0                                | 0                               | 0   | 0                               | 0   | 0 |



| Category<br>(I) | Category &<br>Name of the<br>Shareholders<br>(II)                              | No. of<br>share<br>holders<br>(III) <sup>\$</sup> | No. of fully<br>paid-up<br>equity<br>shares held<br>(IV) | Nos. of<br>Partly paid-<br>up equity<br>shares held<br>(V) | Nos. of<br>Shares<br>Underly-<br>ing<br>Deposit<br>ory<br>Receipts<br>(VI) | Total Nos.<br>of shares<br>held<br>(VII=IV+V<br>+VI) | Share-<br>holding<br>%<br>calcu-<br>lated as<br>per<br>SCRR,<br>1957<br>As a<br>% of<br>(A+B+<br>C2)<br>(VIII) | Number of Voting Rights held in each<br>class of securities<br>(IX) |             |            |  | No. of<br>Shares<br>Underly-<br>ing<br>Outstand-<br>ing<br>convertib-<br>le<br>securities<br>(Includin-<br>g<br>Warrants<br>)<br>(X) | Sharehold-<br>ing, as a %<br>assuming<br>full<br>conversion<br>of<br>convertibl-<br>e securities<br>(as a<br>percentage<br>of diluted<br>share<br>capital)<br>(XI) =<br>(VII)+(X)<br>as a % of<br>(A+B+C2) | Number of<br>Locked in<br>Shares<br>(XII) |   | Number of<br>Shares<br>pledged or<br>otherwise<br>encumbered<br>(XIII) |   | Number of<br>equity<br>shares<br>held in<br>dematerial-<br>ized form<br>(XIV) |
|-----------------|--|---|--|--|--|--|--|---|-------------|------------|--|--|--|---|---|--|---|---|
|                 |  |   |  |  |  |  |  | No of Voting Rights   |             |            | Total<br>as a %<br>of<br>Total<br>Voting<br>rights |  |  | No.<br>(a)                                | As a<br>% of<br>total<br>Share<br>s held<br>(b) | No.(a)   | As a %<br>of total<br>Shares<br>held<br>(b) |   |
|                 |  |   |  |  |  |  |  | Class X   | Clas<br>s Y | Total      |  |  |  |   |   |  |   |   |
|                 | Individuals/Foreign<br>Individuals   |   |  |  |  |  |  |   |             |            |  |  |  |   |   |  |   |   |
|                 |  | 0   | 0  | 0  | 0  | 0  | 0  | 0   | 0           | 0          | 0  | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| (b)             | Government   | 0   | 0  | 0  | 0  | 0  | 0  | 0   | 0           | 0          | 0  | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| (c)             | Institutions   | 0   | 0  | 0  | 0  | 0  | 0  | 0   | 0           | 0          | 0  | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| (d)             | Foreign Portfolio<br>Investor  | 0   | 0  | 0  | 0  | 0  | 0  | 0   | 0           | 0          | 0  | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| (e)             | Any Other  | 0   | 0  | 0  | 0  | 0  | 0  | 0   | 0           | 0          | 0  | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
|                 | Sub-Total (A)(2)   | 0   | 0  | 0  | 0  | 0  | 0  | 0   | 0           | 0          | 0  | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
|                 | Total Shareholding<br>of Promoter and<br>Promoter Group<br>(A)=(A)(1) + (A)(2) | 1   | 1277520203   | 0  | 0  | 1277520203   | 63.9613  | 1277520203  | 0           | 1277520203 | 63.9613  | 0  | 63.9613  | 107810899                                 | 8.4391  | 0  | 0   | 1277520203  |

**Table III - Statement showing shareholding pattern of the Public Shareholder**

| Category & Name of the shareholders (I)  | PAN (II)    | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) VIII)) | Number of Voting Rights held in each class of securities (IX) |             |           |                         | No. of Shares Underlying Outstanding and convertible securities (including Warrants) (X) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) |                                | Number of Shares pledged or otherwise encumbered (XIII) |                                 | Number of equity shares held in dematerialised form (XIV) |
|--|-------------|----------------------------|--|---------------------------------------|---|--|---|---|-------------|-----------|-------------------------|--|---|----------------------------------|--------------------------------|---|---------------------------------|---|
|  |             |                            |  |                                       |   |  |   | No of Voting Rights   |             |           | Total as a % of (A+B+C) |  |   | No. (a)                          | As a % of total Shares held(b) | No. (a)   | As a % of total Shares held (b) |   |
|  |             |                            |  |                                       |   |  |   | Class eg: X   | Class eg: y | Total     |                         |  |   |                                  |                                |   |                                 |   |
| Institutions   |             |                            |  |                                       |   |  |   |   |             |           |                         |  |   |                                  |                                |   |                                 |   |
| Mutual Fund  |             | 15                         | 68329475                                     | 0                                     | 0   | 68329475                                     | 3.421   | 68329475  | 0           | 68329475  | 3.421                   | 0  | 3.421   | 0                                | 0                              | NA  | NA                              | 68329475  |
| Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund | AAAT B0102C | 1                          | 45025418                                     | 0                                     | 0   | 45025418                                     | 2.2543  | 45025418  | 0           | 45025418  | 2.2543                  | 0  | 2.2543  | 0                                | 0                              | NA  | NA                              | 45025418  |
| Venture Capital Funds  |             | 0                          | 0  | 0                                     | 0   | 0  | 0   | 0   | 0           | 0         | 0                       | 0  | 0   | 0                                | 0                              | NA  | NA                              | 0   |
| Alternate Investment Funds   |             | 6                          | 1843040                                      | 0                                     | 0   | 1843040                                      | 0.0923  | 1843040   | 0           | 1843040   | 0.0923                  | 0  | 0.0923  | 0                                | 0                              | NA  | NA                              | 1843040   |
| Foreign Venture Capital Investors  |             | 0                          | 0  | 0                                     | 0   | 0  | 0   | 0   | 0           | 0         | 0                       | 0  | 0   | 0                                | 0                              | NA  | NA                              | 0   |
| Foreign Portfolio Investor   |             | 136                        | 211403748                                    | 0                                     | 0   | 211403748                                    | 10.5843   | 211403748   | 0           | 211403748 | 10.5843                 | 0  | 10.5843   | 0                                | 0                              | NA  | NA                              | 211403748   |
| Citigroup Global Markets Mauritius Private Limited   | AAFCS 3274C | 1                          | 57869992                                     | 0                                     | 0   | 57869992                                     | 2.8974  | 57869992  | 0           | 57869992  | 2.8974                  | 0  | 2.8974  | 0                                | 0                              | NA  | NA                              | 57869992  |
| Smallcap World Fund, Inc   | AABCS 3581L | 1                          | 23989890                                     | 0                                     | 0   | 23989890                                     | 1.2011  | 23989890  | 0           | 23989890  | 1.2011                  | 0  | 1.2011  | 0                                | 0                              | NA  | NA                              | 23989890  |
| Financial Institutions / Banks   |             | 7                          | 8600843                                      | 0                                     | 0   | 8600843                                      | 0.4306  | 8600843   | 0           | 8600843   | 0.4306                  | 0  | 0.4306  | 0                                | 0                              | NA  | NA                              | 8600843   |
| Insurance Companies  |             | 0                          | 0  | 0                                     | 0   | 0  | 0   | 0   | 0           | 0         | 0                       | 0  | 0   | 0                                | 0                              | NA  | NA                              | 0   |

| Category & Name of the shareholders (I)   | PAN (II) | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)) | Number of Voting Rights held in each class of securities (IX) |             |           |                         | No. of Shares Underlying Outstanding and including convertible securities (including Warrants) (X) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) |                                | Number of Shares pledged or otherwise encumbered (XIII) |                                 | Number of equity shares held in dematerialised form (XIV) |           |
|---|----------|----------------------------|--|---------------------------------------|---|--|--|---|-------------|-----------|-------------------------|--|---|----------------------------------|--------------------------------|---|---------------------------------|---|-----------|
|   |          |                            |  |                                       |   |  |  | No of Voting Rights   |             |           | Total as a % of (A+B+C) |  |   | No. (a)                          | As a % of total Shares held(b) | No. (a)   | As a % of total Shares held (b) |   |           |
|   |          |                            |  |                                       |   |  |  | Class eg: X   | Class eg: y | Total     |                         |  |   |                                  |                                |   |                                 |   |           |
| Provident Funds/ Pension Funds  |          | 0                          | 0  | 0                                     | 0   | 0  | 0  | 0   | 0           | 0         | 0                       | 0  | 0   | 0                                | 0                              | 0   | NA                              | NA  | 0         |
| Any Other (Specify)   |          | 0                          | 0  | 0                                     | 0   | 0  | 0  | 0   | 0           | 0         | 0                       | 0  | 0   | 0                                | 0                              | 0   | NA                              | NA  | 0         |
| Sub Total (B)(1)  |          | 164                        | 290177106                                    | 0                                     | 0   | 290177106                                    | 14.5282  | 290177106   | 0           | 290177106 | 14.5282                 | 0  | 14.5282   | 0                                | 0                              | 0   | NA                              | NA  | 290177106 |
| Central Government/ State Government(s)/ President of India                       |          |                            |  |                                       |   |  |  |   |             |           |                         |  |   |                                  |                                |   |                                 |   |           |
| Sub Total (B)(2)  |          | 0                          | 0  | 0                                     | 0   | 0  | 0  | 0   | 0           | 0         | 0                       | 0  | 0   | 0                                | 0                              | 0   | NA                              | NA  | 0         |
| Non-Institutions  |          |                            |  |                                       |   |  |  |   |             |           |                         |  |   |                                  |                                |   |                                 |   |           |
| Individuals   |          |                            | 0  | 0                                     |   |  |  |   |             |           |                         |  |   | 0                                |                                |   | NA                              | NA  |           |
| i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.         |          | 462432                     | 181623952                                    | 0                                     | 0   | 181623952                                    | 9.0933   | 181623952   | 0           | 181623952 | 9.0933                  | 0  | 9.0933  | 0                                | 0                              | 0   | NA                              | NA  | 181614026 |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs. |          | 690                        | 43526838                                     | 0                                     | 0   | 43526838                                     | 2.1792   | 43526838  | 0           | 43526838  | 2.1792                  | 0  | 2.1792  | 0                                | 0                              | 0   | NA                              | NA  | 43526838  |
| NBFCs registered with RBI   |          | 19                         | 158168                                       | 0                                     | 0   | 158168                                       | 0.0079   | 158168  | 0           | 158168    | 0.0079                  | 0  | 0.0079  | 0                                | 0                              | 0   | NA                              | NA  | 158168    |
| Trust Employee  |          | 1                          | 2250   | 0                                     | 0   | 2250   | 0.0001   | 2250  | 0           | 2250      | 0.0001                  | 0  | 0.0001  | 0                                | 0                              | 0   | NA                              | NA  | 2250      |
| Overseas Depositories(holding DRs) (balancing figure)                             |          | 0                          | 0  | 0                                     | 0   | 0  | 0  | 0   | 0           | 0         | 0                       | 0  | 0   | 0                                | 0                              | 0   | NA                              | NA  | 0         |

| Category & Name of the shareholders (I)         | PAN (II)    | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)) | Number of Voting Rights held in each class of securities (IX) |             |           |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) |                                | Number of Shares pledged or otherwise encumbered (XIII) |                                 | Number of equity shares held in dematerialised form (XIV) |
|---|-------------|----------------------------|--|---------------------------------------|---|--|--|---|-------------|-----------|-------------------------|--|---|----------------------------------|--------------------------------|---|---------------------------------|---|
|   |             |                            |  |                                       |   |  |  | No of Voting Rights   |             |           | Total as a % of (A+B+C) |  |   | No. (a)                          | As a % of total Shares held(b) | No. (a)   | As a % of total Shares held (b) |   |
|   |             |                            |  |                                       |   |  |  | Class eg: X   | Class eg: y | Total     |                         |  |   |                                  |                                |   |                                 |   |
| Any Other (Specify)                             |             | 21079                      | 204323343                                    | 0                                     | 0   | 204323343                                    | 10.2298  | 204323343   | 0           | 204323343 | 10.2298                 | 0  | 10.2298   | 0                                | 0                              | NA  | NA                              | 204323343   |
| Trusts  |             | 22                         | 7722641                                      | 0                                     | 0   | 7722641                                      | 0.3866   | 7722641   | 0           | 7722641   | 0.3866                  | 0  | 0.3866  | 0                                | 0                              | NA  | NA                              | 7722641   |
| Foreign Nationals                               |             | 1                          | 2768   | 0                                     | 0   | 2768   | 0.0001   | 2768  | 0           | 2768      | 0.0001                  | 0  | 0.0001  | 0                                | 0                              | NA  | NA                              | 2768  |
| Hindu Undivided Family                          |             | 12052                      | 8246770                                      | 0                                     | 0   | 8246770                                      | 0.4129   | 8246770   | 0           | 8246770   | 0.4129                  | 0  | 0.4129  | 0                                | 0                              | NA  | NA                              | 8246770   |
| Foreign Companies                               |             | 2                          | 95657961                                     | 0                                     | 0   | 95657961                                     | 4.7893   | 95657961  | 0           | 95657961  | 4.7893                  | 0  | 4.7893  | 0                                | 0                              | NA  | NA                              | 95657961  |
| Bc Asia Growth Investments                      | AADC B6851C | 1                          | 63820990                                     | 0                                     | 0   | 63820990                                     | 3.1953   | 63820990  | 0           | 63820990  | 3.1953                  | 0  | 3.1953  | 0                                | 0                              | NA  | NA                              | 63820990  |
| Bc Investments Vi Limited                       | AAGC B3659R | 1                          | 31836971                                     | 0                                     | 0   | 31836971                                     | 1.594  | 31836971  | 0           | 31836971  | 1.594                   | 0  | 1.594   | 0                                | 0                              | NA  | NA                              | 31836971  |
| Non Resident Indians (Non Repat)                |             | 2162                       | 2688169                                      | 0                                     | 0   | 2688169                                      | 0.1346   | 2688169   | 0           | 2688169   | 0.1346                  | 0  | 0.1346  | 0                                | 0                              | NA  | NA                              | 2688169   |
| Non Resident Indians (Repat)                    |             | 4741                       | 7689723                                      | 0                                     | 0   | 7689723                                      | 0.385  | 7689723   | 0           | 7689723   | 0.385                   | 0  | 0.385   | 0                                | 0                              | NA  | NA                              | 7689723   |
| Clearing Member                                 |             | 375                        | 3279259                                      | 0                                     | 0   | 3279259                                      | 0.1642   | 3279259   | 0           | 3279259   | 0.1642                  | 0  | 0.1642  | 0                                | 0                              | NA  | NA                              | 3279259   |
| Bodies Corporate                                |             | 1724                       | 79036052                                     | 0                                     | 0   | 79036052                                     | 3.9571   | 79036052  | 0           | 79036052  | 3.9571                  | 0  | 3.9571  | 0                                | 0                              | NA  | NA                              | 79036052  |
| Icici Prudential Life Insurance Company Limited | AAACI 7351P | 1                          | 49210894                                     | 0                                     | 0   | 49210894                                     | 2.4638   | 49210894  | 0           | 49210894  | 2.4638                  | 0  | 2.4638  | 0                                | 0                              | NA  | NA                              | 49210894  |
| Sub Total (B)(3)                                |             | 484221                     | 429634551                                    | 0                                     | 0   | 429634551                                    | 21.5104  | 429634551   | 0           | 429634551 | 21.5104                 | 0  | 21.5104   | 0                                | 0                              | NA  | NA                              | 429624625   |

| Category & Name of the shareholders<br>(I)   | PAN<br>(II) | Nos. of shareholders<br>(III) | No. of fully paid up equity shares held<br>(IV) | Partly paid-up equity shares held<br>(V) | No. of shares underlying Depository Receipts<br>(VI) | Total nos. shares held<br>(VII) = (IV)+(V)+(VI) | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)<br>(VIII)) | Number of Voting Rights held in each class of securities (IX) |             |           |                         | No. of Shares Underlying Outstanding convertible securities (including Warrants)<br>(X) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)<br>(XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares<br>(XII) |                                | Number of Shares pledged or otherwise encumbered<br>(XIII) |                                 | Number of equity shares held in dematerialised form<br>(XIV) |
|--|-------------|-------------------------------|---|--|--|---|---|---|-------------|-----------|-------------------------|---|--|-------------------------------------|--------------------------------|--|---------------------------------|--|
|  |             |                               |   |  |  |   |   | No of Voting Rights   |             |           | Total as a % of (A+B+C) |   |  | No. (a)                             | As a % of total Shares held(b) | No. (a)  | As a % of total Shares held (b) |  |
|  |             |                               |   |  |  |   |   | Class eg: X   | Class eg: y | Total     |                         |   |  |                                     |                                |  |                                 |  |
| Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)  |             | 484385                        | 719811657                                       | 0  | 0  | 719811657                                       | 36.0387   | 719811657   | 0           | 719811657 | 36.0387                 | 0   | 36.0387  | 0                                   | 0                              | NA   | NA                              | 719801731  |
|  |             |                               |   |  |  |   |   |   |             |           |                         |   |  |                                     |                                |  |                                 |  |
| Details of the shareholders acting as person in concert including their shareholding (Number and %): <b>NIL</b>  |             |                               |   |  |  |   |   |   |             |           |                         |   |  |                                     |                                |  |                                 |  |
| Details of shares which remain unclaimed may be given here along with details such as Number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. |             |                               |   |  |  |   |   |   |             |           |                         |   |  |                                     |                                |  |                                 |  |
| No. of shareholders: 6   |             |                               | No. of shares:                                  | 689                                      |  | Voting rights frozen:                           |   | 689   |             |           |                         |   |  |                                     |                                |  |                                 |  |

### 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 date as at quarter ended December 31, 2018

| Name of shareholders         | Total number of Equity Shares held | Total shareholding as % of total no of Equity Shares |
|------------------------------|------------------------------------|--|
| L&T Finance Holdings Limited | 1,59,91,38,192                     | 100  |
| Mr. Dinanath Dubhashi*       | 1                                  | -^   |
| Mr. Sunil Prabhune*          | 1                                  | -^   |
| Mr. Sachinn Joshi*           | 1                                  | -^   |
| Mr. Raju Dodti *             | 1                                  | -^   |
| Mr. Virender Pankaj*         | 1                                  | -^   |
| Mr. Srikanth J*              | 1                                  | -^   |
| Mr. Abhishek Sharma*         | 1                                  | -^   |
| <b>Total</b>                 | <b>1,59,91,38,199</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 financial years 2018, 2017, 2016, 2015 and 2014, in accordance with the requirements under Accounting Standard 18 “Related Party Disclosures”, see “***Financial Information***” on page 140.

## **SECTION V-FINANCIAL INFORMATION**

### **FINANCIAL INFORMATION**

| <b>Sr. No.</b> | <b>Particulars</b>  | <b>Page No.</b> |
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| 1.             | Examination report and Reformatted Consolidated Financial Information | F-1             |
| 2.             | Examination report and Reformatted Standalone Financial Information   | F-54            |
| 3.             | Limited Review Financial Results                                      | F- 127          |



**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON REFORMATTED  
CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors

L&T Finance Limited (Formerly known as "Family Credit Limited")

Dear Sirs,

1. We have examined the attached Reformatted Consolidated Financial Information of L&T Finance Limited (Formerly known as "Family Credit Limited") (the "Company" or the "Issuer") and its share of profit in an associate (collectively the "Group"), comprising the Reformatted Consolidated Statement of Assets and Liabilities as at March 31, 2018 and 2017, the Reformatted Consolidated Statements of Profit and Loss, the Reformatted Consolidated Cash Flow Statement for the years ended March 31, 2018 and 2017, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Reformatted Consolidated Financial Information"). The Reformatted Consolidated Financial Information have been prepared by the Management of the Company on the basis of note 1 to the Reformatted Consolidated Financial Information and have been approved by the Board of Directors of the Company at their meeting held on January 15, 2019 for the purpose of inclusion in the Draft Shelf Prospectus and Shelf Prospectus (collectively the "Offer Documents") prepared by the Company in connection with its proposed issue of non-convertible debentures ( "NCDs") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Reformatted Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Kolkata, West Bengal in connection with the proposed issue of NCDs. The Reformatted Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1 to the Reformatted Consolidated Financial Information. The Company's Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Consolidated Financial Information. The Company's Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.
3. We have examined such Reformatted Consolidated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 8, 2019 in connection with the proposed issue of NCDs of the Company;

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- b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information; and
  - d) The requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed issue of NCDs.
4. These Reformatted Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements of the Company as at and for the years ended March 31, 2018 and 2017 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 2, 2018 and May 2, 2017 respectively.
5. For the purpose of our examination, we have relied on the Auditors' reports issued by us dated May 2, 2018 and May 2, 2017 on the consolidated financial statements of the Company as at and for the years ended March 31, 2018 and 2017 as referred in Paragraph 4 above.
6. The audit report on the consolidated financial statements issued by us was unmodified and included following emphasis of matter paragraph on the financial statements as at and for the year ended March 31, 2017:
- "We draw attention to Note 29.15 of the financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the financial statements of the Company.
- Our opinion is not modified in respect of these matters."
7. The audit reports on the consolidated financial statements issued by us included following other matter paragraph:
- We did not audit the financial statements of an associate, whose share of net profit of Rs. 4,232.93 lakhs and Rs. 2,662.00 lakhs included in the consolidated financial statements, as at and for the years ended March 31, 2018 and March 31, 2017 respectively, which has been audited by another auditor and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the reports of the other auditor.
7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the report of the other auditor as mentioned in Paragraph 7 above, we report that the Reformatted Consolidated Financial Information are prepared, in all material aspects, on the basis described in note 1 to the Reformatted Consolidated Financial Information.

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8. At the request of the Company, we have also examined the following financial information of the Group set out in the Annexure V prepared by management and approved by the Board of Directors on January 15, 2019 as at and for the years ended March 31, 2018 and 2017.
- (i) Statement of dividend paid / proposed, enclosed as Annexure V.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. The Reformatted Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Kolkata, West Bengal in connection with the proposed issue of NCDs. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

Sanjiv V. Pilgaonkar  
Partner  
(Membership Number: 39826)

**Mumbai, January 15, 2019**

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Reformatted Consolidated Statement of Assets and Liabilities  
₹ in lakh

Annexure I

|  | Note No.     | As at March 31, 2018 | As at March 31, 2017 |
|--|--------------|----------------------|----------------------|
| <b>A. EQUITY AND LIABILITIES:</b>  |              |                      |                      |
| <b>1. Shareholders' funds</b>  |              |                      |                      |
| Share capital  | 2            | 159,913.82           | 144,004.73           |
| Reserves and surplus   | 3            | 704,870.33           | 546,265.41           |
|  |              | 864,884.15           | 690,270.14           |
| <b>2. Non-current liabilities</b>  |              |                      |                      |
| Long-term borrowings   | 4            | 2,121,680.51         | 1,531,439.66         |
| Other long term liabilities  | 5            | 4,499.48             | 14,792.86            |
| Long-term provisions   | 6            | 10,423.46            | 9,157.59             |
|  |              | 2,136,603.45         | 1,555,390.11         |
| <b>3. Current liabilities</b>  |              |                      |                      |
| Short-term borrowings  | 7            | 724,999.59           | 997,051.60           |
| Current maturities of long-term borrowings   | 4            | 829,500.00           | 254,479.00           |
| Trade payables   | 8            | -                    | -                    |
| Total outstanding dues of micro enterprises and small enterprises                      |              | -                    | -                    |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |              | 9,495.42             | 6,529.13             |
| Other current liabilities  | 9            | 98,385.17            | 91,275.42            |
| Short-term provisions  | 10           | 8,038.29             | 5,018.69             |
|  |              | 1,470,418.47         | 1,354,353.84         |
| <b>Total equity and liabilities</b>  |              | <b>4,471,906.07</b>  | <b>3,600,014.09</b>  |
| <b>B. ASSETS:</b>  |              |                      |                      |
| <b>1. Non-current assets</b>   |              |                      |                      |
| Property, plant and equipment  | 11           | 7,452.79             | 16,025.31            |
| Intangible assets  | 11           | 197,464.98           | 262,143.54           |
| Intangible assets under development  |              | 923.47               | -                    |
| Non-current investments  | 12           | 97,144.20            | 75,956.06            |
| Deferred tax assets (net)  | 13           | 52,494.79            | 37,253.96            |
| Long-term loans and advances   | 14           | 30,737.91            | 16,417.44            |
| Long-term loans and advances towards financing activities                              | 15           | 2,540,352.85         | 1,781,833.50         |
| Other non-current assets   | 16           | 18,059.84            | 16,914.26            |
|  |              | 2,944,830.83         | 2,206,544.07         |
| <b>2. Current assets</b>   |              |                      |                      |
| Current investments  | 17           | 150,358.87           | 236,072.17           |
| Trade receivables  | 18           | 912.05               | 1,028.77             |
| Cash and cash equivalents  | 19           | 34,871.53            | 29,487.59            |
| Short-term loans and advances  | 20           | 7,439.20             | 6,056.95             |
| Short-term loans and advances towards financing activities                             | 21           | 186,846.46           | 217,123.82           |
| Current maturities of long term loans and advances towards financing activities        | 15           | 1,055,324.78         | 829,716.52           |
| Other current assets   | 22           | 91,722.75            | 73,984.20            |
|  |              | 1,527,275.44         | 1,393,470.02         |
| <b>Total assets</b>  |              | <b>4,471,906.07</b>  | <b>3,600,014.09</b>  |
| Significant accounting policies  | 1            |                      |                      |
| See accompanying notes forming part of reformatted consolidated financial information  | Note 2 to 29 |                      |                      |

In terms of our report attached.

For DELOITTE HASKINS &amp; SELLS LLP

Chartered Accountants

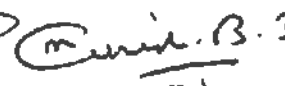

Sanjiv V. Pilgaonkar  
Partner

Place : Mumbai

Date : January 15, 2019

For and on behalf of the board of directors of

L&amp;T Finance Limited (Erstwhile Family Credit Limited)


Dinanath Dubhashi  
Chairperson  
(DIN : 03545900)

Manish Jethwa  
Head Accounts  
(Chief Financial Officer)

Place : Mumbai

Date : January 15, 2019

## Reformatted Consolidated Statement of Profit and Loss

₹ in lakh

Annexure II

|   | Note No. | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|----------|---------------------------|---------------------------|
| <b>A. INCOME:</b>   |          |                           |                           |
| 1. Revenue from operations  | 23       | 499,744.95                | 408,205.22                |
| 2. Other income   | 24       | 24,823.89                 | 6,292.32                  |
| 3. Total Income (1+2)   |          | 524,568.84                | 414,497.54                |
| <b>B. EXPENSES:</b>   |          |                           |                           |
| Employee benefits expense   | 25       | 31,807.29                 | 30,087.20                 |
| Finance costs   | 26       | 249,684.66                | 195,951.53                |
| Depreciation and amortisation   | 11       | 69,323.65                 | 70,766.80                 |
| Administration and other expenses   | 27       | 39,854.14                 | 36,016.53                 |
| Provisions and Contingencies  | 28       | 90,445.63                 | 78,833.74                 |
| 4. Total expenses   |          | 481,115.37                | 411,655.80                |
| 5. Profit before tax (3-4)  |          | 43,453.47                 | 2,841.74                  |
| 6. Tax expense:   |          |                           |                           |
| Current tax   |          | 29,702.14                 | 13,783.40                 |
| Deferred tax  |          | (15,240.83)               | (12,545.83)               |
| Total Provision for tax   |          | 14,461.31                 | 1,237.57                  |
| 7. Profit after tax (5-6)   |          | 28,992.16                 | 1,604.17                  |
| Add : Share in profit of associate company  |          | 4,232.93                  | 2,662.00                  |
| Less : Share of minority interest   |          | -                         | -                         |
| Profit for the period/year  |          | 33,225.09                 | 4,266.17                  |
| <b>Earnings per equity share:</b>   | 29.6     |                           |                           |
| Basic earnings per equity share (₹)   |          | 2.29                      | 0.30                      |
| Diluted earnings per equity share (₹)   |          | 2.29                      | 0.30                      |
| Face value per equity share (₹)   |          | 10.00                     | 10.00                     |
| Significant accounting policies   | 1        |                           |                           |
| See accompanying notes forming part of reformatted consolidated financial information | 2 to 29  |                           |                           |

In terms of our report attached.  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Sanjiv V. Pilgaonkar  
Partner

Place : Mumbai  
Date : January 15, 2019



For and on behalf of the board of directors of  
L&T Finance Limited (Erstwhile Family Credit Limited)

Dinanath Dubhashi  
Chairperson  
(DIN : 03545900)

Place : Mumbai  
Date : January 15, 2019

Manish Jethwa  
Head Accounts  
(Chief Financial Officer)



Reformatted Consolidated Statement of Cash Flows  
₹ in lakh

|  | Year ended March<br>31, 2018 | Annexure III<br>Year ended<br>March 31, 2017 |
|--|------------------------------|--|
| <b>A. Cash flow from operating activities</b>  |                              |  |
| Profit before tax  | 43,453.47                    | 2,841.74                                     |
| Adjustments for:   |                              |  |
| Depreciation and amortisation  | 69,323.85                    | 70,766.80                                    |
| Loss on Sale of Property, Plant & Equipments (net)   | 546.53                       | 1,467.19                                     |
| Provision for gratuity   | 311.95                       | 287.94                                       |
| Income from investments (net)  | (3,024.14)                   | (6,175.74)                                   |
| Provision for diminution in value of investments   | 1,824.36                     | 2,588.18                                     |
| Loss on foreclosure of loans (net) / bad debts written off   | 49,414.79                    | 23,764.28                                    |
| Provision for non-performing assets  | 53,135.12                    | 35,900.85                                    |
| Provision for standard assets  | (13,061.74)                  | 16,400.22                                    |
| Provision for restructured assets  | (866.90)                     | 180.23                                       |
| Operating profit before working capital changes  | 201,057.09                   | 148,021.67                                   |
| Changes in working capital   |                              |  |
| Adjustments for increase / (decrease) in operating liabilities   |                              |  |
| Other non-current liabilities  | (10,293.38)                  | (9,329.33)                                   |
| Long-term provisions   | (1,834.41)                   | -  |
| Trade payable  | 2,966.29                     | (8,786.38)                                   |
| Other current liabilities  | 7,285.65                     | (14,250.22)                                  |
| Short-term provisions  | 188.27                       | (304.55)                                     |
| Adjustments for (increase) / decrease in operating assets  |                              |  |
| Long-term loans and advances   | (5,590.48)                   | 72.83  |
| Other non-current assets   | (1,145.58)                   | 246.95                                       |
| Trade receivables  | 116.72                       | (338.87)                                     |
| Short-term Loans and advances  | (1,382.25)                   | 5,186.01                                     |
| Other current assets   | (17,738.55)                  | (1,451.93)                                   |
| Cash generated from operations   | 173,629.39                   | 119,066.18                                   |
| Direct taxes paid (net)  | (35,696.15)                  | (21,359.72)                                  |
| (Increase) / Decrease in loans towards financing activities (net)  | (1,038,126.07)               | (345,637.85)                                 |
| Net cash flow from/(used) in operating activities (A)  | (900,192.83)                 | (247,931.39)                                 |
| <b>B. Cash flow from investing activities</b>  |                              |  |
| <b>Add : Inflow from investing activities</b>  |                              |  |
| Proceeds from sale of Property, Plant & Equipments   | 6,508.72                     | 2,600.75                                     |
| Proceeds from sale of current investments not considered as Cash and cash equivalents  | 3,777,352.25                 | 166,843.78                                   |
| Proceeds from sale of non current investments  | 3,793.61                     | 810.15                                       |
|  | 3,787,654.58                 | 170,254.68                                   |
| <b>Less : Outflow from investing activities</b>  |                              |  |
| Capital expenditure on Property, Plant & Equipments and Intangibles including capital advances   | 4,644.60                     | 1,613.01                                     |
| Purchase of non current investments  |                              |  |
| - Associates   | 1,980.44                     | -  |
| - Others   | 18,018.67                    | 99,250.87                                    |
| Purchase of current investments not considered as cash and cash equivalents  | 3,690,278.32                 | 320,279.95                                   |
|  | 3,714,922.23                 | 421,143.83                                   |
| Net cash from/(used in) investing activities* (B)  | 72,732.35                    | (250,889.15)                                 |
| *FY 2017-18 Net cash used in investing activities excludes investments aggregating to ₹2,199.41 lakh (for the year ended March 31, 2017 ₹2,718.28 lakh) acquired against claims. |                              |  |
| <b>C. Cash flow from financing activities</b>  |                              |  |
| <b>Add : Inflow from financing activities</b>  |                              |  |
| Proceeds from issue of share capital including securities premium  | 140,000.00                   | -  |
| Proceeds from long term borrowings   | 11,159,921.09                | 6,650,681.09                                 |
| Net Proceeds from short term borrowings  | -                            | 516,454.08                                   |
|  | 11,299,921.09                | 7,167,135.17                                 |
| <b>Less : Outflow from financing activities</b>  |                              |  |
| Repayments of long term borrowings   | 10,194,619.20                | 6,641,500.06                                 |
| Net Repayments of short term borrowings  | 272,052.01                   | -  |
| Shares / Debenture issue expenses  | 405.46                       | 190.23                                       |
| Dividend paid (including dividend distribution tax)  | -                            | 16,890.02                                    |
|  | 10,467,076.67                | 6,658,580.31                                 |
| Net cash generated from financing activities (C)   | 832,844.42                   | 508,554.86                                   |
| Net cash increase in cash and cash equivalents (A+B+C)   | 5,383.94                     | 9,734.32                                     |
| Cash and cash equivalents as at beginning of the year  | 29,482.30                    | 4,426.51                                     |
| Cash and cash equivalent transferred under Scheme of merger  | -                            | 15,321.47                                    |
| Cash and cash equivalents as at end of the year  | 34,866.24                    | 29,482.30                                    |





## Reformatted Consolidated Statement of Cash Flows

₹ in lakh

Annexure III

|   | Year ended March<br>31, 2018 | Year ended<br>March 31, 2017 |
|---|------------------------------|------------------------------|
| <b>Reconciliation of Cash and Cash Equivalents</b>                        |                              |                              |
| Closing balance as per Balance Sheet                                      | 34,871.53                    | 29,487.59                    |
| Less: Deposits with original maturity for more than 3 months              | 5.29                         | 5.29                         |
| <b>Cash and cash equivalents as at end of the year (Refer Note No 19)</b> | <b>34,866.24</b>             | <b>29,482.30</b>             |

## Notes:

1. Previous period figures have been regrouped/reclassified wherever applicable.
2. See accompanying notes forming part of reformatted consolidated financial information.
3. Net cash used in operating activities is determined after adjusting the following:

|                   |            |            |
|-------------------|------------|------------|
| Interest received | 486,795.86 | 356,663.39 |
| Interest paid     | 232,282.69 | 203,445.92 |

In terms of our report attached.  
For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants



Sanjiv V. Pilgaonkar  
Partner

Place : Mumbai  
Date : January 15, 2019



For and on behalf of the board of directors of  
L&T Finance Limited (erstwhile Family Credit Limited)



Dinanath Dubbeshi  
Chairperson  
(DIN : 03545900)

Manish Jethwa  
Head Accounts  
(Chief Financial Officer)

Place : Mumbai  
Date : January 15, 2019





**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatted consolidated financial information**

Annexure IV

**1. Basis of accounting and preparation of financial statements and summary of significant accounting policies**

**1.1 Basis of preparation and principles of consolidation**

**i) Basis of Preparation**

The Reformatted Consolidated Financial Information of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Reformatted Consolidated Financial Information to comply in all material respects with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended, and the relevant provisions of the Companies Act, 1956 ('the 1956 Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Systemically Important Non-Deposit accepting NBFC ('NBFC-ND-SI'). The Reformatted Consolidated Financial Information have been prepared under historical cost convention and on an accrual basis except for interest and discounts on non-performing assets which are recognized on realization basis.

The Reformatted Consolidated Financial Information have been prepared in accordance with the requirements of Section 26(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Regulations") issued by the SEBI.

a) The Consolidated Financial Statement (CFS) are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statement", Accounting Standard (AS) 23 "Accounting for investment in Associates in Consolidated Financial Statement" as notified under 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The CFS comprises the financial statements of L&T Finance Limited, its subsidiaries and associates. Reference in these notes to L&T Finance Limited, Company, Companies or Group shall mean to include L&T Finance Limited or any of its subsidiaries and associates, unless otherwise stated.

b) The notes and significant policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure

c) The list of associates included in the consolidated financial statement are as under:

| Name of associate company     | Country of Incorporation | As at March 31, 2018    | As at March 31, 2017    |
|-------------------------------|--------------------------|-------------------------|-------------------------|
|                               |                          | % of Share/Voting Power | % of Share/Voting Power |
| Infra Debt Fund Limited       | India                    | 28.29                   | 28.29                   |
| Grameen Capital India Limited | India                    | 26                      | 26                      |

**ii) Principles of Consolidation**

The consolidated financial statements relate to L&T Finance Limited ('the Company') and its subsidiary and associate companies. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

b) Investment in associate companies has been accounted under the equity method as per Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

c) The Company accounts for its share in change in net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its statement of profit and loss account to the extent such change is attributable to the associates' Profit and Loss account and through its reserves for the balance, based on available information.

d) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**1.2 Summary of significant accounting policies**

**1.2.1 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expense during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.





**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatted consolidated financial information**

**Annexure IV**

**1.2.2 Cash flow Statements**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**1.2.3 Property, plant and equipment and Intangible Assets**

Property, plant and equipment are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Property, plant and equipment acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Property, plant and equipment acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital Work in Progress: projects under which property, plant and equipment are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets not ready for the intended use on the date of balance sheet are disclosed as "Intangible assets under development"

**1.2.4 Depreciation on Property, plant and equipment and Intangible Assets**

Depreciation on property, plant and equipment is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer software- 3 years

Distribution and Customer Network Rights-5 years

Goodwill-5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

| Particulars        | Nature          | Useful Life adopted | Useful Life as per Schedule II |
|--------------------|-----------------|---------------------|--------------------------------|
|                    |                 | (in years)          | (in years)                     |
| Plant & Equipments | Operating Lease | 8.84                | 15                             |
| Motor car          | Operating Lease | 5.67                | 8                              |

Property, plant and equipment costing upto ₹ 5,000 individually are depreciated fully in the year of purchase.



**1.2.5 Impairment of assets**

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

**1.2.6 Investments**

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are valued scrip-wise and depreciation / appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for.

Long-term investments are carried at acquisition/amortised cost. Investment in debentures which are, in substance, in the nature of credit substitutes are classified as a part of loans towards financing activities and are measured in accordance with the criteria applied for the measurement of loans towards financing activities. Provision is made for diminution other than temporary on an individual investment basis.

**1.2.7 Revenue Recognition**

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

(c) Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.

**1.2.8 Other Income**

Dividend is accounted when the right to its receipt is established.

**1.2.9 Classification and provisioning of loan portfolio**

Loans towards financing activities are classified under four categories i.e. (i) Standard Assets (ii) Sub-Standard Assets (iii) Doubtful Assets and (iv) Loss Assets in accordance with RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of advances where interest is not serviced, provision for diminution is made as per the parameters applicable to Non-Performing Advances.

Provision on restructured advances/corporate debt restructured advances is made in accordance with the guidelines issued by the RBI.

Provision on standard assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the Management, based on such identifications.

**1.2.10 Retirement and other employee benefits**

**i) Defined-Contribution Plans**

The Company offers its employees defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary.

**ii) Defined-Benefits Plans**

The Company makes annual contributions to the Fund administered by trustees and managed by an insurance company. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the "Projected Unit Credit" method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.



**iii) Other Employee Benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in the 12 months immediately following the period / year end are reported as expense during the year in which the employees perform services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit after deducting amounts already paid.

Where there are restrictions on availment / encashment of such benefits or where the availment is otherwise not expected to wholly occur in the next 12 months, the liability on account of the benefits is actuarially determined using the Projected Unit Credit method.

**1.2.11 Foreign Currency Transactions**

(i) All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

(ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

(iii) Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**1.2.12 Derivative contracts**

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

**1.2.13 Borrowing Costs**

Borrowing costs include interest and amortisation of ancillary costs incurred. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

**1.2.14 Income Taxes**

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

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

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

**1.2.15 Provisions, Contingent liabilities and Contingent Assets**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the benefit of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements.



**1.2.16 Leases**

**Where the company is lessee**

**Operating lease:**

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

**Where the company is lessor**

**Finance Lease:**

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

**Operating Lease:**

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

**1.2.17 Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**1.2.18 Employee Stock Option Plan**

The Employees Stock Options Scheme ("the Scheme") has been established by the holding company (i.e. L&T Finance Holdings Limited). The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest in a graded manner. The options may be exercised within specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the intrinsic value method to account for its stock based employee compensation plans. Stock options were granted to the employees of the Company during the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The cost incurred by the holding company, in respect of options granted to employees of the Company are being charged to the statement of profit and loss during the period and recovered by the holding Company.

**1.2.19 Earnings Per Share (EPS)**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

**1.2.20 Share & Debenture Issue Expenses**

Expenses incurred on issue of shares and debentures are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

**1.2.21 Indirect tax input credit (Including Service tax and Goods and Service tax)**

Indirect tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

**1.2.22 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



## **L&T Finance Limited (erstwhile Family Credit Limited)**

### **Notes forming part of the reformatted consolidated financial information**

**Annexure IV**

#### **1.2.23 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".



## (i) Share capital authorised, issued and subscribed

Authorised Shares

|                                 | As at March 31, 2018 | As at March 31, 2017 |
|---------------------------------|----------------------|----------------------|
| No. of Shares                   | ₹ in lakh            | No. of Shares        |
| Equity shares of ₹ 10 each      | 265,430.96           | 265,430.96           |
| Preference Shares of ₹ 100 each | 1,000.00             | 1,000.00             |

Issued, Subscribed & Paid up shares

|  | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| No. of Shares                            | ₹ in lakh            | No. of Shares        |
| Equity shares of ₹ 10 each fully paid up | 159,913.82           | 1,440,047.294        |
|  | 159,913.82           | 144,004.73           |

## (ii) Reconciliation of the Number of shares outstanding at the beginning and at the end of the reporting year

|                                    | As at March 31, 2018 | As at March 31, 2017 |
|------------------------------------|----------------------|----------------------|
| No. of Shares                      | ₹ in lakh            | No. of Shares        |
| Equity Shares                      |                      |                      |
| At the beginning of the year       | 1,440,047.294        | 204,309.610          |
| Issued during the year             | 159,080.805          | 1,235,737.684        |
| Outstanding at the end of the year | 1,599,128.199        | 1,440,047.294        |





**L&T Finance Limited (Erstwhile Family Credit Limited)**

**Notes forming part of the Reformatted Consolidated Financial Information**

(III) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 6 years immediately preceding the Balance Sheet date:

| Equity Shares  | As at March 31, 2018<br>No. of Shares | As at March 31, 2017<br>No. of Shares |
|--|---------------------------------------|---------------------------------------|
| Fully paid up pursuant to contract(s) without payment being received in cash | 1,235,737,684                         | 1,235,737,684                         |

**(IV) Terms/Rights attached to equity shares**

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

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

FY 2017-18:- During the year, the company has not declared any dividend.

FY 2016-17:- During the year, the company has declared and paid interim dividend of ₹ 5.141 per equity share.

FY 2015-16, FY 2014-15 & FY 2013-14:-

| (V) Shares held by holding company   | As at March 31, 2018 |            |               | As at March 31, 2017 |               |           |
|--|----------------------|------------|---------------|----------------------|---------------|-----------|
| Equity Shares  | No. of Shares        | ₹ In lakh  | No. of Shares | ₹ In lakh            | No. of Shares | ₹ In lakh |
| L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee |                      |            |               |                      |               |           |
| (Equity Shares of ₹ 10 each fully paid)  | 1,599,138,199        | 159,913.82 | 1,440,047,294 | 144,004.73           |               |           |

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

| Equity Shares  | As at March 31, 2018 |           |               | As at March 31, 2017 |               |           |
|--|----------------------|-----------|---------------|----------------------|---------------|-----------|
|  | No. of Shares        | % holding | No. of Shares | % holding            | No. of Shares | % holding |
| L&T Finance Holdings Limited (Holding company) directly or through it's beneficially nominee |                      |           |               |                      |               |           |
| (Equity Shares of ₹ 10 each fully paid)  | 1,599,138,199        | 100%      | 1,440,047,294 | 100%                 |               |           |



|  | As at March 31, 2018<br>₹ in lakh | As at March 31, 2017<br>₹ in lakh |
|--|-----------------------------------|-----------------------------------|
|--|-----------------------------------|-----------------------------------|

3

**Reserves & Surplus**

|   |                   |                   |
|---|-------------------|-------------------|
| <b>(i) Securities premium account</b>   |                   |                   |
| Balance as per last financial statements  | 584,471.81        | 45,709.95         |
| Add: Addition during the year   | 124,050.91        | 518,886.25        |
| Less: Share issue expenses adjusted during the year   | 140.00            | -                 |
| Less: Debenture issue expenses adjusted during the year   | 173.59            | 124.39            |
| Net of tax  |                   |                   |
| FY 2017-18 ₹ 91.87 lakh, FY 2016-17 ₹ 65.84 lakh)   |                   |                   |
| <b>Closing Balance</b>  | <b>688,249.13</b> | <b>544,471.81</b> |
| <b>(ii) Debenture redemption reserve</b>  |                   |                   |
| Balance as per last financial statements  | 7,621.99          | -                 |
| Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation | -                 | 10,212.16         |
| <b>Closing Balance</b>  | <b>2,309.96</b>   | <b>-</b>          |
| <b>(iii) Reserve u/s 45-IC of RBI Act, 1934</b>   |                   |                   |
| Balance as per last financial statements  | 24.29             | -                 |
| Add: Transferred to general reserve   | 45.88             | 2,980.27          |
| Less: Transferred to amalgamation adjustment account  | 9,761.38          | 7,621.89          |
| <b>Closing Balance</b>  | <b>52,641.73</b>  | <b>6,872.10</b>   |
| <b>(iv) Reserve u/s 45-IC of RBI Act, 1934</b>  |                   |                   |
| Balance as per last financial statements  | -                 | 45,448.80         |
| Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation | 5,799.43          | 320.83            |
| Less: Transferred from surplus in the statement of profit and loss                                  | 58,440.16         | 52,841.73         |





## Notes forming part of the Reformatting Consolidated Financial Information

|   | As at March 31, 2018<br>₹ in lakh | As at March 31, 2017<br>₹ in lakh |
|---|-----------------------------------|-----------------------------------|
| (IV) Capital redemption reserve   |                                   |                                   |
| Balance as per last financial statements  | 320.00                            | 320.00                            |
| Closing balance   | 320.00                            | 320.00                            |
| (V) General reserves  |                                   |                                   |
| Balance as per last financial statements  | 24.29                             | -                                 |
| Add: Transferred from debenture redemption reserve  | 24.29                             | -                                 |
| Closing balance   | 48.58                             | -                                 |
| (VI) Reserve u/s 36(1)(vi) of Income tax Act  |                                   |                                   |
| Balance as per last financial statements  | 881.45                            | -                                 |
| Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation | -                                 | 881.45                            |
| Add: Transferred from surplus in the statement of Profit and loss                                   | 1,475.45                          | -                                 |
| Closing balance   | 2,356.90                          | 881.45                            |
| (VII) Amalgamation adjustment reserve   |                                   |                                   |
| Balance as per last financial statements  | (53,852.14)                       | -                                 |
| Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation | -                                 | (56,542.41)                       |
| Add: Transferred from debenture redemption reserve  | 45.98                             | 2,680.27                          |
| Closing balance   | (63,806.26)                       | (53,852.14)                       |
| (VIII) Unamortised loss on sale of loans  |                                   |                                   |
| Balance as per last financial statements  | (2,307.78)                        | (2,307.78)                        |
| Amortised during the year   | 2,307.78                          | (2,307.78)                        |
| Closing balance   | -                                 | -                                 |
| (IX) Surplus in the Statement of Profit and Loss  |                                   |                                   |
| Balance as per last financial statements  | (23,411.55)                       | (10,136.12)                       |
| Add: Net profit for the year  | 33,225.09                         | 4,266.17                          |
| Less: Appropriations  |                                   |                                   |
| Interim dividend paid during the year   | -                                 | -                                 |
| Dividend distribution tax   | 2,208.66                          | 14,033.20                         |
| Transfer to debenture redemption reserve  | 365.15                            | 2,856.82                          |
| Share of Associates   | 1,475.45                          | 330.75                            |
| Transfer to reserve u/s 36(1)(vi) of Income tax Act, 1961   | 260.12                            | -                                 |
| Unamortised write down on Investment  | 5,798.43                          | -                                 |
| Transfer to reserve u/s 45-IC of RBI Act, 1934  | -                                 | 320.83                            |
| (@20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)          | (376.27)                          | (23,411.55)                       |
| Net surplus in the Statement of Profit and Loss   | 704,870.33                        | 646,265.41                        |



|   | As at March 31, 2018             |                                 | As at March 31, 2017             |                                 |
|---|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
|   | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh |
| <b>4 Long-term borrowings</b>                           |                                  |                                 |                                  |                                 |
| <b>(i) Secured</b>                                      |                                  |                                 |                                  |                                 |
| Redeemable non convertible debentures (refer note 4(a)) | 821,007.62                       | 159,875.00                      | 480,181.99                       | 215,425.00                      |
| Term loans  |                                  |                                 |                                  |                                 |
| - From banks (refer note 4(b))                          | 531,866.67                       | 353,225.00                      | 404,757.67                       | 18,564.00                       |
| - Foreign currency loan                                 | 10,105.22                        | -                               | -                                | 12,970.00                       |
| Line of Credit (refer note 4(c))                        | 170,000.00                       | -                               | 190,000.00                       | -                               |
| Working capital demand loan (refer note 4(c))           | -                                | 53,600.00                       | 2,000.00                         | -                               |
| <b>Total i</b>  | <b>1,532,980.51</b>              | <b>506,500.00</b>               | <b>1,076,939.66</b>              | <b>246,979.00</b>               |
| <b>(ii) Unsecured</b>                                   |                                  |                                 |                                  |                                 |
| Redeemable non convertible debentures (refer note 4(a)) | 84,000.00                        | -                               | 84,000.00                        | 7,500.00                        |
| Perpetual debt (refer note 4(a))                        | 25,000.00                        | -                               | 25,000.00                        | -                               |
| Line of Credit (refer note 4(c))                        | 479,700.00                       | -                               | 345,500.00                       | -                               |
| Working capital demand loan (refer note 4(c))           | -                                | 63,000.00                       | -                                | -                               |
| <b>Total ii</b>   | <b>588,700.00</b>                | <b>63,000.00</b>                | <b>454,500.00</b>                | <b>7,500.00</b>                 |
| <b>Total Long-term borrowings (i + ii)</b>              | <b>2,121,680.51</b>              | <b>569,500.00</b>               | <b>1,531,439.66</b>              | <b>254,479.00</b>               |

## Foot Notes

(i) The Debentures are secured by way of first/second charge, having pari passu rights, as the case may be, on the company's specified immovable properties and specified lease/term loan receivables.

(ii) Term loan from bank is secured by hypothecation of specified lease/term loan receivables.



**L&T Finance Limited (erstwhile Family Credit Limited)**  
Notes forming part of the Reformatting Consolidated Financial Information

**Note 4 (a)**

**Secured Redeemable Non Convertible Debentures as on March 31, 2018**

| Series Details             | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2018 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|----------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series A OF FY 2013-14     | ₹ 10 Lakh each           | 03/01/14          | 40,000.00                             | -                            | 40,000.00                   | 9.05%                | 05/04/18           | Redeemable at par at the end of 1553 days from the date of allotment |
| Series P FY 2014-15 Opt IV | ₹ 25 Lakh each           | 24/02/15          | 2,500.00                              | 2,500.00                     | -                           | 9.25%                | 24/02/20           | Redeemable at par at the end of 1828 days from the date of allotment |
| Series P FY 14-15 Opt III  | ₹ 25 Lakh each           | 24/02/15          | 15,000.00                             | -                            | 15,000.00                   | 9.22%                | 15/05/18           | Redeemable at par at the end of 1207 days from the date of allotment |
| Series A FY 2015-16 Opt 7  | ₹ 25 Lakh each           | 17/04/15          | 11,000.00                             | -                            | 11,000.00                   | 8.85%                | 17/04/18           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series A FY 2015-16 Opt 9  | ₹ 25 Lakh each           | 17/04/15          | 1,800.00                              | -                            | 1,800.00                    | 8.86%                | 24/04/18           | Redeemable at par at the end of 1103 days from the date of allotment |
| Series A FY 2015-16 Opt 6  | ₹ 25 Lakh each           | 17/04/15          | 2,225.00                              | -                            | 2,225.00                    | 8.95%                | 19/04/18           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series A FY 2015-16 Opt 5  | ₹ 25 Lakh each           | 17/04/15          | 6,000.00                              | -                            | 6,000.00                    | 8.96%                | 16/04/18           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series A FY 2015-16 Opt 4  | ₹ 25 Lakh each           | 28/04/15          | 850.00                                | -                            | 850.00                      | 8.86%                | 12/04/18           | Redeemable at par at the end of 1091 days from the date of allotment |
| Series B FY 2015-16 Opt 5  | ₹ 25 Lakh each           | 11/05/15          | 200.00                                | -                            | 200.00                      | 8.86%                | 23/04/18           | Redeemable at par at the end of 1092 days from the date of allotment |
| Series B FY 2015-16 Opt 4  | ₹ 25 Lakh each           | 11/05/15          | 600.00                                | -                            | 600.00                      | 8.85%                | 30/04/18           | Redeemable at par at the end of 1085 days from the date of allotment |
| Series C FY 2015-16 Opt 5  | ₹ 25 Lakh each           | 20/05/15          | 2,600.00                              | 2,600.00                     | -                           | 8.87%                | 20/05/20           | Redeemable at par at the end of 1827 days from the date of allotment |
| Series C FY 2015-16 Opt 3  | ₹ 25 Lakh each           | 20/05/15          | 1,500.00                              | -                            | 1,500.00                    | 8.91%                | 18/05/18           | Redeemable at par at the end of 1294 days from the date of allotment |
| Series C FY 2015-16 Opt 6  | ₹ 25 Lakh each           | 20/05/15          | 3,200.00                              | -                            | 3,200.00                    | 8.91%                | 22/05/18           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series C FY 2015-16 Opt 4  | ₹ 25 Lakh each           | 20/05/15          | 4,700.00                              | -                            | 4,700.00                    | 8.90%                | 11/06/18           | Redeemable at par at the end of 1118 days from the date of allotment |
| Series C FY 2015-16 Opt 2  | ₹ 25 Lakh each           | 20/05/15          | 3,000.00                              | -                            | 3,000.00                    | 8.91%                | 15/05/18           | Redeemable at par at the end of 1091 days from the date of allotment |
| Series D FY 2015-16 Opt 1  | ₹ 25 Lakh each           | 20/05/15          | 625.00                                | -                            | 625.00                      | 8.91%                | 14/05/18           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series D FY 2015-16 Opt 3  | ₹ 25 Lakh each           | 27/05/15          | 4,050.00                              | 4,050.00                     | -                           | 8.88%                | 27/05/19           | Redeemable at par at the end of 1461 days from the date of allotment |
| Series E FY 2015-16 Opt 4  | ₹ 25 Lakh each           | 04/06/15          | 500.00                                | -                            | 500.00                      | 8.85%                | 04/06/18           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series E FY 2015-16 Opt 7  | ₹ 25 Lakh each           | 04/06/15          | 2,500.00                              | 2,500.00                     | -                           | 8.88%                | 04/06/19           | Redeemable at par at the end of 1461 days from the date of allotment |
| Series E FY 2015-16 Opt 5  | ₹ 25 Lakh each           | 04/06/15          | 2,000.00                              | -                            | 2,000.00                    | 8.85%                | 24/11/18           | Redeemable at par at the end of 1299 days from the date of allotment |
| Series E FY 2015-16 Opt 3  | ₹ 25 Lakh each           | 04/06/15          | 1,700.00                              | -                            | 1,700.00                    | 8.85%                | 22/11/18           | Redeemable at par at the end of 1267 days from the date of allotment |
| Series E FY 2015-16 Opt 4  | ₹ 25 Lakh each           | 23/06/15          | 500.00                                | -                            | 500.00                      | 8.95%                | 07/01/19           | Redeemable at par at the end of 1294 days from the date of allotment |
| Series G FY 2015-16 Opt 3  | ₹ 25 Lakh each           | 26/06/15          | 500.00                                | -                            | 500.00                      | 8.90%                | 26/06/18           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series G FY 2015-16 Opt 4  | ₹ 25 Lakh each           | 26/06/15          | 1,000.00                              | -                            | 1,000.00                    | 8.91%                | 20/06/18           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series H FY 2015-16 Opt 3  | ₹ 25 Lakh each           | 08/07/15          | 6,000.00                              | -                            | 6,000.00                    | 8.92%                | 06/07/18           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series H FY 2015-16 Opt 2  | ₹ 25 Lakh each           | 08/07/15          | 2,600.00                              | -                            | 2,600.00                    | 8.93%                | 17/07/18           | Redeemable at par at the end of 1105 days from the date of allotment |
| Series H FY 2015-16 Opt 1  | ₹ 25 Lakh each           | 08/07/15          | 3,500.00                              | -                            | 3,500.00                    | 8.93%                | 05/07/18           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series I FY 2015-16 Opt 3  | ₹ 25 Lakh each           | 19/08/15          | 2,500.00                              | -                            | 2,500.00                    | 8.90%                | 17/03/18           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series I FY 2015-16 Opt 1  | ₹ 25 Lakh each           | 19/08/15          | 1,800.00                              | -                            | 1,800.00                    | 8.90%                | 03/03/18           | Redeemable at par at the end of 1111 days from the date of allotment |
| Series J FY 2015-16 Opt 1  | ₹ 25 Lakh each           | 27/08/15          | 3,000.00                              | -                            | 3,000.00                    | 8.80%                | 16/03/18           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series J FY 2015-16 Opt 1  | ₹ 25 Lakh each           | 27/08/15          | 3,000.00                              | -                            | 3,000.00                    | 8.81%                | 20/03/18           | Redeemable at par at the end of 1086 days from the date of allotment |
| Series N OF FY 15-16       | ₹ 25 Lakh each           | 29/03/16          | 18,500.00                             | 18,500.00                    | -                           | 8.80%                | 29/04/18           | Redeemable at par at the end of 1126 days from the date of allotment |
| Series A FY 2016-17 Opt 7  | ₹ 25 Lakh each           | 13/04/16          | 400.00                                | 400.00                       | -                           | 8.68%                | 30/09/18           | Redeemable at par at the end of 1265 days from the date of allotment |
| Series A FY 2016-17 Opt 6  | ₹ 25 Lakh each           | 13/04/16          | 7,500.00                              | 7,500.00                     | -                           | 8.68%                | 12/09/19           | Redeemable at par at the end of 1247 days from the date of allotment |
| Series A FY 2016-17 Opt 5  | ₹ 25 Lakh each           | 13/04/16          | 27,500.00                             | 27,500.00                    | -                           | 8.69%                | 13/06/19           | Redeemable at par at the end of 1156 days from the date of allotment |
| Series A FY 2016-17 Opt 4  | ₹ 25 Lakh each           | 13/04/16          | 2,500.00                              | 2,500.00                     | -                           | 8.69%                | 31/05/19           | Redeemable at par at the end of 1143 days from the date of allotment |
| Series A FY 2016-17 Opt 3  | ₹ 25 Lakh each           | 13/04/16          | 1,000.00                              | 1,000.00                     | -                           | 8.70%                | 12/04/19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series A FY 2016-17 Opt 2  | ₹ 25 Lakh each           | 13/04/16          | 17,000.00                             | -                            | 17,000.00                   | 8.68%                | 12/03/19           | Redeemable at par at the end of 1083 days from the date of allotment |
| Series A FY 16-17          | ₹ 25 Lakh each           | 13/04/16          | 1,000.00                              | 1,000.00                     | -                           | 8.80%                | 19/04/19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series B FY 2016-17        | ₹ 25 Lakh each           | 20/04/16          | 30,000.00                             | 30,000.00                    | -                           | 8.65%                | 20/08/19           | Redeemable at par at the end of 1217 days from the date of allotment |
| Series C FY 16-17 Opt 2    | ₹ 25 Lakh each           | 20/05/16          | 2,000.00                              | 2,000.00                     | -                           | 8.80%                | 20/05/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series C FY 16-17 Opt 1    | ₹ 25 Lakh each           | 24/05/16          | 5,000.00                              | 5,000.00                     | -                           | 8.64%                | 28/06/19           | Redeemable at par at the end of 1130 days from the date of allotment |
| Series C FY 16-17 Opt 2    | ₹ 25 Lakh each           | 13/06/16          | 1,000.00                              | 1,000.00                     | -                           | 8.65%                | 24/06/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series C FY 16-17 Opt 1    | ₹ 25 Lakh each           | 13/06/16          | 1,000.00                              | 1,000.00                     | -                           | 8.80%                | 11/06/21           | Redeemable at par at the end of 1624 days from the date of allotment |
| Series C FY 16-17 Opt 2    | ₹ 25 Lakh each           | 13/06/16          | 1,000.00                              | 1,000.00                     | -                           | 8.80%                | 13/06/21           | Redeemable at par at the end of 1095 days from the date of allotment |





**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Consolidated Financial Information**

**Notes 4 (a)**

**Secured Redeemable Non Convertible Debentures as on March 31, 2018**

| Series Details               | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2018 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|------------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series D OF FY 2016-17 OPT 1 | ₹ 25 Lakh each           | 14/03/16          | 5,000.00                              | 5,000.00                     | -                           | 8.72%                | 14/03/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series E OF FY 2016-17 OPT 2 | ₹ 25 Lakh each           | 29/06/16          | 250.00                                | 250.00                       | -                           | 8.71%                | 22/07/19           | Redeemable at par at the end of 1118 days from the date of allotment |
| Series F OF FY 2016-17 OPT 1 | ₹ 25 Lakh each           | 29/03/16          | 13,000.00                             | 13,000.00                    | -                           | 8.72%                | 28/06/19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series G FY 16-17 OPT II     | ₹ 25 Lakh each           | 03/03/16          | 7,500.00                              | 7,500.00                     | -                           | 8.45%                | 02/08/19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series H FY 16-17 OPT I      | ₹ 25 Lakh each           | 03/03/16          | 5,000.00                              | -                            | 5,000.00                    | 8.40%                | 03/08/18           | Redeemable at par at the end of 730 days from the date of allotment  |
| Series I OF FY 2016-17 OPT 1 | ₹ 25 Lakh each           | 05/03/16          | 7,500.00                              | 7,500.00                     | -                           | 7.37%                | 05/08/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series J OF FY 2016-17 OPT 2 | ₹ 25 Lakh each           | 05/03/16          | 500.00                                | 500.00                       | -                           | 8.65%                | 05/08/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series K FY 16-17 OPT 1      | ₹ 25 Lakh each           | 05/03/16          | 1,000.00                              | -                            | 1,000.00                    | 8.65%                | 03/08/18           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series L OF FY 2016-17 OPT 1 | ₹ 25 Lakh each           | 09/03/16          | 5,000.00                              | 5,000.00                     | -                           | 8.40%                | 09/08/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series M OF FY 2016-17 OPT 1 | ₹ 25 Lakh each           | 18/03/16          | 250.00                                | 250.00                       | -                           | 8.55%                | 05/08/19           | Redeemable at par at the end of 1082 days from the date of allotment |
| Series N OF FY 2016-17 OPT 1 | ₹ 25 Lakh each           | 23/03/16          | 1,175.00                              | 1,175.00                     | -                           | 8.54%                | 30/09/19           | Redeemable at par at the end of 1133 days from the date of allotment |
| Series O OF FY 16-17         | ₹ 25 Lakh each           | 08/03/16          | 5,000.00                              | 5,000.00                     | -                           | 8.31%                | 08/09/19           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series P FY 16-17 OPT II     | ₹ 25 Lakh each           | 12/03/16          | 20,000.00                             | 20,000.00                    | -                           | 8.31%                | 12/09/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series Q FY 16-17 OPT I      | ₹ 25 Lakh each           | 19/01/17          | 15,000.00                             | 15,000.00                    | -                           | 7.83%                | 20/01/20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series R OF FY 2016-17 OPT 1 | ₹ 25 Lakh each           | 22/03/17          | 5,000.00                              | -                            | 5,000.00                    | 7.66%                | 18/01/19           | Redeemable at par at the end of 729 days from the date of allotment  |
| Series S OPT II 16-17        | ₹ 25 Lakh each           | 27/03/17          | 2,500.00                              | 2,500.00                     | -                           | 7.90%                | 27/03/20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series T OF FY 16-17         | ₹ 25 Lakh each           | 27/03/17          | 5,000.00                              | 5,000.00                     | -                           | 7.75%                | 28/04/19           | Redeemable at par at the end of 780 days from the date of allotment  |
| Series U FY 16-17            | ₹ 25 Lakh each           | 29/03/17          | 10,000.00                             | 10,000.00                    | -                           | 7.80%                | 29/03/20           | Redeemable at par at the end of 1188 days from the date of allotment |
| Series V FY 16-17            | ₹ 25 Lakh each           | 31/03/17          | 30,000.00                             | 30,000.00                    | -                           | 8.07%                | 29/05/20           | Redeemable at par at the end of 1155 days from the date of allotment |
| Series A FY 2017-18 Opt I    | ₹ 25 Lakh each           | 10/04/17          | 15,000.00                             | 15,000.00                    | -                           | 7.71%                | 10/04/19           | Redeemable at par at the end of 730 days from the date of allotment  |
| Series B FY 2017-18 Opt II   | ₹ 25 Lakh each           | 10/04/17          | 10,000.00                             | 10,000.00                    | -                           | 7.80%                | 08/05/20           | Redeemable at par at the end of 1124 days from the date of allotment |
| Series C FY 2017-18          | ₹ 25 Lakh each           | 25/05/17          | 2,500.00                              | 2,500.00                     | -                           | 7.85%                | 25/05/20           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series D FY 2017-18          | ₹ 25 Lakh each           | 09/06/17          | 21,000.00                             | 21,000.00                    | -                           | 7.85%                | 09/06/20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series E FY 2017-18          | ₹ 25 Lakh each           | 16/06/17          | 25,000.00                             | 25,000.00                    | -                           | 7.75%                | 16/06/20           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series F FY 2017-18          | ₹ 25 Lakh each           | 19/06/17          | 20,000.00                             | 20,000.00                    | -                           | 7.85%                | 19/06/20           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series G FY 2017-18          | ₹ 25 Lakh each           | 20/06/17          | 37,500.00                             | 37,500.00                    | -                           | 7.85%                | 20/06/20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series H FY 2017-18 Opt I    | ₹ 25 Lakh each           | 21/06/17          | 5,000.00                              | 5,000.00                     | -                           | 7.76%                | 10/08/20           | Redeemable at par at the end of 1148 days from the date of allotment |
| Series I FY 2017-18 Opt II   | ₹ 25 Lakh each           | 21/06/17          | 2,500.00                              | 2,500.00                     | -                           | 7.81%                | 21/07/22           | Redeemable at par at the end of 1956 days from the date of allotment |
| Series J FY 2017-18          | ₹ 25 Lakh each           | 23/06/17          | 12,500.00                             | 12,500.00                    | -                           | 7.75%                | 23/06/20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series K FY 2017-18          | ₹ 25 Lakh each           | 28/06/17          | 12,500.00                             | 12,500.00                    | -                           | 7.75%                | 28/06/20           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series L FY 2017-18          | ₹ 25 Lakh each           | 19/07/17          | 40,000.00                             | 40,000.00                    | -                           | 7.65%                | 19/07/19           | Redeemable at par at the end of 730 days from the date of allotment  |
| Series M FY 2017-18          | ₹ 25 Lakh each           | 25/07/17          | 29,000.00                             | 29,000.00                    | -                           | 7.65%                | 20/08/20           | Redeemable at par at the end of 1122 days from the date of allotment |
| Series N FY 2017-18          | ₹ 25 Lakh each           | 08/08/17          | 46,500.00                             | 46,500.00                    | -                           | 7.71%                | 08/08/22           | Redeemable at par at the end of 1826 days from the date of allotment |
| Series O FY 2017-18          | ₹ 25 Lakh each           | 08/10/17          | 31,000.00                             | 31,000.00                    | -                           | 7.70%                | 08/10/22           | Redeemable at par at the end of 1826 days from the date of allotment |
| Series P FY 2017-18          | ₹ 25 Lakh each           | 13/10/17          | 50,000.00                             | 50,000.00                    | -                           | 7.65%                | 13/11/20           | Redeemable at par at the end of 1127 days from the date of allotment |
| Series Q FY 2017-18          | ₹ 25 Lakh each           | 17/10/17          | 15,000.00                             | 15,000.00                    | -                           | 7.68%                | 18/12/20           | Redeemable at par at the end of 1158 days from the date of allotment |
| Series R FY 2017-18          | ₹ 25 Lakh each           | 24/11/17          | 30,500.00                             | 30,500.00                    | -                           | 7.85%                | 11/12/20           | Redeemable at par at the end of 1113 days from the date of allotment |
| Series S FY 2017-18          | ₹ 25 Lakh each           | 04/12/17          | 75,000.00                             | 75,000.00                    | -                           | 7.80%                | 04/12/20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series T FY 2017-18          | ₹ 25 Lakh each           | 06/12/17          | 21,500.00                             | 21,500.00                    | -                           | 7.84%                | 06/01/21           | Redeemable at par at the end of 1127 days from the date of allotment |
| Series U FY 2017-18          | ₹ 25 Lakh each           | 12/12/17          | 8,500.00                              | 8,500.00                     | -                           | 7.95%                | 12/12/22           | Redeemable at par at the end of 1826 days from the date of allotment |
| Series V FY 2017-18          | ₹ 25 Lakh each           | 29/12/17          | 10,000.00                             | 10,000.00                    | -                           | 8.00%                | 27/11/20           | Redeemable at par at the end of 1064 days from the date of allotment |
| Series W FY 2017-18          | ₹ 25 Lakh each           | 27/03/18          | 8,250.00                              | 8,250.00                     | -                           | 8.25%                | 08/04/21           | Redeemable at par at the end of 1109 days from the date of allotment |
| Series X FY 2017-18          | ₹ 25 Lakh each           | 28/03/18          | 9,500.00                              | 9,500.00                     | -                           | 8.25%                | 21/06/21           | Redeemable at par at the end of 1181 days from the date of allotment |
| Series Y FY 2017-18          | ₹ 25 Lakh each           | 17/09/19          | 45,732.62                             | 45,732.62                    | -                           | 10.24%               | 17/09/19           | Redeemable at par at the end of 3652 days from the date of allotment |
| <b>Total</b>                 | <b>₹ 1000 each</b>       |                   | <b>980,682.62</b>                     | <b>821,007.82</b>            | <b>159,675.00</b>           |                      |                    |  |



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
Notes forming part of the Reformatted Consolidated Financial Information

**Note 4 (a)**

**Unsecured Redeemable Non Convertible Debentures as on March 31, 2018**

| Series Details         | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2018 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of redemption | Redeemable Terms   |
|------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series F of FY 2011-12 | ₹ 10 Lakh each           | 30/12/11          | 20,000.00                             | 20,000.00                    | -                           | 11.50%               | 30/12/21           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series J of FY 2012-13 | ₹ 10 Lakh each           | 21/12/12          | 27,500.00                             | 27,500.00                    | -                           | 9.80%                | 21/12/22           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series C of FY 2013-14 | ₹ 10 Lakh each           | 28/02/14          | 2,500.00                              | 2,500.00                     | -                           | 10.80%               | 28/04/24           | Redeemable at par at the end of 3712 days from the date of allotment |
| Series F of FY 2013-14 | ₹ 10 Lakh each           | 27/03/14          | 5,000.00                              | 5,000.00                     | -                           | 10.90%               | 27/03/24           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series I of FY 2013-14 | ₹ 10 Lakh each           | 27/03/14          | 5,000.00                              | 5,000.00                     | -                           | 10.35%               | 27/03/24           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series E of FY 2014-15 | ₹ 10 Lakh each           | 30/06/14          | 4,000.00                              | 4,000.00                     | -                           | 10.40%               | 28/06/24           | Redeemable at par at the end of 3651 days from the date of allotment |
| Series M of FY 2014-15 | ₹ 10 Lakh each           | 31/12/14          | 5,000.00                              | 5,000.00                     | -                           | 9.95%                | 31/12/24           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series S of FY 2014-15 | ₹ 10 Lakh each           | 30/03/15          | 5,000.00                              | 5,000.00                     | -                           | 9.95%                | 28/03/25           | Redeemable at par at the end of 3651 days from the date of allotment |
| Series J of FY 2015-16 | ₹ 10 Lakh each           | 09/09/15          | 10,000.00                             | 10,000.00                    | -                           | 9.25%                | 09/09/25           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series F of FY 2015-16 | ₹ 10 Lakh each           | 29/01/16          | 3,200.00                              | 3,200.00                     | -                           | 9.35%                | 29/01/27           | Redeemable at par at the end of 4018 days from the date of allotment |
| Series G of FY 2015-16 | ₹ 10 Lakh each           | 09/02/16          | 1,800.00                              | 1,800.00                     | -                           | 9.35%                | 09/02/26           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series H of FY 2015-16 | ₹ 10 Lakh each           | 04/03/16          | 5,000.00                              | 5,000.00                     | -                           | 9.48%                | 04/03/26           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series M of FY 15-16   | ₹ 10 Lakh each           | 23/03/16          | 10,000.00                             | 10,000.00                    | -                           | 9.30%                | 23/03/26           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series P               | ₹ 10 Lakh each           | 30/03/16          | 5,000.00                              | 5,000.00                     | -                           | 10.10%               | 30/03/26           | Redeemable at par at the end of 3652 days from the date of allotment |
| <b>Total</b>           |                          |                   | <b>109,000.00</b>                     | <b>109,000.00</b>            | <b>-</b>                    |                      |                    |  |



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Consolidated Financial Information**

**Note 4 (b)**

**Term loans from bank (Secured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Annually       | Up to 5 Years | 8.00% - 9.00%  | 6,000.00                                 | 4,500.00                        | 1,500.00                       |
|                | Above 5 Years | 8.00% - 9.00%  | 4,000.00                                 | 4,000.00                        | -                              |
| Bullet         | Up to 5 Years | 7.00% - 8.00%  | 50,000.00                                | 50,000.00                       | -                              |
|                | Up to 5 Years | 8.00% - 9.00%  | 435,000.00                               | 132,500.00                      | 302,500.00                     |
| Half Yearly    | Above 5 Years | 9.00% - 10.00% | 77,500.00                                | 77,500.00                       | -                              |
|                | Up to 5 Years | 8.00% - 9.00%  | 169,616.67                               | 131,433.34                      | 38,183.33                      |
| Quarterly      | Above 5 Years | 8.00% - 9.00%  | 11,933.33                                | 11,933.33                       | -                              |
|                | Up to 5 Years | 7.00% - 8.00%  | 107,500.00                               | 107,500.00                      | -                              |
|                | Up to 5 Years | 8.00% - 9.00%  | 11,041.67                                | -                               | 11,041.67                      |
| Total          |               |                | 885,091.67                               | 531,866.67                      | 353,225.00                     |

**Note 4 (c)**

**Line of Credit (Secured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 170,000.00                               | 170,000.00                      | -                              |
| Total          |               |                | 170,000.00                               | 170,000.00                      | -                              |

**Working capital demand loan (Secured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 39,000.00                                | -                               | 39,000.00                      |
|                | Up to 5 Years | 9.00% - 10.00% | 14,600.00                                | -                               | 14,600.00                      |
| Total          |               |                | 53,600.00                                | -                               | 53,600.00                      |

**Line of Credit (Unsecured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 479,700.00                               | 479,700.00                      | -                              |
| Total          |               |                | 479,700.00                               | 479,700.00                      | -                              |

**Working capital demand loan (Unsecured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 63,000.00                                | -                               | 63,000.00                      |
| Total          |               |                | 63,000.00                                | -                               | 63,000.00                      |





Note 4 (a)  
Secured Redeemable Non-Convertible Debentures as on March 31, 2017

| Series Details                | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2017 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|-------------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series A of FY 2013-14        | ₹ 10 Lakh each           | 03/01/14          | 40,000.00                             | 40,000.00                    | -                           | 9.05%                | 05/04/18           | Redeemable at par at the end of 1553 days from the date of allotment |
| Series L of FY 2014-15        | ₹ 100 Lakh each          | 13/03/15          | 15,000.00                             | -                            | 15,000.00                   | 9.10%                | 28/03/18           | Redeemable at par at the end of 1111 days from the date of allotment |
| Series Q of FY 2014-15        | ₹ 100 Lakh each          | 13/03/15          | 15,000.00                             | -                            | 15,000.00                   | 9.10%                | 28/03/18           | Redeemable at par at the end of 1111 days from the date of allotment |
| Series A of FY 2016-17 OPT 1  | ₹ 25 Lakh each           | 13/04/16          | 14,500.00                             | -                            | 14,500.00                   | 8.64%                | 28/03/18           | Redeemable at par at the end of 714 days from the date of allotment  |
| Series P of FY 2014-15 Opt V  | ₹ 25 Lakh each           | 24/02/15          | 2,200.00                              | -                            | 2,200.00                    | 9.24%                | 06/03/18           | Redeemable at par at the end of 1106 days from the date of allotment |
| Series P of FY 2014-15 Opt II | ₹ 25 Lakh each           | 24/02/15          | 500.00                                | -                            | 500.00                      | 9.24%                | 23/02/18           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series P of FY 14-15 OPT I    | ₹ 25 Lakh each           | 24/02/15          | 500.00                                | -                            | 500.00                      | 9.15%                | 07/02/18           | Redeemable at par at the end of 1079 days from the date of allotment |
| Series N - OPT II FY 14-15    | ₹ 25 Lakh each           | 21/01/15          | 12,000.00                             | -                            | 12,000.00                   | 9.20%                | 19/01/18           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series L of FY 14-15 OPT III  | ₹ 25 Lakh each           | 28/12/14          | 900.00                                | -                            | 900.00                      | 9.05%                | 06/12/17           | Redeemable at par at the end of 1078 days from the date of allotment |
| Series P of FY 2014-15 Opt IV | ₹ 25 Lakh each           | 24/02/15          | 2,500.00                              | 2,500.00                     | -                           | 9.25%                | 24/02/20           | Redeemable at par at the end of 1828 days from the date of allotment |
| Series I of FY 14-15 OPT III  | ₹ 25 Lakh each           | 07/11/14          | 900.00                                | -                            | 900.00                      | 9.31%                | 07/11/17           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series I of FY 14-15 OPT II   | ₹ 25 Lakh each           | 28/10/14          | 1,000.00                              | -                            | 1,000.00                    | 9.51%                | 27/10/17           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series P of FY 14-15 OPT III  | ₹ 25 Lakh each           | 24/02/15          | 15,000.00                             | 15,000.00                    | -                           | 9.27%                | 15/09/18           | Redeemable at par at the end of 1201 days from the date of allotment |
| Series L of FY 15-16 OPT I    | ₹ 25 Lakh each           | 29/10/15          | 12,500.00                             | -                            | 12,500.00                   | 8.61%                | 29/09/17           | Redeemable at par at the end of 701 days from the date of allotment  |
| Series K of FY 15-16          | ₹ 25 Lakh each           | 26/10/15          | 10,000.00                             | -                            | 10,000.00                   | 8.61%                | 25/09/17           | Redeemable at par at the end of 700 days from the date of allotment  |
| Series L of FY 15-16 OPT II   | ₹ 25 Lakh each           | 29/10/15          | 10,000.00                             | -                            | 10,000.00                   | 8.61%                | 25/09/17           | Redeemable at par at the end of 697 days from the date of allotment  |
| Series A of FY 2015-16 OPT 7  | ₹ 25 Lakh each           | 17/04/15          | 11,000.00                             | 11,000.00                    | -                           | 8.85%                | 17/04/18           | Redeemable at par at the end of 1056 days from the date of allotment |
| Series D of FY 2015-16 OPT 1  | ₹ 25 Lakh each           | 31/03/15          | 12,500.00                             | -                            | 12,500.00                   | 8.93%                | 31/03/17           | Redeemable at par at the end of 713 days from the date of allotment  |
| Series A of FY 2015-16 OPT 9  | ₹ 25 Lakh each           | 17/04/15          | 1,800.00                              | 1,800.00                     | -                           | 8.86%                | 24/04/18           | Redeemable at par at the end of 1163 days from the date of allotment |
| Series A of FY 2015-16 OPT 8  | ₹ 25 Lakh each           | 17/04/15          | 2,225.00                              | 2,225.00                     | -                           | 8.85%                | 19/04/18           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series A of FY 2015-16 OPT 6  | ₹ 25 Lakh each           | 17/04/15          | 6,000.00                              | 6,000.00                     | -                           | 8.85%                | 16/04/18           | Redeemable at par at the end of 1065 days from the date of allotment |
| Series C of FY 2015-16 OPT 5  | ₹ 25 Lakh each           | 17/04/15          | 175.00                                | 175.00                       | -                           | 8.85%                | 12/04/18           | Redeemable at par at the end of 1091 days from the date of allotment |
| Series C of FY 2015-16 OPT 1  | ₹ 25 Lakh each           | 07/03/15          | 10,000.00                             | -                            | 10,000.00                   | 8.97%                | 07/03/17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series C of FY 2015-16 OPT 2  | ₹ 25 Lakh each           | 07/03/15          | 4,000.00                              | -                            | 4,000.00                    | 8.98%                | 04/03/17           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series F of FY 15-16 OPT VI   | ₹ 25 Lakh each           | 12/06/15          | 2,200.00                              | -                            | 2,200.00                    | 8.80%                | 01/06/17           | Redeemable at par at the end of 781 days from the date of allotment  |
| Series A of FY 2015-16 OPT 4  | ₹ 25 Lakh each           | 29/04/15          | 850.00                                | 850.00                       | -                           | 8.82%                | 23/04/18           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series K of FY 14-15 OPT II   | ₹ 25 Lakh each           | 30/01/15          | 12,500.00                             | -                            | 12,500.00                   | 8.62%                | 28/07/17           | Redeemable at par at the end of 762 days from the date of allotment  |
| Series G of FY 2015-16 OPT 2  | ₹ 25 Lakh each           | 26/06/15          | 2,925.00                              | -                            | 2,925.00                    | 8.90%                | 27/07/17           | Redeemable at par at the end of 773 days from the date of allotment  |
| Series H of FY 2015-16 OPT V  | ₹ 25 Lakh each           | 12/05/15          | 150.00                                | -                            | 150.00                      | 8.80%                | 24/07/17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series B of FY 2015-16 OPT 5  | ₹ 25 Lakh each           | 11/05/15          | 5,000.00                              | -                            | 5,000.00                    | 8.91%                | 21/07/17           | Redeemable at par at the end of 1052 days from the date of allotment |
| Series B of FY 2015-16 OPT 4  | ₹ 25 Lakh each           | 11/05/15          | 200.00                                | 200.00                       | -                           | 8.89%                | 07/05/18           | Redeemable at par at the end of 1085 days from the date of allotment |
| Series G of FY 2015-16 OPT 1  | ₹ 25 Lakh each           | 13/07/15          | 600.00                                | 600.00                       | -                           | 8.85%                | 30/04/18           | Redeemable at par at the end of 1085 days from the date of allotment |
| Series H of FY 2015-16 OPT 2  | ₹ 25 Lakh each           | 13/07/15          | 1,000.00                              | -                            | 1,000.00                    | 8.98%                | 13/07/17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series H of FY 2015-16 OPT 1  | ₹ 25 Lakh each           | 21/07/15          | 1,550.00                              | -                            | 1,550.00                    | 8.92%                | 12/07/17           | Redeemable at par at the end of 722 days from the date of allotment  |
| Series C of FY 2015-16 OPT 5  | ₹ 25 Lakh each           | 13/07/15          | 5,000.00                              | -                            | 5,000.00                    | 8.99%                | 06/07/17           | Redeemable at par at the end of 724 days from the date of allotment  |
| Series C of FY 2015-16 OPT 3  | ₹ 25 Lakh each           | 20/05/15          | 2,600.00                              | 2,600.00                     | -                           | 8.87%                | 20/05/20           | Redeemable at par at the end of 1827 days from the date of allotment |
| Series C of FY 2015-16 OPT 3  | ₹ 25 Lakh each           | 20/05/15          | 1,500.00                              | 1,500.00                     | -                           | 8.91%                | 18/05/18           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series C of FY 2015-16 OPT 8  | ₹ 25 Lakh each           | 20/05/15          | 3,200.00                              | 3,200.00                     | -                           | 8.91%                | 22/05/18           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series G of FY 2015-16 OPT 1  | ₹ 25 Lakh each           | 26/05/15          | 17,500.00                             | -                            | 17,500.00                   | 8.90%                | 26/05/17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series C of FY 2015-16 OPT 4  | ₹ 25 Lakh each           | 20/05/15          | 4,700.00                              | 4,700.00                     | -                           | 8.90%                | 11/05/18           | Redeemable at par at the end of 1118 days from the date of allotment |
| Series C of FY 2015-16 OPT 2  | ₹ 25 Lakh each           | 20/05/15          | 3,000.00                              | 3,000.00                     | -                           | 8.91%                | 15/05/18           | Redeemable at par at the end of 1091 days from the date of allotment |
| Series C of FY 2015-16 OPT 1  | ₹ 25 Lakh each           | 20/05/15          | 625.00                                | 625.00                       | -                           | 8.91%                | 14/05/18           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series F 15-16                | ₹ 25 Lakh each           | 30/05/15          | 1,800.00                              | -                            | 1,800.00                    | 8.89%                | 26/05/17           | Redeemable at par at the end of 727 days from the date of allotment  |
| Series D of FY 2015-16 OPT 3  | ₹ 25 Lakh each           | 27/05/15          | 4,050.00                              | 4,050.00                     | -                           | 8.88%                | 27/05/18           | Redeemable at par at the end of 1461 days from the date of allotment |
| Series E of FY 2015-16 OPT 2  | ₹ 25 Lakh each           | 04/05/15          | 300.00                                | -                            | 300.00                      | 8.80%                | 20/05/17           | Redeemable at par at the end of 747 days from the date of allotment  |
| Series F of FY 14-15 - III    | ₹ 25 Lakh each           | 25/03/14          | 2,400.00                              | -                            | 2,400.00                    | 9.76%                | 19/03/17           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series F of FY 15-16 OPT IV   | ₹ 25 Lakh each           | 12/06/15          | 225.00                                | -                            | 225.00                      | 8.82%                | 19/06/17           | Redeemable at par at the end of 736 days from the date of allotment  |
| Series E of FY 2015-16 OPT 2  | ₹ 25 Lakh each           | 23/05/15          | 2,800.00                              | -                            | 2,800.00                    | 8.95%                | 19/06/17           | Redeemable at par at the end of 727 days from the date of allotment  |



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Consolidated Financial Information**

**Note 4 (a)**  
**Secured Redeemable Non Convertible Debentures as on March 31, 2017**

| Series Details            | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2017 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|---------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series F FY 15-16 OPT III | ₹ 25 Lakh each           | 12/06/15          | 300.00                                | -                            | 300.00                      | 8.82%                | 12/06/17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series E FY 2015-16 OPT 4 | ₹ 25 Lakh each           | 04/06/15          | 900.00                                | 500.00                       | -                           | 8.80%                | 04/06/18           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series E FY 2015-16 OPT 7 | ₹ 25 Lakh each           | 04/06/15          | 2,500.00                              | -                            | 2,500.00                    | 8.80%                | 04/06/19           | Redeemable at par at the end of 1491 days from the date of allotment |
| Series E FY 2015-16 OPT 6 | ₹ 25 Lakh each           | 04/06/15          | 2,000.00                              | 2,000.00                     | -                           | 8.80%                | 24/12/18           | Redeemable at par at the end of 1299 days from the date of allotment |
| Series E FY 2015-16 OPT 5 | ₹ 25 Lakh each           | 04/06/15          | 1,700.00                              | 1,700.00                     | -                           | 8.85%                | 22/11/18           | Redeemable at par at the end of 1267 days from the date of allotment |
| Series E FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 04/06/15          | 3,700.00                              | 3,700.00                     | -                           | 8.85%                | 04/06/18           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series D FY 2015-16 OPT 4 | ₹ 25 Lakh each           | 12/06/15          | 600.00                                | -                            | 600.00                      | 8.91%                | 12/06/17           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series D FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 12/06/15          | 2,500.00                              | -                            | 2,500.00                    | 8.91%                | 07/06/17           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series E FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 23/06/15          | 200.00                                | -                            | 200.00                      | 8.95%                | 06/06/17           | Redeemable at par at the end of 714 days from the date of allotment  |
| Series D FY 2015-16 OPT 2 | ₹ 25 Lakh each           | 12/06/15          | 400.00                                | -                            | 400.00                      | 8.91%                | 05/06/17           | Redeemable at par at the end of 724 days from the date of allotment  |
| Series F FY 15-16 OPT II  | ₹ 25 Lakh each           | 12/06/15          | 250.00                                | -                            | 250.00                      | 8.82%                | 31/05/17           | Redeemable at par at the end of 719 days from the date of allotment  |
| Series C FY 2015-16 OPT 4 | ₹ 25 Lakh each           | 27/05/15          | 1,500.00                              | -                            | 1,500.00                    | 8.91%                | 29/05/17           | Redeemable at par at the end of 733 days from the date of allotment  |
| Series D FY 2015-16 OPT 2 | ₹ 25 Lakh each           | 27/05/15          | 500.00                                | -                            | 500.00                      | 8.80%                | 26/05/17           | Redeemable at par at the end of 730 days from the date of allotment  |
| Series C FY 2015-16 OPT 2 | ₹ 25 Lakh each           | 27/05/15          | 500.00                                | -                            | 500.00                      | 8.91%                | 24/05/17           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series E FY 2015-16 OPT 2 | ₹ 25 Lakh each           | 23/05/15          | 1,650.00                              | -                            | 1,650.00                    | 8.91%                | 22/05/17           | Redeemable at par at the end of 726 days from the date of allotment  |
| Series E FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 23/05/15          | 500.00                                | 500.00                       | -                           | 8.85%                | 07/01/19           | Redeemable at par at the end of 1294 days from the date of allotment |
| Series B FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 11/05/15          | 1,050.00                              | -                            | 1,050.00                    | 8.80%                | 15/05/17           | Redeemable at par at the end of 735 days from the date of allotment  |
| Series C FY 2015-16 OPT 7 | ₹ 25 Lakh each           | 20/05/15          | 1,225.00                              | -                            | 1,225.00                    | 8.81%                | 15/05/17           | Redeemable at par at the end of 726 days from the date of allotment  |
| Series G FY 2015-16 OPT 4 | ₹ 25 Lakh each           | 26/06/15          | 500.00                                | 500.00                       | -                           | 8.90%                | 26/06/18           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series C FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 27/05/15          | 250.00                                | -                            | 250.00                      | 8.90%                | 09/05/17           | Redeemable at par at the end of 713 days from the date of allotment  |
| Series G FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 26/06/15          | 1,000.00                              | 1,000.00                     | -                           | 8.91%                | 20/06/18           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series A FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 29/04/15          | 1,825.00                              | -                            | 1,825.00                    | 8.87%                | 04/05/17           | Redeemable at par at the end of 736 days from the date of allotment  |
| Series B FY 2015-16 OPT 2 | ₹ 25 Lakh each           | 11/05/15          | 4,900.00                              | -                            | 4,900.00                    | 8.80%                | 02/05/17           | Redeemable at par at the end of 722 days from the date of allotment  |
| Series H FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 08/07/15          | 6,000.00                              | 6,000.00                     | -                           | 8.92%                | 06/07/18           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series H FY 2015-16 OPT 4 | ₹ 25 Lakh each           | 08/07/15          | 2,600.00                              | 2,600.00                     | -                           | 8.93%                | 17/07/18           | Redeemable at par at the end of 1105 days from the date of allotment |
| Series H FY 2015-16 OPT 2 | ₹ 25 Lakh each           | 08/07/15          | 3,500.00                              | 3,500.00                     | -                           | 8.93%                | 05/07/18           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series H FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 08/07/15          | 3,500.00                              | 3,500.00                     | -                           | 8.93%                | 02/07/18           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series A FY 2015-16 OPT 4 | ₹ 25 Lakh each           | 17/04/15          | 2,200.00                              | -                            | 2,200.00                    | 8.81%                | 27/04/17           | Redeemable at par at the end of 741 days from the date of allotment  |
| Series D FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 27/05/15          | 1,500.00                              | -                            | 1,500.00                    | 8.80%                | 27/04/17           | Redeemable at par at the end of 701 days from the date of allotment  |
| Series A FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 29/04/15          | 1,700.00                              | -                            | 1,700.00                    | 8.87%                | 26/04/17           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series A FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 29/04/15          | 2,450.00                              | -                            | 2,450.00                    | 8.87%                | 25/04/17           | Redeemable at par at the end of 727 days from the date of allotment  |
| Series L FY 14-15 OPT IV  | ₹ 25 Lakh each           | 13/02/15          | 1,025.00                              | -                            | 1,025.00                    | 9.02%                | 17/04/17           | Redeemable at par at the end of 794 days from the date of allotment  |
| Series A FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 17/04/15          | 5,500.00                              | -                            | 5,500.00                    | 8.80%                | 17/04/17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series I FY 2015-16 OPT 2 | ₹ 25 Lakh each           | 19/08/15          | 2,500.00                              | 2,500.00                     | -                           | 8.80%                | 17/08/18           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series I FY 2015-16 OPT 3 | ₹ 25 Lakh each           | 19/08/15          | 1,800.00                              | 1,800.00                     | -                           | 8.80%                | 03/09/18           | Redeemable at par at the end of 1111 days from the date of allotment |
| Series I FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 19/08/15          | 3,000.00                              | 3,000.00                     | -                           | 8.80%                | 16/08/18           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series J FY 15-16 OPT 1   | ₹ 25 Lakh each           | 27/08/15          | 3,000.00                              | 3,000.00                     | -                           | 8.81%                | 20/08/18           | Redeemable at par at the end of 1089 days from the date of allotment |
| Series A FY 2015-16 OPT 2 | ₹ 25 Lakh each           | 17/04/15          | 3,575.00                              | -                            | 3,575.00                    | 8.81%                | 06/04/17           | Redeemable at par at the end of 720 days from the date of allotment  |
| Series L FY 14-15 OPT III | ₹ 25 Lakh each           | 13/02/15          | 500.00                                | -                            | 500.00                      | 9.03%                | 04/04/17           | Redeemable at par at the end of 781 days from the date of allotment  |
| Series A FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 17/04/15          | 475.00                                | -                            | 475.00                      | 8.81%                | 04/04/17           | Redeemable at par at the end of 718 days from the date of allotment  |
| Series B FY 2015-16 OPT 6 | ₹ 25 Lakh each           | 11/05/15          | 4,000.00                              | -                            | 4,000.00                    | 8.86%                | 04/04/17           | Redeemable at par at the end of 694 days from the date of allotment  |
| Series N of FY 15-16      | ₹ 25 Lakh each           | 26/03/16          | 18,500.00                             | 18,500.00                    | -                           | 8.90%                | 29/04/19           | Redeemable at par at the end of 1126 days from the date of allotment |
| Series A FY 2016-17 OPT 2 | ₹ 25 Lakh each           | 13/04/16          | 400.00                                | 400.00                       | -                           | 8.69%                | 30/09/19           | Redeemable at par at the end of 1285 days from the date of allotment |
| Series A FY 2016-17 OPT 6 | ₹ 25 Lakh each           | 13/04/16          | 7,500.00                              | 7,500.00                     | -                           | 8.69%                | 12/09/19           | Redeemable at par at the end of 1247 days from the date of allotment |
| Series A FY 2016-17 OPT 5 | ₹ 25 Lakh each           | 13/04/16          | 27,500.00                             | 27,500.00                    | -                           | 8.69%                | 13/06/19           | Redeemable at par at the end of 1156 days from the date of allotment |
| Series A FY 2016-17 OPT 4 | ₹ 25 Lakh each           | 13/04/16          | 2,500.00                              | 2,500.00                     | -                           | 8.69%                | 31/05/19           | Redeemable at par at the end of 1143 days from the date of allotment |
| Series A FY 2016-17 OPT 3 | ₹ 25 Lakh each           | 13/04/16          | 1,000.00                              | 1,000.00                     | -                           | 8.70%                | 12/04/19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series A FY 2016-17 OPT 2 | ₹ 25 Lakh each           | 13/04/16          | 17,000.00                             | 17,000.00                    | -                           | 8.69%                | 12/03/19           | Redeemable at par at the end of 1083 days from the date of allotment |
| Series B FY 2015-16 OPT 1 | ₹ 25 Lakh each           | 11/05/15          | 3,000.00                              | -                            | 3,000.00                    | 8.78%                | 03/04/17           | Redeemable at par at the end of 693 days from the date of allotment  |
| Series A FY 2016-17       | ₹ 25 Lakh each           | 20/04/16          | 1,000.00                              | 1,000.00                     | -                           | 8.80%                | 19/04/19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series B FY 2016-17       | ₹ 25 Lakh each           | 20/04/16          | 30,000.00                             | 30,000.00                    | -                           | 8.66%                | 20/08/19           | Redeemable at par at the end of 1217 days from the date of allotment |
| Series B FY 16-17 OPT 2   | ₹ 25 Lakh each           | 20/05/16          | 2,000.00                              | 2,000.00                     | -                           | 8.80%                | 20/05/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series B FY 16-17 OPT 1   | ₹ 25 Lakh each           | 20/05/16          | 5,000.00                              | 5,000.00                     | -                           | 8.80%                | 18/05/18           | Redeemable at par at the end of 728 days from the date of allotment  |





**L&T Finance Limited (erstwhile Family Credit Limited)**  
Notes forming part of the Reformatted Consolidated Financial Information

**Note 4 (a)**  
**Secured Redeemable Non Convertible Debentures as on March 31, 2017**

| Series Details                  | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2017 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|---------------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series A of FY 2016-17 Option 1 | ₹ 25 Lakh each           | 20/05/16          | 12,500.00                             | 12,500.00                    | -                           | 8.80%                | 21/05/19           | Redeemable at par at the end of 1127 days from the date of allotment |
| Series C of FY 2016-17 Option 2 | ₹ 25 Lakh each           | 24/05/16          | 300.00                                | 300.00                       | -                           | 8.80%                | 28/05/19           | Redeemable at par at the end of 1130 days from the date of allotment |
| Series C of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 24/05/16          | 5,000.00                              | 5,000.00                     | -                           | 8.65%                | 24/05/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series C of FY 2016-17 OPT 2    | ₹ 25 Lakh each           | 13/06/16          | 1,000.00                              | 1,000.00                     | -                           | 8.80%                | 11/05/21           | Redeemable at par at the end of 1624 days from the date of allotment |
| Series C of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 13/06/16          | 1,000.00                              | 1,000.00                     | -                           | 8.80%                | 13/05/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series D of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 14/06/16          | 5,000.00                              | 5,000.00                     | -                           | 8.72%                | 14/05/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series E of FY 2016-17 OPT 2    | ₹ 25 Lakh each           | 29/06/16          | 250.00                                | 250.00                       | -                           | 8.72%                | 22/07/19           | Redeemable at par at the end of 1118 days from the date of allotment |
| Series E of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 29/06/16          | 13,000.00                             | 13,000.00                    | -                           | 8.72%                | 28/05/19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series F of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 22/07/16          | 20,000.00                             | 20,000.00                    | -                           | 8.70%                | 20/07/18           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series G of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 03/08/16          | 7,500.00                              | 7,500.00                     | -                           | 8.45%                | 02/08/19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series H of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 03/08/16          | 5,000.00                              | 5,000.00                     | -                           | 8.40%                | 03/08/18           | Redeemable at par at the end of 730 days from the date of allotment  |
| Series I of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 05/08/16          | 7,500.00                              | 7,500.00                     | -                           | 7.37%                | 05/08/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series J of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 05/08/16          | 500.00                                | 500.00                       | -                           | 8.65%                | 05/08/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series K of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 05/08/16          | 1,000.00                              | 1,000.00                     | -                           | 8.65%                | 03/08/18           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series L of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 09/08/16          | 5,000.00                              | 5,000.00                     | -                           | 8.40%                | 09/08/19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series M of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 18/08/16          | 250.00                                | 250.00                       | -                           | 8.55%                | 05/08/19           | Redeemable at par at the end of 1082 days from the date of allotment |
| Series N of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 23/08/16          | 1,175.00                              | 1,175.00                     | -                           | 8.54%                | 30/09/19           | Redeemable at par at the end of 1133 days from the date of allotment |
| Series O of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 08/09/16          | 5,000.00                              | 5,000.00                     | -                           | 8.31%                | 06/09/19           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series P of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 12/09/16          | 20,000.00                             | 20,000.00                    | -                           | 8.31%                | 12/09/19           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series Q of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 19/01/17          | 15,000.00                             | 15,000.00                    | -                           | 7.65%                | 20/01/20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series R of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 22/03/17          | 5,000.00                              | 5,000.00                     | -                           | 7.71%                | 22/03/20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series S of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 27/03/17          | 2,500.00                              | 2,500.00                     | -                           | 7.90%                | 27/03/20           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series T of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 29/03/17          | 5,000.00                              | 5,000.00                     | -                           | 7.75%                | 29/03/20           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series U of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 31/03/17          | 10,000.00                             | 10,000.00                    | -                           | 7.90%                | 29/03/20           | Redeemable at par at the end of 1188 days from the date of allotment |
| Series V of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 17/09/17          | 45,981.99                             | 45,981.99                    | -                           | 10.24%               | 17/09/19           | Redeemable at par at the end of 1155 days from the date of allotment |
| NCD 2008 Series 4               | ₹ 1000 each              |                   | 695,606.99                            | 490,181.99                   | 215,425.00                  |                      |                    | Redeemable at par at the end of 3652 days from the date of allotment |

**Note 4 (a)**  
**Unsecured Redeemable Non Convertible Debentures as on March 31, 2017**

| Series Details         | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2017 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series H of FY 2007-08 | ₹ 10 Lakh each           | 20/02/08          | 7,500.00                              | -                            | 7,500.00                    | 10.50%               | 20/02/18           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series F of FY 2011-12 | ₹ 10 Lakh each           | 30/12/11          | 20,000.00                             | 20,000.00                    | -                           | 11.50%               | 30/12/21           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series J of FY 2012-13 | ₹ 10 Lakh each           | 21/12/12          | 27,500.00                             | 27,500.00                    | -                           | 9.80%                | 21/12/22           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series C of FY 2013-14 | ₹ 10 Lakh each           | 28/02/14          | 2,500.00                              | 2,500.00                     | -                           | 10.90%               | 28/02/24           | Redeemable at par at the end of 3712 days from the date of allotment |
| Series F of FY 2013-14 | ₹ 10 Lakh each           | 27/03/14          | 5,000.00                              | 5,000.00                     | -                           | 10.90%               | 27/03/24           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series I of FY 2013-14 | ₹ 10 Lakh each           | 27/03/14          | 5,000.00                              | 5,000.00                     | -                           | 10.35%               | 27/03/24           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series E of FY 2014-15 | ₹ 10 Lakh each           | 30/06/14          | 4,000.00                              | 4,000.00                     | -                           | 10.40%               | 28/06/24           | Redeemable at par at the end of 3651 days from the date of allotment |
| Series M of FY 2014-15 | ₹ 10 Lakh each           | 31/12/14          | 5,000.00                              | 5,000.00                     | -                           | 9.95%                | 31/12/24           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series S of FY 2014-15 | ₹ 10 Lakh each           | 30/03/15          | 5,000.00                              | 5,000.00                     | -                           | 9.95%                | 28/03/25           | Redeemable at par at the end of 3651 days from the date of allotment |
| Series J of FY 2015-16 | ₹ 10 Lakh each           | 09/09/15          | 10,000.00                             | 10,000.00                    | -                           | 9.25%                | 09/09/25           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series G of FY 2015-16 | ₹ 10 Lakh each           | 29/01/16          | 3,200.00                              | 3,200.00                     | -                           | 9.35%                | 29/01/27           | Redeemable at par at the end of 4018 days from the date of allotment |
| Series F of FY 2015-16 | ₹ 10 Lakh each           | 09/02/16          | 1,900.00                              | 1,900.00                     | -                           | 9.35%                | 09/02/26           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series H of FY 2015-16 | ₹ 10 Lakh each           | 04/03/16          | 5,000.00                              | 5,000.00                     | -                           | 9.48%                | 04/03/26           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series K of FY 2015-16 | ₹ 10 Lakh each           | 23/03/16          | 10,000.00                             | 10,000.00                    | -                           | 9.30%                | 23/03/26           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series L of FY 2015-16 | ₹ 10 Lakh each           | 30/03/16          | 5,000.00                              | 5,000.00                     | -                           | 10.10%               | 30/03/26           | Redeemable at par at the end of 3652 days from the date of allotment |
|                        |                          |                   | 116,500.00                            | 109,090.00                   | 7,500.00                    |                      |                    |  |



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Consolidated Financial Information**

**Note 4 (b)**

**Term loans from bank (Secured) as on March 31, 2017**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2017<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Above 5 Years | 8.00% - 9.00%  | 225,000.00                               | 225,000.00                      | -                              |
|                | Above 5 Years | 9.00% - 10.00% | 40,000.00                                | 40,000.00                       | -                              |
| Half Yearly    | Up to 5 Years | 8.00% - 9.00%  | 250.00                                   | -                               | 250.00                         |
|                | Up to 5 Years | 9.00% - 10.00% | 12,709.00                                | -                               | 12,709.00                      |
|                | Above 5 Years | 8.00% - 9.00%  | 58,300.00                                | 58,300.00                       | -                              |
|                | Above 5 Years | 9.00% - 10.00% | 62,291.00                                | 62,291.00                       | -                              |
|                | Up to 5 Years | 8.00% - 9.00%  | 1,666.67                                 | -                               | 1,666.67                       |
| Quarterly      | Up to 5 Years | 9.00% - 10.00% | 3,958.33                                 | -                               | 3,958.33                       |
|                | Above 5 Years | 8.00% - 9.00%  | 17,500.00                                | 17,500.00                       | -                              |
|                | Above 5 Years | 9.00% - 10.00% | 1,666.67                                 | 1,666.67                        | -                              |
|                | Above 5 Years | 9.00% - 10.00% | 1,666.67                                 | 1,666.67                        | -                              |
| <b>Total</b>   |               |                | <b>423,341.67</b>                        | <b>404,757.67</b>               | <b>18,584.00</b>               |

**Note 4 (c)**

**Line of Credit (Secured) as on March 31, 2017**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2017<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 190,000.00                               | 190,000.00                      | -                              |
| <b>Total</b>   |               |                | <b>190,000.00</b>                        | <b>190,000.00</b>               | <b>-</b>                       |

**Working capital demand loan (Secured) as on March 31, 2017**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2017<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 2,000.00                                 | 2,000.00                        | -                              |
| <b>Total</b>   |               |                | <b>2,000.00</b>                          | <b>2,000.00</b>                 | <b>-</b>                       |

**Line of Credit (Unsecured) as on March 31, 2017**

| Line of Credit (Unsecured) as on March 31, 2017 |               |                |  |                                 |                                |
|---|---------------|----------------|--|---------------------------------|--------------------------------|
| Repayment Term                                  | Tenure        | Interest Range | Balance as at March 31, 2017<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
| Bullet  | Up to 5 Years | 8.00% - 9.00%  | 295,500.00                               | 295,500.00                      | -                              |
|   |               | 9.00% - 10.00% | 50,000.00                                | 50,000.00                       | -                              |
| Total   |               |                | 345,500.00                               | 345,500.00                      | -                              |



Notes forming part of the Reformatted Consolidated Financial Information

|   | As at March 31, 2018<br>₹ in lakh | As at March 31, 2017<br>₹ in lakh |
|---|-----------------------------------|-----------------------------------|
| <b>5 Other long term liabilities</b>  |                                   |                                   |
| Interest accrued but not due on borrowings                                      |                                   |                                   |
| Security deposits and margin money received                                     | 4,088.95                          | 12,588.39                         |
| Construction finance - Debt Service Reserve amount and interest payable thereon | 333.64                            | 1,348.60                          |
| Others  |                                   | 482.78                            |
| <b>Total other long term liabilities</b>  | <b>4,422.59</b>                   | <b>14,419.77</b>                  |
| <b>6 Long-term provisions</b>   |                                   |                                   |
| Others:   |                                   |                                   |
| Contingency provision against standard assets                                   | 9,884.66                          | 6,428.29                          |
| Interest capitalised on restructured assets                                     | 575.58                            | 2,408.97                          |
| For Employee benefits   |                                   |                                   |
| - Gratuity  | 163.24                            | 319.33                            |
| <b>Total long-term provisions</b>   | <b>10,423.48</b>                  | <b>9,157.59</b>                   |
| <b>7 Short-term borrowings</b>  |                                   |                                   |
| (i) Secured *   |                                   |                                   |
| Bank overdraft/ Cash Credit   |                                   |                                   |
| (ii) Unsecured  |                                   |                                   |
| Commercial papers   | 5,846.91                          | 7,658.42                          |
| Less: Unexpired discounting charge  | 5,846.91                          | 7,658.42                          |
| Loans and advances from related parties (LCDS)                                  |                                   |                                   |
|   | 670,000.00                        | 985,050.00                        |
|   | 17,418.32                         | 20,007.82                         |
| <b>Total I</b>  | <b>652,581.68</b>                 | <b>965,042.18</b>                 |
|   | 66,571.00                         | 24,351.00                         |
| <b>Total II</b>   | <b>719,152.68</b>                 | <b>989,393.18</b>                 |
| <b>Total (I + II)</b>   | <b>724,996.59</b>                 | <b>997,051.40</b>                 |
| <b>8 Trade payables</b>   |                                   |                                   |
| * Secured by first exclusive charge on specific receivables                     |                                   |                                   |
| Due to Micro and Small Enterprises (see note below)                             | 9,495.42                          | 5,529.13                          |
| Others  | 9,485.42                          | 8,828.13                          |
| <b>Total trade payable</b>  | <b>18,980.84</b>                  | <b>14,357.26</b>                  |



## Notes forming part of the Reformatting Consolidated Financial Information

## 9 Other current liabilities

|   | As at March 31, 2018<br>₹ in lakh | As at March 31, 2017<br>₹ in lakh | ₹ in lakh        |
|---|-----------------------------------|-----------------------------------|------------------|
| Interest accrued but not due on borrowings                        | 66,098.42                         |                                   | 42,327.78        |
| Deferred income on loan processing and assignments                | 166.20                            |                                   | 530.22           |
| Security deposits and cash margin money received                  | 1,548.47                          |                                   | 1,106.19         |
| Short-term obligations  | 1,037.95                          |                                   | 1,307.55         |
| Statutory dues  | 3,179.59                          |                                   | 3,405.20         |
| Advances from customers   | 16,225.70                         |                                   | 22,957.81        |
| Trade payables for capital goods                                  | 11.79                             |                                   | 11.79            |
| Overdraft as per books of account                                 | 7.42                              |                                   | 1,852.38         |
| Accrued expenses  | 7,795.82                          |                                   | 11,158.48        |
| Other liabilities (Refer note 29.3 for related parties' balances) | 2,313.81                          |                                   | 6,618.02         |
| <b>Total other current liabilities</b>                            | <b>98,385.17</b>                  |                                   | <b>91,275.42</b> |

Note: No amount was due for transfer to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

## 10 Short-term provisions

For employee benefits:  
Compensated absences

Others:

Contingency provision against standard assets  
Provision for tax (net of advance tax)  
Total short-term provisions

831.33  
4,187.36  
5,018.69

1,019.80  
4,967.87  
2,050.82  
8,038.49



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
Notes forming part of the Reformatted Consolidated Financial Information  
Notes 11 : Property, plant and equipment and Intangible assets

| Particulars                              | Gross Block       |   |                 |                   |                   |                  | Accumulated Depreciation |                 |                   | Net Block         |                   |
|--|-------------------|---|-----------------|-------------------|-------------------|------------------|--------------------------|-----------------|-------------------|-------------------|-------------------|
|  | As at 1-Apr-17    | Acquisition through business combination* | Additions       | Sale / Adjustment | As at 31-Mar-18   | Upto 1-Apr-17    | For the year             | Deductions      | Upto 31-Mar-18    | As at 31-Mar-18   | As at 31-Mar-17   |
|  |                   |   |                 |                   |                   |                  |                          |                 |                   |                   |                   |
| <b>Property, plant and equipment</b>     |                   |   |                 |                   |                   |                  |                          |                 |                   |                   |                   |
| <u>Owned assets</u>                      |                   |   |                 |                   |                   |                  |                          |                 |                   |                   |                   |
| Buildings                                | 2,663.44          | -   | -               | 2,618.12          | 45.32             | 52.81            | 50.18                    | 94.05           | 8.93              | 36.39             | 2,610.63          |
| Office equipment                         | 645.45            | -   | 47.46           | 92.35             | 600.56            | 253.55           | 149.53                   | 84.56           | 318.52            | 282.04            | 391.90            |
| Furniture and fixtures                   | 849.79            | -   | 105.50          | 118.75            | 836.54            | 283.74           | 223.83                   | 95.21           | 412.36            | 424.18            | 566.05            |
| Leasehold renovation                     | 2,079.21          | -   | 61.84           | 157.80            | 1,983.25          | 878.79           | 436.66                   | 152.46          | 1,162.99          | 820.26            | 1,200.42          |
| Computers                                | 2,311.69          | -   | 986.78          | 848.91            | 2,449.56          | 1,192.44         | 670.77                   | 781.27          | 1,081.94          | 1,367.62          | 1,119.25          |
| Motor car                                | 10.13             | -   | 120.00          | 10.13             | 120.00            | 10.13            | 20.58                    | 10.13           | 20.58             | 99.42             | -                 |
| <u>Owned assets leased out</u>           |                   |   |                 |                   |                   |                  |                          |                 |                   |                   |                   |
| Plant and Machinery                      | 4,051.23          | -   | -               | 794.26            | 3,256.97          | 795.77           | 597.67                   | 209.54          | 1,183.90          | 2,073.07          | 3,255.46          |
| Office Equipment                         | 77.06             | -   | -               | -                 | 77.06             | 31.60            | 31.17                    | -               | 62.77             | 14.29             | 45.46             |
| Furniture and fixtures                   | 987.80            | -   | -               | -                 | 987.80            | 192.56           | 207.61                   | -               | 400.17            | 587.63            | 795.24            |
| Motor car                                | 7,792.47          | -   | 424.63          | 5,199.08          | 3,018.02          | 1,901.01         | 820.25                   | 1,431.91        | 1,289.35          | 1,728.67          | 5,891.46          |
| Vehicles                                 | 50.34             | -   | -               | -                 | 50.34             | 50.34            | -                        | -               | 50.34             | -                 | -                 |
| Computers                                | 219.05            | -   | -               | 75.00             | 144.05            | 69.61            | 55.22                    | -               | 124.83            | 19.22             | 149.44            |
| <b>(A)</b>                               | <b>21,737.66</b>  | <b>-</b>                                  | <b>1,746.21</b> | <b>9,914.40</b>   | <b>13,589.47</b>  | <b>5,712.35</b>  | <b>3,263.47</b>          | <b>2,859.14</b> | <b>6,116.68</b>   | <b>7,452.79</b>   | <b>16,025.31</b>  |
| <u>Intangible assets</u>                 |                   |   |                 |                   |                   |                  |                          |                 |                   |                   |                   |
| Specialised software                     | 2,652.56          | -   | -               | -                 | 4,034.18          | 1,893.90         | 713.96                   | -               | 2,607.86          | 1,426.32          | 758.66            |
| Distribution and Customer Network Rights | 43,880.00         | -   | -               | -                 | 43,880.00         | 8,776.00         | 8,776.00                 | -               | 17,552.00         | 26,328.00         | 35,104.00         |
| Goodwill                                 | 282,851.10        | -   | -               | -                 | 282,851.10        | 56,570.22        | 56,570.22                | -               | 113,140.44        | 169,710.66        | 226,280.88        |
| <b>(B)</b>                               | <b>329,383.66</b> | <b>-</b>                                  | <b>1,381.62</b> | <b>-</b>          | <b>330,765.28</b> | <b>67,240.12</b> | <b>66,080.18</b>         | <b>-</b>        | <b>133,300.30</b> | <b>197,464.98</b> | <b>262,143.54</b> |
| <b>Total (A) + (B)</b>                   | <b>351,121.32</b> | <b>-</b>                                  | <b>3,127.83</b> | <b>9,914.40</b>   | <b>344,334.75</b> | <b>72,952.47</b> | <b>69,323.65</b>         | <b>2,859.14</b> | <b>139,416.98</b> | <b>204,917.77</b> | <b>278,168.85</b> |

Released on account of acquisition through business combination





**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Consolidated Financial Information**  
**Notes 11 : Property, plant and equipment and Intangible assets**

| Particulars                              | Gross Block       |  |                 |                             |                      |                    | Accumulated Depreciation |                  |                 |                   | Net Block          |                   | ₹ in Lakh |
|--|-------------------|--|-----------------|-----------------------------|----------------------|--------------------|--------------------------|------------------|-----------------|-------------------|--------------------|-------------------|-----------|
|  | As at<br>1-Apr-16 | Acquisition<br>through<br>business<br>combination* | Additions       | Amalgamation<br>Adjustments | Sale /<br>Adjustment | As at<br>31-Mar-17 | Upto<br>1-Apr-16         | For the<br>year  | Deductions      | Upto<br>31-Mar-17 | As at<br>31-Mar-17 | As at<br>1-Apr-16 |           |
| <b>Tangible Assets</b>                   |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |                   |           |
| <b>Owned Assets</b>                      |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |                   |           |
| Buildings                                | -                 | 2,663.44   | -               | -                           | -                    | 2,663.44           | -                        | 52.81            | -               | 52.81             | 2,610.63           | -                 |           |
| Office Equipment                         | 304.70            | 422.81   | 100.72          | -                           | 182.78               | 645.45             | 244.45                   | 174.92           | 165.82          | 253.55            | 391.90             | 60.25             |           |
| Furniture and fixtures                   | 165.12            | 677.02   | 123.85          | -                           | 116.20               | 849.79             | 163.16                   | 205.21           | 84.63           | 283.74            | 565.05             | 1.98              |           |
| Leasehold Renovation                     | 632.53            | 1,295.10   | 432.63          | -                           | 281.05               | 2,079.21           | 555.88                   | 560.32           | 237.39          | 878.79            | 1,200.42           | 76.67             |           |
| Computers                                | 1,272.24          | 1,322.12   | 388.57          | -                           | 671.24               | 2,311.69           | 1,115.92                 | 749.24           | 672.72          | 1,192.44          | 1,119.25           | 156.32            |           |
| Motor car                                | 10.13             | -  | -               | -                           | -                    | 10.13              | 10.13                    | -                | -               | 10.13             | -                  | -                 |           |
| <b>Owned Assets Leased out</b>           |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |                   |           |
| Plant and Machinery                      | -                 | 5,298.85   | -               | -                           | 1,247.62             | 4,051.23           | -                        | 795.77           | -               | 795.77            | 3,255.46           | -                 |           |
| Office Equipment                         | -                 | 81.03  | -               | -                           | 3.97                 | 77.06              | -                        | 35.17            | -               | 31.60             | 45.46              | -                 |           |
| Furniture and fixtures                   | -                 | 1,032.24   | -               | -                           | 44.44                | 987.80             | -                        | 212.20           | 19.64           | 192.56            | 795.24             | -                 |           |
| Motor car                                | -                 | 10,200.25  | 182.68          | -                           | 2,590.46             | 7,792.47           | -                        | 1,901.01         | -               | 1,901.01          | 5,891.46           | -                 |           |
| Vehicles                                 | -                 | 140.26   | -               | -                           | 89.92                | 50.34              | -                        | 50.34            | -               | 50.34             | -                  | -                 |           |
| Computers                                | -                 | 243.08   | -               | -                           | 24.03                | 219.05             | -                        | 69.61            | -               | 69.61             | 149.44             | -                 |           |
| <b>(A)</b>                               | <b>2,384.72</b>   | <b>23,376.20</b>                                   | <b>1,228.45</b> | <b>-</b>                    | <b>5,251.71</b>      | <b>21,737.66</b>   | <b>2,089.52</b>          | <b>4,806.60</b>  | <b>1,183.77</b> | <b>5,712.35</b>   | <b>16,025.31</b>   | <b>295.20</b>     |           |
| <b>Intangible Assets</b>                 |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |                   |           |
| Specialised software                     | 1,380.74          | 421.31   | 855.89          | -                           | 5.38                 | 2,652.56           | 1,285.30                 | 613.98           | 5.38            | 1,893.90          | 758.66             | 95.44             |           |
| Distribution and Customer Network Rights | -                 | 43,860.00  | -               | -                           | -                    | 43,860.00          | -                        | 8,776.00         | -               | 8,776.00          | 35,104.00          | -                 |           |
| Goodwill                                 | -                 | 282,851.10   | -               | -                           | -                    | 282,851.10         | -                        | 56,570.22        | -               | 56,570.22         | 226,280.89         | -                 |           |
| <b>(B)</b>                               | <b>1,380.74</b>   | <b>327,152.41</b>                                  | <b>855.89</b>   | <b>-</b>                    | <b>5.38</b>          | <b>329,383.66</b>  | <b>1,285.30</b>          | <b>65,960.20</b> | <b>5.38</b>     | <b>67,240.12</b>  | <b>262,143.54</b>  | <b>95.44</b>      |           |
| <b>Total (A) + (B)</b>                   | <b>3,765.46</b>   | <b>350,528.61</b>                                  | <b>2,084.34</b> | <b>-</b>                    | <b>5,257.09</b>      | <b>351,121.32</b>  | <b>3,374.82</b>          | <b>70,766.80</b> | <b>1,189.15</b> | <b>72,952.47</b>  | <b>278,168.85</b>  | <b>390.64</b>     |           |

Transfer of ownership of amalgamation



| Note No.  | As at March 31, 2018 |                               |                  | As at March 31, 2017 |                               |                  |
|---|----------------------|-------------------------------|------------------|----------------------|-------------------------------|------------------|
|   | Face Value<br>₹      | No. of shares /<br>Debentures | ₹ in lakh        | Face Value<br>₹      | No. of shares /<br>Debentures | ₹ in lakh        |
| 12 Non current investments  |                      |                               |                  |                      |                               |                  |
| 12.(i) Trade Investments (valued at cost unless stated otherwise)   |                      |                               |                  |                      |                               |                  |
| Investment in Associates  |                      |                               |                  |                      |                               |                  |
| Unquoted equity shares  |                      |                               |                  |                      |                               |                  |
| L&T Infra Debt Fund Limited   | 10                   | 138,652,953                   | 19,551.76        | 10                   | 133,133,329                   | 17,571.31        |
| Less: Capital Reserve   |                      |                               | (1,901.31)       |                      |                               | (1,901.31)       |
| Add: Post Acquisition Profit  |                      |                               | 6,209.02         |                      |                               | 2,331.25         |
| Grameen Capital India Private Limited   | 10                   | 2,126,000                     | 212.60           | 10                   | 2,126,000                     | 212.60           |
| Preference shares   |                      |                               |                  |                      |                               |                  |
| Grameen Capital India Private Limited   | 10                   | 3,874,000                     | 387.40           | 10                   | 3,874,000                     | 387.40           |
| <b>Total (A)</b>  |                      |                               | <b>24,458.46</b> |                      |                               | <b>18,601.26</b> |
| 12.(ii) Other Investments (valued at cost unless stated otherwise)  |                      |                               |                  |                      |                               |                  |
| A) Quoted Instruments   |                      |                               |                  |                      |                               |                  |
| Investment in equity  |                      |                               |                  |                      |                               |                  |
| Integrated Digital Info Services Limited  | 10                   | 383,334                       | 11.73            | 10                   | 383,334                       | 11.73            |
| Elque Polyesters Limited  | 10                   | 194,300                       | 19.43            | 10                   | 194,300                       | 19.43            |
| Monnet Industries Limited   | 10                   | 5,640                         | 2.26             | 10                   | 5,640                         | 2.28             |
| Monnet Ispat And Energy Limited   | 10                   | 3,008                         | 0.75             | 10                   | 3,008                         | 0.75             |
| Monnet Project Developers Limited   | 10                   | 11,280                        | 4.51             | 10                   | 11,280                        | 4.51             |
| Jaypee Infratech Limited  |                      | -                             | -                | 10                   | 3,786,221                     | 1,331.01         |
| B) Unquoted Instruments   |                      |                               |                  |                      |                               |                  |
| Investment in equity  |                      |                               |                  |                      |                               |                  |
| Invent Assets Securitisation & Reconstruction Private Limited   |                      | -                             | -                | 10                   | 7,100,000                     | 1,597.50         |
| Alpha Micro Finance Consultants Private Limited   | 10                   | 200,000                       | 20.00            | 10                   | 200,000                       | 20.00            |
| Metropol Overseas Limited   | 10                   | 99,400                        | 14.91            | 10                   | 99,400                        | 14.91            |
| Anil Chemicals and Industries Limited   | 10                   | 40,000                        | 8.00             | 10                   | 40,000                        | 8.00             |
| Investments in Debentures   |                      |                               |                  |                      |                               |                  |
| Indian Overseas Bank  | 1,000,000            | 3,399                         | 33,966.92        | 1,000,000            | 3,399                         | 33,966.92        |
| Investment in Compulsory Convertible Debentures   |                      |                               |                  |                      |                               |                  |
| Bhadrak Power Corporation Limited   | 100,000              | 3,800                         | 3,800.00         | 100,000              | 3,800                         | 3,800.00         |
| Investments in Preference Shares  |                      |                               |                  |                      |                               |                  |
| 3i Infotech Limited   | 5                    | 3,896,954                     | 194.85           | 5                    | 3,896,954                     | 194.85           |
| Investment in Units   |                      |                               |                  |                      |                               |                  |
| KKR India debt Opportunities Fund II  | 1,000                | 1,125,000                     | 11,250.00        | 1,000                | 875,000                       | 8,750.00         |
| KKR India debt Opportunities Fund III   | 1,000                | 149,242                       | 961.17           | 1,000                | 178,249                       | 1,782.49         |
| Investment in Security Receipts   |                      |                               |                  |                      |                               |                  |
| Phoenix ARF Scheme 6  | 1,000                | 9,843                         | 98.43            | 1,000                | 9,843                         | 98.43            |
| Phoenix ARF Scheme 9  | 27                   | 6,612                         | 1.79             | 62                   | 6,612                         | 4.10             |
| Phoenix ARF Scheme 10   | 922                  | 18,889                        | 172.08           | 982                  | 18,889                        | 185.49           |
| Phoenix ARF Scheme 11   | 1                    | 44,208                        | 0.44             | 1                    | 44,208                        | 0.44             |
| Phoenix ARF Scheme 13   | 1,000                | 27,404                        | 274.04           | 1,000                | 27,404                        | 274.04           |
| Phoenix ARF Scheme 14   | 1,000                | 34,882                        | 348.82           | 1,000                | 34,882                        | 348.82           |
| JM Financial Asset Reconstruction Company Private Limited (Series I - JMFAARC-IRIS December 2018 - Trust) | 1,000                | 6,685                         | 66.85            | 1,000                | 6,685                         | 66.85            |
| EARC Trust SC - 258 - Series I  | 995.66               | 646,510                       | 6,437.04         | 1,000                | 646,510                       | 6,465.10         |
| JM Financial Asset Reconstruction Company Private Limited (LTF June 2017 Trust Series I)                  | 984.76               | 297,500                       | 2,929.66         |                      |                               |                  |
| JM Financial Asset Reconstruction Company Private Limited (LTF June 2017 Trust Series II)                 | 984.76               | 480,849                       | 4,735.21         |                      |                               |                  |
| Suraksha ARC - 024 Trust  | 1,000                | 785,400                       | 7,854.00         |                      |                               |                  |
| 12% National Saving Certificate 2002<br>(Deposited as security with sales tax authorities)                |                      |                               | 0.06             |                      |                               | 0.06             |
| <b>Total (B)</b>  |                      |                               | <b>73,174.95</b> |                      |                               | <b>58,949.69</b> |
| <b>(A + B)</b>  |                      |                               | <b>97,633.41</b> |                      |                               | <b>77,550.93</b> |
| Less: Provision for diminution in the value of Investments  |                      |                               | 490.21           |                      |                               | 1,594.87         |
| <b>Total non current investments</b>  |                      |                               | <b>97,143.20</b> |                      |                               | <b>75,956.06</b> |
| Note:   |                      |                               |                  |                      |                               |                  |
| Aggregate amount of unquoted investments  |                      |                               | 57,419.78        |                      |                               | 39,883.07        |
| Aggregate amount of listed and quoted investments   |                      |                               | 38.68            |                      |                               | 1,369.69         |
| Aggregate market value of listed and quoted investments   |                      |                               | -                |                      |                               | 397.45           |
| Aggregate amount of listed but not quoted investments   |                      |                               | 33,966.92        |                      |                               | 33,966.92        |



|   | As at March 31, 2018 |                  | As at March 31, 2017 |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | ₹ in lakh            | ₹ in lakh        | ₹ in lakh            | ₹ in lakh        |
| <b>13 Deferred tax assets (net)</b>                       |                      |                  |                      |                  |
| <b>Component</b>  |                      |                  |                      |                  |
| Deferred tax liability                                    |                      |                  |                      | 568.49           |
| Difference between book depreciation and tax depreciation |                      |                  |                      | 771.00           |
| Other item giving rise to timing difference               |                      |                  |                      | <u>1,339.49</u>  |
| Deferred tax assets                                       |                      |                  |                      |                  |
| Provision for NPA/interest receivable                     |                      | 2,293.85         |                      |                  |
| Provision on Standard Assets                              |                      | <u>2,293.85</u>  |                      |                  |
| Difference between book depreciation and tax depreciation | 46,130.04            |                  | 27,148.98            |                  |
| Provision for gratuity and leave encashment               | 5,196.69             |                  | 8,699.41             |                  |
| Other item giving rise to timing difference               | 1,638.09             |                  |                      |                  |
|   | 413.33               |                  | 398.22               |                  |
|   | <u>1,378.19</u>      |                  | <u>1,376.84</u>      |                  |
| Net deferred tax assets                                   |                      | <u>84,756.64</u> |                      | <u>38,693.46</u> |
|   |                      | <u>52,694.79</u> |                      | <u>37,253.96</u> |

Note : No deferred tax liability has been recognised on Special Reserve created under section 35 (1)(viii) of Income Tax Act, 1961 based on the Management's evaluation that possibility of withdrawal there from is remote

|   |        |                  |                |                  |
|---|--------|------------------|----------------|------------------|
| <b>14 Long-term loans and advances</b>                              |        |                  |                |                  |
| Unsecured (Considered good)   |        |                  |                |                  |
| Security Deposit  |        | 6,574.05         |                | 5,256.08         |
| Capital Advances  |        | 969.42           |                | 376.11           |
| Advance taxes (net of provision for tax)                            |        | 18,806.24        |                | 10,472.54        |
| Others  |        | 4,551.39         |                |                  |
| Advances recoverable in cash or in kind or for value to be received |        |                  | 345.26         |                  |
| Less: Provision for other doubtful loans and advances               | 466.36 |                  | <u>(32.55)</u> |                  |
| Total long-term loans and advances                                  |        | <u>33.81</u>     |                | <u>312.71</u>    |
|   |        | <u>30,737.91</u> |                | <u>16,437.46</u> |





|   | As at March 31, 2018 |                     | As at March 31, 2017 |                    |
|---|----------------------|---------------------|----------------------|--------------------|
|   | Non current portion  | Current maturities  | Non current portion  | Current maturities |
|   | ₹ in lakh            | ₹ in lakh           | ₹ in lakh            | ₹ in lakh          |
| <b>15 Long term-loans and advances towards financing activities</b>             |                      |                     |                      |                    |
| (i) Secured   |                      |                     |                      |                    |
| Considered good   |                      |                     |                      |                    |
| Term loans  |                      |                     |                      |                    |
| Finance Lease   |                      |                     |                      |                    |
| Debtors (refer note 15(i))  | 2,020,919.22         | 558,867.40          | 1,551,533.42         | 514,551.56         |
|   | 7,092.56             | 2,407.85            | 4,436.09             | 2,513.17           |
|   | 175,739.27           | 22,427.08           | 72,123.50            | 18,882.16          |
| Less: Allowances for non-performing assets                                      | 2,203,751.06         | 583,702.34          | 1,628,083.01         | 535,946.89         |
| Less: Provision on Restructured Assets  | 91,608.79            | -                   | 73,780.81            | -                  |
| Less: Allowances for standard assets  | 823.63               | -                   | 1,690.53             | -                  |
|   | 225.53               | -                   | 17,324.15            | -                  |
| <b>Total i</b>  | <b>2,111,083.10</b>  | <b>583,702.34</b>   | <b>1,635,297.52</b>  | <b>535,946.89</b>  |
| (ii) Unsecured  |                      |                     |                      |                    |
| Term loans  |                      |                     |                      |                    |
| Debtors (refer note 15(ii))   | 446,338.45           | 470,622.44          | 198,011.77           | 283,139.63         |
|   | 22,500.00            | 1,000.00            | 53,500.00            | 630.90             |
| Less: Allowances for non-performing assets                                      | 468,838.45           | 471,622.44          | 249,511.77           | 283,769.63         |
|   | 39,578.90            | -                   | 2,975.79             | -                  |
| <b>Total ii</b>   | <b>426,259.55</b>    | <b>471,622.44</b>   | <b>246,538.98</b>    | <b>283,769.63</b>  |
| <b>Total long-term loans and advances towards financing activities (i + ii)</b> | <b>2,540,342.65</b>  | <b>1,055,324.78</b> | <b>1,781,835.50</b>  | <b>820,716.52</b>  |

**16 Other non current assets**

Accrued interest/premium on debentures and loans  
Margin money deposits  
Total other non current assets

|                  |                  |
|------------------|------------------|
| 13,674.69        | 14,661.79        |
| 4,385.15         | 2,252.47         |
| <b>18,059.84</b> | <b>16,914.26</b> |



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Consolidated Financial Information**

**Note 15(i)**

**Following are the details of debentures in the nature of Loan:**

| Name of Company                                    | As at March 31, 2018 |            |                   | As at March 31, 2017 |            |                   |
|--|----------------------|------------|-------------------|----------------------|------------|-------------------|
|  | Nos.                 | Face Value | ₹ in lakh         | Nos.                 | Face Value | ₹ in lakh         |
| <b>Debenture - Secured</b>                         |                      |            |                   |                      |            |                   |
| Avantha Holding Limited                            | 2,250                | 1,000,000  | 22,500.00         | 2,250                | 1,000,000  | 22,500.00         |
| Citywood Builders Private Limited                  | 300                  | 857,011    | 2,571.03          | 300                  | 940,000    | 2,820.00          |
| Diamond Power Infrastructure Limited               | 3,000                | 83,441     | 2,503.23          | 3,000                | 83,441     | 2,503.23          |
| Giraffe Developer Private Limited                  | 640                  | 868,750    | 5,560.00          | 640                  | 934,375    | 5,980.00          |
| Intrepid Finance And Leasing Pvt Ltd               | 200                  | 291,667    | 583.33            | 200                  | 791,667    | 1,583.33          |
| M Power Microfinance Private Limited               | 150                  | 291,667    | 437.50            | 150                  | 791,667    | 1,187.50          |
| Oriental Nagpur Betul Highway Limited              | 3,217                | 100,000    | 3,217.00          | 11,479               | 100,000    | 11,479.00         |
| Pahal Financial Services Private Limited           | 150                  | 291,667    | 437.50            | 150                  | 791,667    | 1,187.50          |
| PCR Investments Limited                            | 1,500                | 1,000,000  | 15,000.00         | -                    | -          | -                 |
| Pudhuaru Financial Services Private Limited        | 200                  | 291,667    | 583.33            | 200                  | 791,667    | 1,583.33          |
| Regen Infrastructure And Services Private Limited  | 2,794                | 921,819    | 25,755.63         | -                    | -          | -                 |
| Renew Akshay Urja Private Limited                  | 180                  | 998,780    | 1,797.80          | -                    | -          | -                 |
| Sambandh Finserve Private Limited                  | 100                  | 291,667    | 291.67            | 100                  | 791,667    | 791.67            |
| Satin Creditcare Network Limited                   | 260                  | 291,667    | 758.32            | 260                  | 791,667    | 2,058.33          |
| SINTEX-BAPL Limited                                | 27,000               | 100,000    | 27,000.00         | -                    | -          | -                 |
| SP Jammu Udhampur Highway Limited                  | 4,678                | 1,000,000  | 46,780.00         | -                    | -          | -                 |
| U. P. Power Corporation Ltd                        | 3,519                | 1,000,000  | 35,190.00         | -                    | -          | -                 |
| Mandhana Industries Limited                        | 200                  | 600,000    | 1,200.00          | 200                  | 600,000    | 1,200.00          |
| Bacchus Hospitality Services & Real Estate Pvt Ltd | -                    | -          | -                 | 2,500                | 1,000,000  | 25,000.00         |
| Bollineni Developers Limited                       | 60                   | 10,000,000 | 6,000.00          | 60                   | 10,000,000 | 6,000.00          |
| Integrated Spaces Limited                          | -                    | -          | -                 | 275                  | 1,063,188  | 2,978.77          |
| Valdel Projects Corporation Private Limited        | -                    | -          | -                 | 2,968                | 72,540     | 2,153.00          |
| <b>Debenture - Unsecured</b>                       |                      |            |                   |                      |            |                   |
| Avantha Holding Limited                            | 2,250                | 1,000,000  | 22,500.00         | 2,250                | 1,000,000  | 22,500.00         |
| Bhoruka Power Holdings Private Limited             | 100,000              | 1,000      | 1,000.00          | 100,000              | 1,000      | 1,000.00          |
| Jindal Power Limited                               | -                    | -          | -                 | 105                  | 600,000    | 630.00            |
| Tata Tele Services (Maharashtra) Ltd               | -                    | -          | -                 | 1,000                | 1,000,000  | 10,000.00         |
| High Point Properties Private Limited              | -                    | -          | -                 | 200                  | 10,000,000 | 20,000.00         |
| <b>Total</b>                                       |                      |            | <b>221,666.35</b> |                      |            | <b>145,135.66</b> |



## 17 Current investments

## Non-trade Investments (valued at cost unless stated otherwise)

## A) Quoted Instruments

## Investment in Equity shares

SVOGL Oil Gas and Energy Limited

Bhushan Steel Limited

Glodyne Technoserve Limited

Jainind Projects Limited

Diamond Power Infrastructure Limited

3i Infotech Limited

Gol Offshore Limited

Usher Agro Limited

MIC Electronics Limited

Amara Raja Batteries Limited

Hindusthan National Glass &amp; Industries Ltd

## B) Unquoted Instruments

## Optionally Convertible Debentures

Soma Enterprises Limited

## Investment in Debenture/Bonds:

Punjab National Bank

IDFC Bank Limited

Bajaj Finance Limited

Madhya Pradesh Uday Bond

Tamil Nadu Uday Bond

Telangana Uday Bond

Piramal Finance Limited

TATA AIG General Insurance Company Limited

U. P. Power Corporation Limited

Union Bank of India

Cholamandlam MS General Insurance Company Limited

Dewan Housing Finance Corporation Limited

State Bank of India

Corporation Bank Limited

UCO Bank

Allahabad Bank

The South Indian Bank Limited

Axis Bank Limited

Bank of Baroda

## Pass Through Certificates

IFMR Capital Mosec Azeroth

Zlatan IFMR Capital 2016

Frey IFMR Capital

Zion IFMR Capital

Goldstein IFMR Capital

Libertas IFMR Capital

Merrell IFMR Capital

Mjolinr IFMR Capital

Napoleon IFMR Capital

Smith IFMR Capital

Syme IFMR Capital

Fubell IFMR Capital

Moses IFMR Capital

Oracle IFMR Capital

Sentinel IFMR Capital

Seagull Trust-II Series A2

## Unquoted Instruments

## Investment in Preference Shares

10% Saw Vizag Coal Terminal Private Limited

## Investment in Equity shares

VMC Systems Limited

Saumya Mining Limited

## Investment in Mutual Funds

Total

Less: Provision for diminution in the value of Investments

## Total current investments

## Notes:

Aggregate amount of unquoted investments

Aggregate amount of listed and quoted investments

Aggregate market value of listed and quoted investments

Aggregate amount of listed but not quoted investments

|  | As at March 31, 2018 |              |            | As at March 31, 2017 |               |            |
|--|----------------------|--------------|------------|----------------------|---------------|------------|
|  | Face Value           |              |            | Face Value           |               |            |
|  | ₹                    | No. of units | ₹ in Lakh  | ₹                    | No. of units  | ₹ in Lakh  |
| A) Quoted Instruments                                      |                      |              |            |                      |               |            |
| Investment in Equity shares                                |                      |              |            |                      |               |            |
| SVOGL Oil Gas and Energy Limited                           | 10                   | 1,940,514    | 480.87     | 10                   | 1,940,514     | 480.87     |
| Bhushan Steel Limited                                      | 2                    | 212,471      | 145.34     | 2                    | 1,023,392     | 700.00     |
| Glodyne Technoserve Limited                                | 6                    | 319,262      | 22.67      | 6                    | 319,262       | 22.67      |
| Jainind Projects Limited                                   | 10                   | 24,797       | 1.43       | 10                   | 150,000       | 9.63       |
| Diamond Power Infrastructure Limited                       | 10                   | 2,889,921    | 1,192.86   | 10                   | 2,889,921     | 1,192.86   |
| 3i Infotech Limited  | 10                   | 2,426,383    | 242.84     | 10                   | 2,426,383     | 242.84     |
| Gol Offshore Limited                                       | 10                   | 1,552,907    | 680.32     | 10                   | 1,552,907     | 680.32     |
| Usher Agro Limited   | 10                   | 335,344      | 30.01      | -                    | -             | -          |
| MIC Electronics Limited                                    | 2                    | 5,384,616    | 529.31     | -                    | -             | -          |
| Amara Raja Batteries Limited                               | 1                    | 3,293        | 27.88      | -                    | -             | -          |
| Hindusthan National Glass & Industries Ltd                 | 2                    | 147,765      | 137.00     | -                    | -             | -          |
| B) Unquoted Instruments                                    |                      |              |            |                      |               |            |
| Optionally Convertible Debentures                          |                      |              |            |                      |               |            |
| Soma Enterprises Limited                                   | 10                   | 14,553,210   | 1,455.23   | -                    | -             | -          |
| Investment in Debenture/Bonds:                             |                      |              |            |                      |               |            |
| Punjab National Bank                                       | -                    | -            | -          | 1,000,000            | 5,000         | 50,000.00  |
| IDFC Bank Limited  | -                    | -            | -          | 1,000,000            | 400           | 4,683.96   |
| Bajaj Finance Limited                                      | -                    | -            | -          | 1,000,000            | 1,000         | 10,082.36  |
| Madhya Pradesh Uday Bond                                   | -                    | -            | -          | 100                  | 1,413,000     | 1,413.00   |
| Tamil Nadu Uday Bond                                       | -                    | -            | -          | 100                  | 10,000,000    | 10,080.16  |
| Telangana Uday Bond  | -                    | -            | -          | 100                  | 13,019,000    | 13,032.22  |
| Piramal Finance Limited                                    | -                    | -            | -          | 1,000,000            | 3,900         | 39,000.00  |
| TATA AIG General Insurance Company Limited                 | 1,000,000            | 379          | 3,790.00   | 1,000,000            | 1,530         | 15,300.00  |
| U. P. Power Corporation Limited                            | 1,000,000            | 301          | 3,010.00   | 1,000,000            | 2,940         | 29,400.00  |
| Union Bank of India  | 1,000,000            | 800          | 8,000.00   | -                    | -             | -          |
| Cholamandlam MS General Insurance Company Limited          | 1,000,000            | 428          | 4,280.00   | -                    | -             | -          |
| Dewan Housing Finance Corporation Limited                  | 1,000,000            | 2,500        | 25,000.00  | -                    | -             | -          |
| State Bank of India  | 1,000,000            | 4,100        | 41,000.00  | -                    | -             | -          |
| Corporation Bank Limited                                   | 1,000,000            | 500          | 5,000.00   | -                    | -             | -          |
| UCO Bank   | 1,000,000            | 400          | 4,000.00   | -                    | -             | -          |
| Allahabad Bank   | 1,000,000            | 311          | 3,110.00   | -                    | -             | -          |
| The South Indian Bank Limited                              | 100,000              | 40,000       | 40,000.00  | -                    | -             | -          |
| Axis Bank Limited  | 1,000,000            | 500          | 5,000.00   | -                    | -             | -          |
| Bank of Baroda   | 1,000,000            | 150          | 1,500.00   | -                    | -             | -          |
| Pass Through Certificates                                  |                      |              |            |                      |               |            |
| IFMR Capital Mosec Azeroth                                 | 0.12                 | 598,864,559  | 694.64     | 0.49                 | 598,864,559   | 2,920.85   |
| Zlatan IFMR Capital 2016                                   | -                    | -            | -          | 0.58                 | 1,233,958,721 | 8,345.61   |
| Frey IFMR Capital  | -                    | -            | -          | 1.03                 | 16,674,322    | 172.35     |
| Zion IFMR Capital  | -                    | -            | -          | 3.12                 | 19,237,467    | 599.35     |
| Goldstein IFMR Capital                                     | 43.00                | 857,170      | 368.58     | 44.80                | 857,170       | 384.04     |
| Libertas IFMR Capital                                      | -                    | -            | -          | 1.02                 | 3,519,752     | 36.03      |
| Merrell IFMR Capital                                       | -                    | -            | -          | 2.04                 | 35,504,403    | 725.86     |
| Mjolinr IFMR Capital                                       | -                    | -            | -          | 2.08                 | 7,330,422     | 152.26     |
| Napoleon IFMR Capital                                      | 1.00                 | 52,118,415   | 521.18     | 1.04                 | 52,118,415    | 543.53     |
| Smith IFMR Capital   | 4.00                 | 12,096,782   | 483.87     | 4.20                 | 12,096,782    | 507.60     |
| Syme IFMR Capital  | 1.00                 | 14,210,515   | 142.10     | 1.04                 | 14,210,515    | 148.24     |
| Fubell IFMR Capital  | -                    | -            | -          | 1.04                 | 80,878,031    | 842.84     |
| Moses IFMR Capital   | 1.00                 | 2,250,000    | 22.50      | 1.06                 | 2,250,000     | 23.77      |
| Oracle IFMR Capital  | -                    | -            | -          | 202                  | 261,793       | 528.81     |
| Sentinel IFMR Capital                                      | -                    | -            | -          | 19.69                | 887,538       | 174.79     |
| Seagull Trust-II Series A2                                 | 10,000,000           | 30           | 3,012.87   | -                    | -             | -          |
| Unquoted Instruments                                       |                      |              |            |                      |               |            |
| Investment in Preference Shares                            |                      |              |            |                      |               |            |
| 10% Saw Vizag Coal Terminal Private Limited                | 10                   | 4,091,423    | 407.51     | 10                   | 4,091,423     | 407.51     |
| Investment in Equity shares                                |                      |              |            |                      |               |            |
| VMC Systems Limited  | 10                   | 733,611      | 1,529.44   | 10                   | 733,611       | 1,529.44   |
| Saumya Mining Limited                                      | 10                   | 1,077,986    | 517.64     | 10                   | 1,077,986     | 517.64     |
| Investment in Mutual Funds                                 |                      |              |            |                      |               |            |
|  |                      |              |            |                      |               | 44,000.00  |
| Total  |                      |              | 156,335.97 |                      |               | 238,870.33 |
| Less: Provision for diminution in the value of Investments |                      |              | 5,977.30   |                      |               | 2,798.16   |
| Total current investments                                  |                      |              | 150,358.67 |                      |               | 236,072.17 |
| Notes:   |                      |              |            |                      |               |            |
| Aggregate amount of unquoted investments                   |                      |              | 2,454.59   |                      |               | 46,454.59  |
| Aggregate amount of listed and quoted investments          |                      |              | 3,490.41   |                      |               | 3,306.09   |
| Aggregate market value of listed and quoted investments    |                      |              | 740.57     |                      |               | 2,262.20   |
| Aggregate amount of listed but not quoted investments      |                      |              | 150,390.97 |                      |               | 189,107.65 |

|   | As at March 31, 2016<br>₹ in lakh | ₹ in lakh     | As at March 31, 2017<br>₹ in lakh |
|---|-----------------------------------|---------------|-----------------------------------|
| <b>18 Trade receivable</b>  |                                   |               |                                   |
| Secured   |                                   |               |                                   |
| Considered good   |                                   |               |                                   |
| Debts outstanding for a period exceeding six months   |                                   | 15.16         | 488.14                            |
| Other   | 15.16                             |               | 488.14                            |
| Unsecured   |                                   |               |                                   |
| Considered good   |                                   |               |                                   |
| Debts outstanding for a period exceeding six months   |                                   |               |                                   |
| Other   | 696.89                            | 886.69        | 540.63                            |
| <b>Total trade receivable</b>   |                                   | <b>912.05</b> | <b>1,028.77</b>                   |
| <b>19 Cash and cash equivalents</b>   |                                   |               |                                   |
| Balance with Banks  |                                   |               |                                   |
| In Current Account  |                                   | 27,127.81     | 23,130.15                         |
| In Deposit account  |                                   | 1,916.19      | 381.29                            |
| (Deposits with original maturity of less than three months)   |                                   |               |                                   |
| Cash on hand  |                                   | 5,822.24      | 5,990.66                          |
| <b>Other balances</b>   |                                   |               |                                   |
| Deposits with original maturity for more than 12 months   |                                   |               |                                   |
| Margin money deposits*  | 4.84                              |               | 4.84                              |
| Total cash and cash equivalents   | 0.45                              |               | 0.45                              |
| * Margin money deposit includes margin money against bank guarantee ₹ 0.04 lakhs (for the year ended March 31, 2017 ₹ 0.04 lakhs)         | <b>34,871.83</b>                  |               | <b>29,487.59</b>                  |
| <b>Short-term loans and advances</b>  |                                   |               |                                   |
| Advances recoverable in cash or in kind or for value to be received (net of provision)<br>(Refer note 29.3 for related parties' balances) | 7,439.20                          |               | 6,056.95                          |
| <b>Total short-term loans and advances</b>  | <b>7,439.20</b>                   |               | <b>6,056.95</b>                   |
| <b>20 Short-term loans and advances towards financing activities</b>  |                                   |               |                                   |
| (i) Secured   |                                   |               |                                   |
| Term loans  | 16.04                             |               | 816.40                            |
| <b>Total i</b>  | <b>16.04</b>                      |               | <b>816.40</b>                     |
| (ii) Unsecured  |                                   |               |                                   |
| Term loans  | 186,630.42                        |               | 216,307.42                        |
| <b>Total ii</b>   | <b>186,630.42</b>                 |               | <b>216,307.42</b>                 |
| <b>Total (i + ii)</b>   | <b>186,646.46</b>                 |               | <b>217,123.82</b>                 |
| <b>21 Short-term loans and advances towards financing activities</b>  |                                   |               |                                   |
| Other current assets  |                                   |               |                                   |
| Accrued interest on loan towards financing activities   | 86,529.88                         |               | 72,693.49                         |
| Unamortised premium on loans/debentures   | 2,285.32                          |               | -                                 |
| Unamortised loss on sale of NPAs  |                                   | 2,307.78      | -                                 |
| Less: Reserve created   |                                   | (2,307.78)    | -                                 |
| Assets acquired in settlement of claims   | 2,447.48                          |               | 477.98                            |
| Others  | 350.07                            |               | 812.73                            |
| <b>Total other current assets</b>   | <b>91,722.75</b>                  |               | <b>73,884.20</b>                  |



|  | Year ended March 31, 2016 |                   | Year ended March 31, 2017 |                   |
|--|---------------------------|-------------------|---------------------------|-------------------|
|  | ₹ in lakh                 | ₹ in lakh         | ₹ in lakh                 | ₹ in lakh         |
| <b>23 Revenue from operations</b>                                      |                           |                   |                           |                   |
| Interest income from financing activities                              |                           |                   |                           | 355,202.46        |
| Income from Leases   |                           | 455,109.53        |                           | 6,240.64          |
| Bill Discounting income  |                           | 3,566.22          |                           | 12,854.97         |
| Processing fees and other operational income from financing activities |                           | 9,350.43          |                           | 23,471.26         |
| Financial Advisory Fees  |                           | 28,641.06         |                           | 9,742.28          |
| Gain/(Loss) on loan sell down  |                           | 2,881.52          |                           | 883.81            |
| Total revenue from operations  |                           | <u>499,744.95</u> |                           | <u>408,208.22</u> |
| <b>24 Other Income</b>   |                           |                   |                           |                   |
| Income from investments  |                           | 24,297.68         |                           | 5,991.62          |
| Interest on fixed deposits   |                           | 353.07            |                           | 184.12            |
| Others   |                           | 163.14            |                           | 116.58            |
| Total other Income   |                           | <u>24,813.89</u>  |                           | <u>6,292.32</u>   |
| <b>25 Employee benefits expenses</b>                                   |                           |                   |                           |                   |
| Salaries and bonus   |                           | 28,268.36         |                           | 27,421.32         |
| Contribution to and provision for:                                     |                           |                   |                           |                   |
| Provident and other funds  |                           |                   | 1,238.54                  |                   |
| Gratuity fund  | 1,741.22                  |                   | 287.94                    |                   |
| Expenses on Employee Stock Option Plans (refer note 28.9)              | 311.95                    | 2,053.17          |                           | 1,526.48          |
| Staff welfare expense  |                           | 427.22            |                           | 8.92              |
| Total employee benefits expenses                                       |                           | <u>1,058.54</u>   |                           | <u>1,130.48</u>   |
|  |                           | <u>31,807.29</u>  |                           | <u>30,687.29</u>  |
| <b>26 Finance costs</b>  |                           |                   |                           |                   |
| Interest expenses  |                           | 247,563.79        |                           | 194,126.28        |
| Other borrowing cost   |                           | 2,404.55          |                           | 1,425.28          |
| Financial (Gain)/loss (attributable to finance cost)                   |                           | (283.69)          |                           | 395.97            |
| Netting & other costs  |                           | <u>248,684.65</u> |                           | <u>195,951.53</u> |



## Notes forming part of the Reformatted Consolidated Financial Information

|  | Year ended March 31, 2018 |                  | Year ended March 31, 2017 |                  |
|--|---------------------------|------------------|---------------------------|------------------|
|  | ₹ in lakh                 | ₹ in lakh        | ₹ in lakh                 | ₹ in lakh        |
| <b>27 Administration and other expenses</b>                |                           |                  |                           |                  |
| Travelling and conveyance                                  | 2,031.75                  |                  | 1,870.94                  |                  |
| Printing and stationery                                    | 658.99                    |                  | 728.29                    |                  |
| Telephone and postage                                      | 1,137.30                  |                  | 1,262.07                  |                  |
| Directors' Sitting fees                                    | 32.25                     |                  | 34.98                     |                  |
| Non Executive Directors Remunerations                      | 33.93                     |                  | 134.41                    |                  |
| Brokerage and service charges                              | 4,058.07                  |                  | 2,418.18                  |                  |
| Stamping charges   | 230.02                    |                  | 2,842.89                  |                  |
| Advertising and publicity                                  | 381.97                    |                  | 136.65                    |                  |
| Repairs and maintenance                                    | 5,098.24                  |                  | 4,160.43                  |                  |
| Rent   | 4,408.67                  |                  | 4,188.91                  |                  |
| Rates and taxes  | 175.31                    |                  | 739.78                    |                  |
| Electricity charges  | 496.56                    |                  | 501.69                    |                  |
| Insurance  | 138.75                    |                  | 129.67                    |                  |
| Auditors remuneration                                      |                           |                  |                           |                  |
| Audit fees   | 42.00                     |                  |                           |                  |
| Tax audit fees   | 3.00                      |                  |                           |                  |
| Other services   | 55.05                     |                  |                           |                  |
| Reimbursement of expenses and indirect tax on above        | 8.53                      |                  |                           |                  |
| Professional fees  |                           | 108.58           |                           | 94.80            |
| Loan processing charges                                    |                           | 5,768.05         |                           | 6,132.55         |
| Collection charges   |                           | 633.51           |                           | 822.10           |
| Bank Charges   |                           | 10,833.26        |                           | 6,624.05         |
| Filing fees  |                           | 851.04           |                           | 832.80           |
| Loss on sale of fixed assets                               |                           | -                |                           | 0.41             |
| Brand license fees   |                           | 546.53           |                           | 1,467.19         |
| Corporate social responsibilities                          |                           | 1,603.49         |                           | 103.77           |
| Corporate support Charges                                  |                           | 181.28           |                           | 212.57           |
| Miscellaneous expenses                                     |                           | 284.76           |                           | 532.06           |
| Total administration and other expenses                    |                           | 391.83           |                           | 245.34           |
|  |                           | <b>39,854.14</b> |                           | <b>36,018.63</b> |
| <b>28 Provisions and Contingencies</b>                     |                           |                  |                           |                  |
| Contingent provision against standard assets               |                           | (13,061.74)      |                           | 16,400.22        |
| Provision for non-performing assets                        |                           | 53,135.12        |                           | 35,900.85        |
| Provision for restructured assets                          |                           | (868.90)         |                           | 180.28           |
| Provision for diminution in value of investments           |                           | 1,924.36         |                           | 2,588.18         |
| Loss on foreclosure of loans (net) / Bad debts written off |                           | 49,414.79        |                           | 23,764.26        |
| Total provisions and contingencies                         |                           | <b>90,445.63</b> |                           | <b>78,833.74</b> |





**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatted consolidated financial information**

**Note No. - 29 : Other notes forming part of the reformatted consolidated financial information**

**29.1 Employee Benefits:**

**i) Defined Contribution Plans :**

The Company recognised charges of ₹ 1,119.97 lakh (for the year ended March 31,2017 ₹ 990.40 lakh) for Provident fund contributions, ₹NIL lakh (for the year ended March 31,2017 ₹ 40.88 lakh) for Superannuation fund contributions and ₹ 621.25 lakh (for the year ended March 31,2017 ₹202.16 lakh) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

**ii) Defined Benefit Gratuity Plans :**

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

| Particulars                                     | Gratuity Plan        |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2018 | As at March 31, 2017 |
| Present Value of Defined Benefit Obligation     |                      |                      |
| - Wholly Funded                                 | 954.66               | 908.80               |
| Less: Fair value of Plan Assets                 | (791.42)             | (589.47)             |
| Unrecognised Past Service Costs                 | -                    | -                    |
| Amount to be recognised as liability or (asset) | 163.24               | 319.33               |
| Amounts reflected in the Balance Sheet          |                      |                      |
| Liability                                       | 163.24               | 319.33               |
| Assets  | -                    | -                    |
| Net liability bifurcated as follows:            |                      |                      |
| Current   | -                    | -                    |
| Non Current                                     | 163.24               | 319.33               |

**b) The amounts recognised in the Statement of profit and loss are as follows:**

| Particulars                                 | Gratuity Plan |           |
|---|---------------|-----------|
|   | 2017-2018     | 2016-2017 |
| 1 Current Service Cost                      | 265.31        | 284.23    |
| 2 Interest on Defined Benefit Obligation    | 81.98         | 98.31     |
| 3 Expected Return on Plan Assets            | (56.32)       | (51.75)   |
| 4 Actuarial Losses/(Gains)                  | 20.98         | (42.85)   |
| 5 Past Service Cost                         | -             | -         |
| Total included in Employee Benefit Expenses | 311.95        | 287.94    |
| Actual Return on Plan Assets                | 49.81         | 65.99     |



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatted consolidated financial information**

- 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 |
| Opening balance of the present value of Defined Benefit Obligation | 908.80               | 134.86               |
| Add: Current Service Cost  | 265.31               | 284.24               |
| Add: Interest Cost   | 81.98                | 98.31                |
| Add/(less): Actuarial Losses/(Gain)                                | 14.47                | (28.61)              |
| Liability Assume on acquisition / (Settled on Divestitures)        | (1.39)               | 791.74               |
| Less: Benefits paid  | (314.51)             | (371.74)             |
| Closing balance of the present value of Defined Benefit Obligation | 954.66               | 908.80               |

- 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 |
| Opening balance of the fair value of the plan assets | 589.47               | 78.20                |
| Add: Expected Return on plan assets                  | 56.32                | 51.75                |
| Add/(less): Actuarial gains/(losses)                 | (6.50)               | 14.24                |
| Add: Contributions by Employer                       | 466.65               | 257.65               |
| Add: Assets acquired on acquisition                  | -                    | 559.37               |
| Less: Benefits Paid                                  | (314.51)             | (371.74)             |
| Closing balance of the plan assets                   | 791.43               | 589.47               |

- e) Asset Information:

| Particulars                         | Gratuity Plan        |           |                      |           |
|-------------------------------------|----------------------|-----------|----------------------|-----------|
|                                     | As at March 31, 2018 |           | As at March 31, 2017 |           |
|                                     | %                    | ₹ in Lakh | %                    | ₹ in Lakh |
| 1 Government of India Securities    | 23%                  | 183.29    | 32%                  | 190.43    |
| 2 Corporate Bonds                   | 26%                  | 207.21    | 35%                  | 207.33    |
| 3 Special Deposit Scheme            | 4%                   | 30.33     | 5%                   | 28.85     |
| 4 Equity Shares of Listed Companies | 0%                   | -         | 0%                   | -         |
| 5 Property                          | 0%                   | -         | 0%                   | -         |
| 6 Insurer Managed Funds             | 7%                   | 58.63     | 6%                   | 36.66     |
| 7 Others                            | 39%                  | 311.95    | 22%                  | 126.20    |

- f) Financial assumptions at the valuation date :

| Particulars                                     | As at March 31, 2018                               | As at March 31, 2017                               |
|---|--|--|
| 1 Discount rate (per annum)                     | 7.25%  | 7.20%  |
| 2 Expected rate of return on assets (per annum) | 7.50%  | 8.00%  |
| 3 Salary escalation rate (per annum)            | 9.00%  | 6.00%  |
| 4 Mortality rate                                | Indian Assured Lives Mortality (2006-08) Ult table | Indian Assured Lives Mortality (2006-08) Ult table |





**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatted consolidated financial information**

**g) Experience Adjustments:**

| Particulars                                | As at March 31, |          |         |         |        |
|--|-----------------|----------|---------|---------|--------|
|  | 2018            | 2017     | 2016    | 2015    | 2014   |
| Defined Benefit Obligation                 | 954.66          | 908.80   | 134.87  | 117.80  | 103.34 |
| Plan Assets                                | 791.43          | 589.47   | 78.20   | 93.56   | 128.16 |
| Surplus/(Deficit)                          | (163.23)        | (319.33) | (56.67) | (24.24) | 24.82  |
| Experience Adjustments on Plan Liabilities | (56.45)         | (117.91) | 8.86    | 9.88    | (6.11) |
| Experience Adjustments on Plan Assets      | (6.50)          | 14.24    | (0.27)  | (1.38)  | 2.35   |

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 ₹ 300 lakh (for the year ended March 31, 2017 ₹ 300 lakh)

**iii) Defined Benefit Provident Fund Plan:**

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

| Particulars  | Provident Fund Plan  |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2018 | As at March 31, 2017 |
| <b>A. Net (Liability) / Asset recognized in the Balance Sheet</b>    |                      |                      |
| Present Value of Funded Obligation                                   | (2,406.96)           | -                    |
| Present Value of Unfunded obligation                                 | -                    | -                    |
| Add: Assets acquired on acquisition                                  | -                    | (5,152.12)           |
| Less: Fair value of Plan Assets                                      | 2,427.12             | 5,182.88             |
| Amount to be recognised in the Balance Sheet as (liability) or asset | 20.16                | 30.76                |
| <b>B. Amounts to be recognised in the Balance Sheet</b>              |                      |                      |
| Liability  | -                    | -                    |
| Assets   | 20.16                | 30.76                |

**b) Expenses recognised in the Statement of Profit and Loss:**

| Particulars   | Provident Fund Plan |           |
|---|---------------------|-----------|
|   | 2017-2018           | 2016-2017 |
| 1 Current Service Cost  | 0.01                | 394.97    |
| 2 PF Transfer In  | -                   | -         |
| 3 Interest on Defined Benefit Obligation                        | 275.49              | 425.74    |
| 4 Expected Return on Plan Assets                                | (275.49)            | (425.74)  |
| 5 Net Actuarial Losses/(Gains)                                  | (255.63)            | 62.62     |
| 6 Actuarial gain/(loss) not recognized in books                 | 255.63              | (62.62)   |
| 7 Expenses recognized in the statement of Profit & Loss Account | 0.01                | 394.97    |
| 8 Actual Return of Plan Asset                                   | 531.12              | 363.12    |



**L&T Finance Limited (erstwhile Family Credit Limited)**

**Notes forming part of the reformatted consolidated financial information**

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

| Particulars  | Provident Fund Plan  |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2018 | As at March 31, 2017 |
| Opening balance of the present value of Defined Benefit Obligation | 5,152.12             | -                    |
| Add: Assets acquired on acquisition                                | -                    | 5,311.22             |
| Transfer in/out  | (7.95)               | (316.46)             |
| Add: Current Service Cost  | 0.01                 | 394.97               |
| Add: Interest Cost   | 275.49               | 425.74               |
| Add: Contribution by Plan Participants                             | 194.93               | 780.81               |
| Add: Actuarial Losses / (Gain)                                     | -                    | -                    |
| Less: Benefits paid  | (3,207.64)           | (1,444.16)           |
| Closing balance of the present value of Defined Benefit Obligation | 2,406.96             | 5,152.12             |

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

| Particulars  | Provident Fund Plan  |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2018 | As at March 31, 2017 |
| Opening balance of the fair value of the plan assets | 5,182.88             | -                    |
| Add: Assets acquired on acquisition                  | -                    | 5,325.47             |
| Transfer in/out                                      | (79.83)              | (316.46)             |
| Add: Expected Return on plan assets                  | 275.49               | 425.74               |
| Add/(less): Actuarial gains/(losses)                 | 255.63               | (62.62)              |
| Add: Contributions by Employer                       | 0.16                 | 431.23               |
| Add: Contribution by Plan participants               | 0.43                 | 823.68               |
| Less: Benefits Paid                                  | (3,207.64)           | (1,444.16)           |
| Less: Transfer to Regional Provident Fund            | -                    | -                    |
| Closing balance of the plan assets                   | 2,427.12             | 5,182.88             |

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

| Particulars                      | Provident Fund Plan  |                      |
|----------------------------------|----------------------|----------------------|
|                                  | As at March 31, 2018 | As at March 31, 2017 |
| 1 Government of India Securities | 23%                  | 20%                  |
| 2 State Government Scheme        | 20%                  | 21%                  |
| 3 Special Deposit Scheme         | 6%                   | 8%                   |
| 4 Public Sector Unit Bond        | 29%                  | 33%                  |
| 5 Corporate Bonds                | 17%                  | 15%                  |
| 6 Others (cheques on hand)       | 5%                   | 3%                   |
|                                  | 100%                 | 100%                 |





**L&T Finance Limited (erstwhile Family Credit)**  
**Notes forming part of the reformatting consolidated financial information**

**29.2 Segment Reporting : Accounting Standard (AS) 17**

(i) The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Rural, Housing, Wholesale, and Defocused Business. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocated. As the operations of the Company are carried out within India, there are no geographical segments.

(ii) Information about Business Segment composition :

Segment composition :

Rural Business comprises of Farm Equipments, Micro Finance and Two Wheeler Finance.

Housing Business comprises of Loan against Property and Real Estate Finance.

Wholesale Business comprises of Infrastructure Finance, Structured Corporate Loans and Supply Chain Finance.

Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

Unallocated represents tax assets and tax liabilities

| Sr. No. | Particulars  | Rural Business                              |   |   | Housing Business                            |   |   | Wholesale Business                          |   |   | Defocused Business                          |   |   | TOTAL                                       |   |
|---------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|         |  | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 |
| 1.      | Revenue  | 247,510.35                                  | 180,098.97                                  | 68,409.72                                   | 41,103.41                                   | 161,319.82                                  | 139,269.69                                  | 47,733.15                                   | 499,744.95                                  | 408,205.22                                  | 408,205.22                                  | 408,205.22                                  | 408,205.22                                  | 408,205.22                                  | 408,205.22                                  |
| 2.      | Less : Inter segment revenue                                       |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 3.      | Total revenue (1) - (2)  | 247,510.35                                  | 180,098.97                                  | 68,409.72                                   | 41,103.41                                   | 161,319.82                                  | 139,269.69                                  | 47,733.15                                   | 499,744.95                                  | 408,205.22                                  | 408,205.22                                  | 408,205.22                                  | 408,205.22                                  | 408,205.22                                  | 408,205.22                                  |
| 4.      | Segment result   | 57,654.66                                   | 30,638.77                                   | 33,928.69                                   | 18,787.83                                   | 36,297.14                                   | 40,211.07                                   | (21,344.66)                                 | 65,345.77                                   | 65,451.27                                   | 65,451.27                                   | 65,451.27                                   | 65,451.27                                   | 65,451.27                                   | 65,451.27                                   |
| 5.      | Unallocated expenses <sup>1</sup>                                  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|         | Profit before tax (4)-(5)  | 57,654.66                                   | 30,638.77                                   | 33,928.69                                   | 18,787.83                                   | 36,297.14                                   | 40,211.07                                   | (21,344.66)                                 | 65,345.77                                   | 65,451.27                                   | 65,451.27                                   | 65,451.27                                   | 65,451.27                                   | 65,451.27                                   | 65,451.27                                   |
| 6.      | Segment assets   | 1,650,265.92                                | 1,026,167.14                                | 591,232.55                                  | 372,908.66                                  | 1,837,977.81                                | 1,640,346.43                                | 248,912.76                                  | 4,197,128.03                                | 3,288,334.99                                | 3,288,334.99                                | 3,288,334.99                                | 3,288,334.99                                | 3,288,334.99                                | 3,288,334.99                                |
| 7.      | Unallocated assets <sup>2</sup>                                    |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 8.      | Total assets (6) + (7)   | 1,650,265.92                                | 1,026,167.14                                | 591,232.55                                  | 372,908.66                                  | 1,837,977.81                                | 1,640,346.43                                | 248,912.76                                  | 4,197,128.03                                | 3,288,334.99                                | 3,288,334.99                                | 3,288,334.99                                | 3,288,334.99                                | 3,288,334.99                                | 3,288,334.99                                |
| 9.      | Segment liabilities  | 1,417,436.14                                | 908,022.92                                  | 507,817.79                                  | 329,975.11                                  | 1,570,075.33                                | 1,451,490.78                                | 220,255.14                                  | 3,604,971.10                                | 2,909,743.95                                | 2,909,743.95                                | 2,909,743.95                                | 2,909,743.95                                | 2,909,743.95                                | 2,909,743.95                                |
| 10.     | Unallocated liabilities <sup>3</sup>                               |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 11.     | Total liabilities (9)+(10)   | 1,417,436.14                                | 908,022.92                                  | 507,817.79                                  | 329,975.11                                  | 1,570,075.33                                | 1,451,490.78                                | 220,255.14                                  | 3,604,971.10                                | 2,909,743.95                                | 2,909,743.95                                | 2,909,743.95                                | 2,909,743.95                                | 2,909,743.95                                | 2,909,743.95                                |
| 12.     | Capital Expenditure (tangible and intangible fixed assets)         | 1,770.25                                    | 2,104.27                                    | 610.16                                      | 739.88                                      | 1,920.59                                    | 3,302.51                                    | 10,638.31                                   | 8,879.09                                    | 16,783.97                                   | 16,783.97                                   | 16,783.97                                   | 16,783.97                                   | 16,783.97                                   | 16,783.97                                   |
| 13.     | Depreciation & amortisation expenses (included in segment expense) | 1,286.74                                    | 1,477.16                                    | 46.47                                       | 44.81                                       | 430.05                                      | 373.41                                      | 3,575.21                                    | 3,977.38                                    | 5,420.59                                    | 5,420.59                                    | 5,420.59                                    | 5,420.59                                    | 5,420.59                                    | 5,420.59                                    |

Note :

1. Related to amortisation of Goodwill generated on merger.

2. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

3. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

4. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

5. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

6. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

7. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

8. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

9. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

10. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

11. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

12. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.

13. Expenses provided in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatted consolidated financial information**

**29.3 Related Party Disclosures: Accounting Standard - 18**

**(a) List of Related Parties**

**A. Ultimate Holding Company**

1. Larsen & Toubro Limited

**B. Holding Company**

2. L&T Finance Holdings Limited

**C. Fellow Subsidiary Companies**

3. L&T Infrastructure Finance Company Limited
4. Larsen & Toubro Infotech Limited
5. L&T Capital Company Limited
6. L&T Capital Markets Limited
7. L&T Housing Finance Limited
8. L&T Investment Management Limited
9. L&T Financial Consultants Limited
10. L&T Infra Investment Partners Advisory Private Limited
11. L&T Electricals and Automation Limited

**D. Associates**

12. L&T Infra Debt Fund Limited

**E. Key Management Personnel**

13. Mr. Vamsidhar Chevendra - upto April 28, 2016
14. Mr. Muralidharan Rajamani - April 29, 2016 to February 12, 2017
15. Mr. Sunil Prabhune - w.e.f February 13, 2017



**L&T Finance Limited (erstwhile Family Credit Limited)**  
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(b) Disclosure of related party transactions :-

| Sr. No. Nature of Transaction* |  | ₹ In Lakh  |            |
|--------------------------------|--|------------|------------|
| Transactions                   |  | 2017-18    | 2016-17    |
| <b>1</b>                       | <b>Inter corporate deposits borrowed</b>               |            |            |
|                                | L&T Finance Holdings Limited                           | 742,103.00 | 765,606.10 |
|                                | L&T Infrastructure Finance Company Limited             | 137,000.00 | 81,350.00  |
|                                | L&T Housing Finance Limited                            | 63,600.00  | 42,915.00  |
|                                | L&T Capital Company Limited                            | 837.00     | 760.00     |
|                                | L&T Investment Management Limited                      | 95,794.00  | 1,435.00   |
|                                | L&T Capital Market Limited                             | 13,446.00  | -          |
|                                | L&T Infra Investment Partners Advisory Private Limited | 15,995.00  | -          |
| <b>2</b>                       | <b>Inter corporate deposits repaid</b>                 |            |            |
|                                | L&T Finance Holdings Limited                           | 696,260.00 | 754,590.10 |
|                                | L&T Infrastructure Finance Company Limited             | 140,500.00 | 77,850.00  |
|                                | L&T Housing Finance Limited                            | 63,600.00  | 42,915.00  |
|                                | L&T Capital Company Limited                            | 960.00     | 557.00     |
|                                | L&T Investment Management Limited                      | 96,794.00  | 1,435.00   |
|                                | L&T Capital Market Limited                             | 13,446.00  | -          |
|                                | L&T Infra Investment Partners Advisory Private Limited | 15,995.00  | -          |
| <b>3</b>                       | <b>Interest expense on inter corporate deposits</b>    |            |            |
|                                | L&T Finance Holdings Limited                           | 3,129.05   | 2,149.46   |
|                                | L&T Infrastructure Finance Company Limited             | 211.50     | 78.34      |
|                                | L&T Capital Company Limited                            | 63.72      | 55.51      |
|                                | L&T Housing Finance Limited                            | 50.86      | 80.70      |
|                                | L&T Investment Management Limited                      | 197.04     | 2.03       |
|                                | L&T Capital Market Limited                             | 37.60      | -          |
|                                | L&T Infra Investment Partners Advisory Private Limited | 75.30      | -          |
| <b>4</b>                       | <b>Inter corporate deposits given</b>                  |            |            |
|                                | L&T Infrastructure Finance Company Limited             | 10,000.00  | 67,752.00  |
|                                | L&T Housing Finance Limited                            | 565.00     | 33,800.00  |
| <b>5</b>                       | <b>Inter corporate deposits received back</b>          |            |            |
|                                | L&T Infrastructure Finance Company Limited             | 10,000.00  | 67,752.00  |
|                                | L&T Housing Finance Limited                            | 565.00     | 33,800.00  |
| <b>6</b>                       | <b>Interest received on inter corporate deposits</b>   |            |            |
|                                | L&T Infrastructure Finance Company Limited             | 2.41       | 34.32      |
|                                | L&T Housing Finance Limited                            | 0.68       | 29.98      |
| <b>7</b>                       | <b>Advisory Fees received</b>                          |            |            |
|                                | Larsen & Toubro Limited                                | 12.50      | -          |
| <b>8</b>                       | <b>Portfolio related transaction</b>                   |            |            |
|                                | L&T Housing Finance Limited                            | 57.57      | 62.89      |
| <b>9</b>                       | <b>Investment in Equity Shares</b>                     |            |            |
|                                | L&T Infra Debt Fund Limited                            | 1,980.44   | -          |
| <b>10</b>                      | <b>Purchase of assets</b>                              |            |            |
|                                | L&T Capital Company Limited                            | 0.02       | -          |
| <b>11</b>                      | <b>Corporate support charges paid</b>                  |            |            |
|                                | L&T Finance Holdings Limited                           | 262.00     | 497.00     |
| <b>12</b>                      | <b>Branch sharing cost paid to</b>                     |            |            |
|                                | Larsen & Toubro Limited                                | 11.40      | -          |
|                                | L&T Financial Consultants Limited                      | 2,308.54   | 1,769.97   |



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatted consolidated financial information**

| Sr. No. Nature of Transaction* |   | ₹ In Lakh  |            |
|--------------------------------|---|------------|------------|
|                                |   | 2017-18    | 2016-17    |
| <b>13</b>                      | <b>Branch sharing cost recovered from</b>               |            |            |
|                                | L&T Infrastructure Finance Company Limited              | 17.26      | 23.60      |
|                                | L&T Electricals and Automation Limited                  | 5.06       | -          |
|                                | L&T Finance Holdings Limited                            | -          | 7.53       |
|                                | L&T Infra Investment Partners Advisory Private Limited  | -          | 3.43       |
|                                | L&T Investment Management Limited                       | 176.75     | 163.85     |
|                                | L&T Capital Market Limited                              | 63.82      | 70.84      |
|                                | L&T Housing Finance Limited                             | 303.75     | 294.72     |
| <b>14</b>                      | <b>Managerial Remuneration**</b>                        |            |            |
|                                | Vamsidhar Chevendra                                     | -          | 4.63       |
|                                | Muralidharan Rajamani                                   | -          | 87.70      |
|                                | Sunil Prabhune  | 812.99     | 16.87      |
| <b>15</b>                      | <b>IT/Professional fees</b>                             |            |            |
|                                | Larsen & Toubro Limited                                 | 612.67     | 602.35     |
|                                | Larsen & Toubro Infotech Limited                        | 215.10     | 71.34      |
|                                | L&T Finance Holdings Limited                            | 8.43       | -          |
| <b>16</b>                      | <b>Sale/Assignment of Loan Portfolio</b>                |            |            |
|                                | L&T Infra Debt Fund Limited                             | 41,820.96  | 27,474.29  |
|                                | L&T Infrastructure Finance Company Limited              | 66,211.70  | -          |
|                                | L&T Housing Finance Limited                             | 73,585.32  | -          |
| <b>17</b>                      | <b>Purchase of Loan Portfolio</b>                       |            |            |
|                                | L&T Infrastructure Finance Company Limited              | 96,300.00  | -          |
| <b>18</b>                      | <b>Purchase of Loan Portfolio</b>                       |            |            |
|                                | L&T Infrastructure Finance Company Limited              | 33,000.00  | -          |
| <b>19</b>                      | <b>Brand License Fees</b>                               |            |            |
|                                | Larsen & Toubro Limited                                 | 1,473.18   | 96.31      |
| <b>20</b>                      | <b>ESOP Cost</b>  |            |            |
|                                | L&T Finance Holdings Limited                            | 427.22     | 8.29       |
| <b>21</b>                      | <b>Equity Capital Infused (including share premium)</b> |            |            |
|                                | L&T Finance Holdings Limited                            | 140,000.00 | 642,460.02 |



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatted consolidated financial information**

|                 |   | ₹ in Lakh           |                     |
|-----------------|---|---------------------|---------------------|
| S. No.          | Nature of transactions  | As at March 31,2018 | As at March 31,2017 |
| <b>Balances</b> |   |                     |                     |
| <b>1</b>        | <b>Inter Corporate Borrowings</b>                                 |                     |                     |
|                 | L&T Finance Holdings Limited                                      | 65,934.00           | 20,091.00           |
|                 | L&T Infrastructure Finance Company Limited                        | -                   | 3,500.00            |
|                 | L&T Capital Company Limited                                       | 637.00              | 760.00              |
| <b>2</b>        | <b>Interest accrued but not due on Inter Corporate Borrowings</b> |                     |                     |
|                 | L&T Finance Holdings Limited                                      | 119.89              | 27.43               |
|                 | L&T Infrastructure Finance Company Limited                        | -                   | 0.78                |
|                 | L&T Capital Company Limited                                       | 22.35               | 0.02                |
| <b>3</b>        | <b>Investment in equity share</b>                                 |                     |                     |
|                 | L&T Infra Debt Fund Limited                                       | 17,650.44           | 15,670.00           |
| <b>4</b>        | <b>Rent Deposit</b>   |                     |                     |
|                 | L&T Financial Consultants Limited                                 | 381.44              | 381.44              |
| <b>5</b>        | <b>Account payable</b>  |                     |                     |
|                 | Larsen & Toubro Limited   | -                   | -                   |
|                 | L&T Finance Holdings Limited                                      | 198.70              | 24.94               |
|                 | L&T Infrastructure Finance Company Limited                        | 13.58               | -                   |
|                 | L&T Investment Management Limited                                 | 3.48                | -                   |
|                 | L&T Capital Company Limited                                       | 0.02                | -                   |
|                 | L&T Capital Market Limited  | 7.52                | 69.61               |
|                 | L&T Housing Finance Limited                                       | 18.96               | -                   |
|                 | L&T Financial Consultants Limited                                 | 11.74               | -                   |
| <b>6</b>        | <b>Account receivable</b>   |                     |                     |
|                 | Larsen & Toubro Limited   | 223.10              | 27.83               |
|                 | L&T Infrastructure Finance Company Limited                        | 66.99               | 44.38               |
|                 | L&T Investment Management Limited                                 | 56.17               | 9.71                |
|                 | L&T Capital Market Limited  | 15.72               | -                   |
|                 | L&T Housing Finance Limited                                       | 83.15               | 24.27               |
|                 | L&T Electricals and Automation Limited                            | 5.42                | -                   |
|                 | L&T Financial Consultants Limited                                 | 0.40                | -                   |
| <b>7</b>        | <b>Security Deposit Payable</b>                                   |                     |                     |
|                 | L&T Investment Management Limited                                 | 22.05               | 22.05               |
| <b>8</b>        | <b>Reimbursement of expenses</b>                                  |                     |                     |
|                 | Larsen & Toubro Limited   | -                   | 292.43              |
| <b>9</b>        | <b>Brand License Fees Payable</b>                                 |                     |                     |
|                 | Larsen & Toubro Limited   | 1,605.77            | -                   |

\* Transactions shown above are excluding of Service Tax and GST, if any.

\*\* Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole.





**L&T Finance Limited (erstwhile Family Credit Limited)**  
Notes forming part of the reformatted consolidated financial information

**29.4 Finance Lease:**

In accordance with Accounting Standard 19 on 'Leases' as notified under Rule 7 of the Companies (Accounts) Rules, 2014, the following disclosures in respect of Finance Leases are made:

**Assets given on lease:**

The Company has given assets on finance lease to its customers with respective underlying assets as security. The details of gross investments, unearned finance income and present value of rentals As at March 31, 2018 and As at March 31, 2017 in respect of these assets are as under:

|   | ₹ in Lakh        |                 |
|---|------------------|-----------------|
| Particulars   | 2017-2018        | 2016-2017       |
| <b>Gross Investments :</b>                          |                  |                 |
| - Within one year                                   | 2,589.01         | 2827.26         |
| - Later than one year and not later than five years | 8,727.65         | 5,039.97        |
| - Later than five years                             | 0.52             | -               |
| <b>Total</b>  | <b>11,317.18</b> | <b>7,867.23</b> |
| <b>Unearned Finance Income :</b>                    |                  |                 |
| - Within one year                                   | 745.16           | 649.75          |
| - Later than one year and not later than five years | 1,509.77         | 864.56          |
| - Later than five years                             | 0.02             | -               |
| <b>Total</b>  | <b>2,254.95</b>  | <b>1,514.31</b> |
| <b>Present Value of Rentals :</b>                   |                  |                 |
| - Within one year                                   | 1,843.85         | 2,177.27        |
| - Later than one year and not later than five years | 7,217.88         | 4,175.32        |
| - Later than five years                             | 0.49             | -               |
| <b>Total</b>  | <b>9,062.22</b>  | <b>6,352.59</b> |

**29.5 Operating Lease :**

- (i) The Company has taken vehicles under operating leases. Gross rental expenses of ₹ 155.22 lakh (for the year ended March 31, 2017 ₹ 31.56 lakh) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

|   | ₹ in Lakh    |              |
|---|--------------|--------------|
| Particulars   | 2017-2018    | 2016-2017    |
| - Within one year                                   | 27.03        | 26.75        |
| - Later than one year and not later than five years | 36.79        | 37.23        |
| - Later than five years                             | -            | -            |
| <b>Total</b>  | <b>63.82</b> | <b>63.98</b> |

- (ii) The Company has taken IT assets under operating lease. Lease Payments includes ₹ 200.45 lakhs (for the year ended March 31, 2017 ₹ 563.53 lakh) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

|   | ₹ in Lakh    |               |
|---|--------------|---------------|
| Particulars   | 2017-2018    | 2016-2017     |
| - Within one year                                   | 22.66        | 108.98        |
| - Later than one year and not later than five years | 31.31        | -             |
| - Later than five years                             | -            | -             |
| <b>Total</b>  | <b>53.97</b> | <b>108.98</b> |

- (iii) The Company has taken premises under operating lease. Lease Payments includes ₹ 1,258.81 lakhs (for the year ended March 31, 2017 ₹ 1,208.35 lakh) recognised in the Statement of Profit and Loss. The total of future minimum lease payments under non-cancellable operating leases are :

|   | ₹ in Lakh       |                 |
|---|-----------------|-----------------|
| Particulars   | 2017-2018       | 2016-2017       |
| - Within one year                                   | 2,275.74        | 2,025.48        |
| - Later than one year and not later than five years | 7,410.00        | 1,407.54        |
| - Later than five years                             | -               | -               |
| <b>Total</b>  | <b>9,685.74</b> | <b>3,433.02</b> |

**Assets given on lease:**

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

|   | ₹ in Lakh       |                 |
|---|-----------------|-----------------|
| Particulars   | 2017-2018       | 2016-2017       |
| - Within one year                                   | 1,244.02        | 3,404.30        |
| - Later than one year and not later than five years | 1,886.45        | 4,006.49        |
| - Later than five years                             | 145.10          | 145.43          |
| <b>Total</b>  | <b>3,275.57</b> | <b>7,556.22</b> |





**L&T Finance Limited (erstwhile Family Credit Limited)**  
Notes forming part of the reformatted consolidated financial information

**29.6 Earnings Per Share:**

| Particulars   |            | 2017-2018     | 2016-2017     |
|---|------------|---------------|---------------|
| <b>Basic</b>  |            |               |               |
| Profit after tax as per statement of profit and loss (₹ in Lakh)            | A          | 33,225.09     | 4,266.17      |
| Weighted average number of equity shares outstanding during the year (Nos.) | B          | 1,449,200,469 | 1,440,047,294 |
| <b>Basic Earning Per Share (₹)</b>  | <b>A/B</b> | <b>2.29</b>   | <b>0.30</b>   |
| <b>Diluted</b>  |            |               |               |
| Profit after tax as per statement of profit and loss (₹ in Lakh)            | A          | 33,225.09     | 4,266.17      |
| Weighted average number of equity shares outstanding (Nos.)                 | B          | 1,449,200,469 | 1,440,047,294 |
| <b>Diluted Earning Per Share (₹)</b>  | <b>A/B</b> | <b>2.29</b>   | <b>0.30</b>   |
| Nominal value of shares (₹)   |            | 10.00         | 10.00         |

**29.7 Contingent Liabilities and commitments:**

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| <b>Contingent Liabilities:</b>  |                         |                         |
| a) Claim against the Company not acknowledged as debt:  |                         |                         |
| Income Tax matter in dispute*   | 71.49                   | 71.49                   |
| Sales tax/ VAT / Service Tax matter in dispute*   | 6,541.29                | 2,380.45                |
| Legal matter in dispute*  | 131.34                  | 106.00                  |
| b) Bank Guarantees  | 3,951.79                | 2,120.00                |
| c) Other money for which the Company is contingently liable                                       |                         |                         |
| Liability towards Letter of Credit (net of margin money)  | 92,247.90               | 5,258.89                |
| <b>Commitments</b>  |                         |                         |
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for | 16,161.14               | 698.67                  |
| b) Undisbursed Commitment   | -                       | 4,100.00                |

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

**29.8 Sale and Assignment of Receivables :**

a) The Company has sold receivables amounting to ₹ Nil lakh (for the year ended March 31, 2017 ₹ 24,069.74 lakh). This sale are without recourse to the Company.

| Particulars   | 2017-2018 | 2016-2017 |
|---|-----------|-----------|
| <b>Loans &amp; receivables Assigned</b>                             |           |           |
| Total Number of Loan  |           | 12,037.00 |
| Book Value of Loan  |           | 20,476.51 |
| Sale Consideration Received   |           | 20,476.51 |
| Gain / (Loss) on Sale   | -         | -         |
| Gain / (Loss) Amortised to P&L*                                     | -         | -         |
| Form and Quantum (outstanding value) of services provided by way of |           |           |
| Credit Enhancement  |           | 2,252.47  |
| Liquidity Support   |           | -         |
| Post-Securitisation Asset Servicing                                 |           | -         |

\* Gain / (Loss) includes profit amortisation of earlier transaction

b) The Company has assigned receivables amounting to ₹ Nil lakh (for the year ended March 31, 2017 ₹ 15,713.41). This assignment are without recourse to the Company.

| Particulars   | 2017-2018 | 2016-2017 |
|---|-----------|-----------|
| <b>Loans &amp; receivables Sold</b>                                 |           |           |
| Total Number of Loan  |           | 7,388     |
| Book Value of Loan  |           | 12,252.14 |
| Sale Consideration Received   |           | 12,720.38 |
| Gain / (Loss) on Sale   | -         | 468.24    |
| Gain / (Loss) Amortised to P&L*                                     | -         | 31.55     |
| Form and Quantum (outstanding value) of services provided by way of |           |           |
| Credit Enhancement  |           | -         |
| Liquidity Support   |           | -         |
| Post-Securitisation Asset Servicing                                 |           | -         |

\* Gain / (Loss) includes profit amortisation of earlier transaction



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatting consolidated financial information**

- 29.9 Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options have been granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts, recovery of the same and future period expense details are following:

| ₹ in Lakh      |  |   |  |  |
|----------------|--|---|--|--|
| Financial Year | Total cost incurred by holding company (i.e. L&T Finance Holdings Limited) | Expense recovered by holding company till end of financial year | Expenses charged/(Reversed) to statement of profit and loss for the year | Remaining expenses to be recovered in future year / period |
| (A)            | (B)  | (C)   | (D)  | (E = B-C)  |
| 2017-18        | 1,890.40   | 435.51  | 427.22   | 1,454.89   |
| 2016-17        | 86.36  | 8.29  | 8.29   | 78.07  |

- 30.0 Expenditure in foreign currency:

| ₹ in Lakh         |           |           |
|-------------------|-----------|-----------|
| Particulars       | 2017-2018 | 2016-2017 |
| Professional Fees | 36.80     | 15.02     |
| License Fees      | 151.72    | 1.08      |

- 30.10 Frauds committed against the company:

| ₹ in Lakh  |           |           |
|--|-----------|-----------|
| Particulars  | 2017-2018 | 2016-2017 |
| No. of cases of fraud which occurred during the year | 12        | 20        |
| Amount involved                                      | 62.52     | 59.21     |
| Amount recovered                                     | 2.03      | 11.23     |
| Amount provided/loss                                 | 60.49     | 0.72      |

- 30.11 The Company has entered into currency swap transactions with a view to hedge the currency risk of its USD borrowings. Accordingly the company has revalued the foreign currency borrowing and currency swap at the balance sheet date.

| Particulars                                | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| Liability – External Commercial Borrowings | USD 1,55,06,284      | USD 2,00,00,000      |
| Assets – Currency Swap Contracts           | USD 1,55,06,284      | USD 2,00,00,000      |

- 30.12 (i) Appropriations to the Special Reserve under Section 36(1)(viii) of Income Tax Act, 1961 and Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 are carried out of the distributable profits of the company.
- (ii) Appropriation to the Debenture Redemption Reserve has been created in terms of Section 71 (4) of the Companies Act, 2013 is carried out of distributable profits of the Company.
- (iii) During the year, the Company has charged off debenture issue expenses net of tax ₹ 173.59 lakh (for the year ended March 31, 2017 ₹ 124.39 lakh) to the Securities Premium Account in accordance with Section 52 of the companies Act, 2013.

- 30.13 Disclosure required by notification dated 30th March, 2017 issued by Ministry of Company Affairs.

| ₹ in Lakh                                    |                        |  |             |
|--|------------------------|--|-------------|
| Particulars                                  | SBNs (refer foot note) | Other denomination notes (refer foot note) | Total       |
| Closing cash in hand as on November 8, 2016  | 6,014.23               | 17.86                                      | 6,032.09    |
| (+) Permitted receipts                       | 4,171.75               | 36,494.48                                  | 40,666.23   |
| (-) Permitted payments                       | -                      | -  | -           |
| (-) Amount deposited in Banks                | (10,185.98)            | (35,882.95)                                | (46,068.93) |
| Closing cash in hand as on December 30, 2016 | -                      | 629.39                                     | 629.39      |

Includes amounts directly deposited by the borrowers into the bank accounts.

L & T Finance Ltd is a Non-Banking Finance Company ("NBFC"). The Company offers a wide range of products such as micro finance, tractor loans, two-wheeler loans and other rural lending products to a large number of customers. The operations are geographically wide-spread with significant volume of transactions including cash collections. The above information covers cash received at the Company's offices and is based on details available in the pay-in-slips but excludes direct deposits in the Company's bank accounts by the borrowers.

As the Company took steps not to accept Specified Bank Notes at its offices after November 8, 2016 and on the basis of information compiled, all collections from November 9, 2016 to December 30, 2016 have been shown as "Other denomination notes".





**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatting consolidated financial information**

**30.14 Amalgamation of L&T Finance Ltd and L&T FinCorp Ltd with Family Credit Limited**

- a) Family Credit Limited (FCL), L&T Finance Limited ("LTF") and L&T FinCorp Ltd (LTFC), wholly owned subsidiaries of L&T Finance Holdings Limited ("LTFH") are NBFCs registered with RBI within the L&T Financial Services Group ("LTFSG/Group"). In order to consolidate the business of the lending entities for creation of a single larger unified entity have substantial portion of its assets in the Business to Consumer (B2C) segment and reduce the number of NBFCs within LTFH, it was proposed that LTF and LTFC to be amalgamated with FCL having been substantially in this segment for several years carries with it rich legacy of best practices, system and processes that are best suited for the retail business. Amalgamation will lead to consolidation and help synergise integration of the businesses of transferor companies and the transferee company to enable better operational management and greater focus, simplification of group corporate structure.

On July 19, 2016 and July 21, 2016, the Board of directors of L&T Finance Ltd, L&T FinCorp Limited and Family Credit Limited had approved the Scheme of Amalgamation (Scheme) of L&T Finance Limited and L&T FinCorp Limited (together referred as Transferor Company) with Family Credit Limited (Transferee Company) effective from April 01, 2016 (Appointed date). The Honourable High Court of Calcutta at his hearing held on November 28, 2016 and the National Company Law Tribunal, Mumbai Bench ("NCLT") at its hearing held on January 24, 2017, have sanctioned the Scheme of Amalgamation of L&T Finance Ltd and L&T FinCorp Limited with Family Credit Limited. The certified copies of the Orders of the Court and NCLT, sanctioning the Scheme were filed with the Registrar of Companies, Kolkata on February 13, 2017 (the "Effective Date").

The purchase consideration of Rs 6,42,460.02/- lakhs for acquisition of Transferor Company was settled by Transferee Company through issue of 123,57,37,684 (One twenty three crores fifty seven lakhs thirty seven thousand six hundred eighty four) equity shares of Rs 10/- each at a price of Rs 51.99/- per share to the shareholder of L&T Finance Limited and L&T FinCorp Limited as on the record date as stated in the Scheme as per following share exchange ratio

- a) 350 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in L&T Finance pre merger  
b) 147 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in L&T FinCorp pre merger

The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements and all assets and liabilities and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company. Accordingly, the financial statements have been recast for the year ended on March 31, 2017.

Consequent to the Scheme becoming effective, net assets of Transferor Company amounting to Rs. 315,728.92 lacs as on the Appointed Date have been transferred to the Transferee Company at their respective fair values and the fair value of Distribution and Customer Network Rights ("DCNR") as determined by an independent Valuer, have been recognised as an intangible asset at a valuation of Rs. 43,880.00 lakhs. The balance amount of Rs 28,285.10 lakhs has been recorded as goodwill on amalgamation. These intangible assets, i.e. the DCNR and goodwill on amalgamation, are being amortised on a straight line basis over a period of 5 years with effect from April 01, 2016.

Break down of the purchase consideration into net assets and goodwill is as under:

| Particulars   | LTF          | LTFC       | Total        |
|---|--------------|------------|--------------|
| I. Consideration paid for acquisition   | 433,845.07   | 208,614.95 | 642,460.02   |
| II. Assets acquired on appointed date   |              |            |              |
| Tangible assets   | 22,817.12    | 559.07     | 23,376.19    |
| Intangible assets (including DCNR)  | 44,301.31    |            | 44,301.31    |
| Non-current investments   | 14,050.49    | 12,966.01  | 27,016.50    |
| Deferred tax assets (net)   | 14,829.50    | 4,709.47   | 19,538.97    |
| Long-term loans and advances  | 9,758.62     | 5,170.16   | 14,928.78    |
| Long-term loans and advances towards financing activities                       | 786,245.11   | 469,640.11 | 1,255,885.22 |
| Other non-current assets  | 7,337.49     | 8,215.84   | 15,553.33    |
| Current investments   | 256.75       | 19,559.55  | 19,816.30    |
| Trade receivables   | 743.84       | 88.35      | 832.19       |
| Cash and bank balances  | 15,562.22    | 80.06      | 15,642.28    |
| Short-term loans and advances   | 7,316.08     |            | 7,316.08     |
| Current maturities of long-term loans and advances towards financing activities | 368,747.75   | 123,303.67 | 492,051.62   |
| Short-term loans and advances towards financing activities                      | 233,882.83   | 77,453.52  | 311,336.35   |
| Other current assets  | 42,501.17    | 19,795.02  | 62,296.19    |
| Total (A)   | 1,568,350.28 | 741,541.03 | 2,309,891.31 |
| Long-term borrowings  | 630,438.29   | 430,327.67 | 1,060,765.96 |
| Other long term liabilities   | 10,265.10    | 11,576.96  | 21,842.06    |
| Long-term provisions  | 3,225.23     | 2,077.25   | 5,302.48     |
| Short-term borrowings   | 235,709.69   | 130,596.17 | 366,305.86   |
| Current maturities of long term borrowings                                      | 329,290.10   | 53,844.33  | 383,134.43   |
| Trade payables  | 12,727.68    | 1,028.70   | 13,756.38    |
| Other current liabilities   | 82,962.98    | 8,511.12   | 91,474.10    |
| Short-term provisions   | 6,101.12     | 1,600.00   | 7,701.12     |
| Total (B)   | 1,310,720.19 | 639,562.20 | 1,950,282.39 |
| Net Assets (A - B)  | 257,630.09   | 101,978.83 | 359,608.92   |
| III. Goodwill (I - II)  | 176,214.98   | 106,636.12 | 282,851.10   |



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the reformatting consolidated financial information**

- b) Statutory reserves, which have been created by Transferor Company pursuant to the requirements under different statute and are required to be preserved for specified period, are transferred to Transferee Company in the same form in which they appeared in the financials statements of the Transferor Company so long as their identity is required to be maintained to comply with the relevant statute. The statutory reserves are recorded in the financial statements of the transferee company by a corresponding debit to "Amalgamation Adjustment Account" which is disclosed as a part of 'Reserve and Surplus' in the balance sheet

Details of Statutory Reserves of Transferor Company recorded in Transferee Company is as under:

| Particulars   | ₹ in Lakh        |                 |                  |
|---|------------------|-----------------|------------------|
|   | LTF              | LTFC            | Total            |
| Debenture redemption reserve under Section 71(4) of the Companies Act | 10,212.16        | -               | 10,212.16        |
| Reserve under section 45-IC of Reserve Bank of India Act              | 37,133.87        | 8,314.93        | 45,448.80        |
| Reserve under section 36(1)(viii) of Income Tax Act                   | 20.45            | 861.00          | 881.45           |
| <b>Total</b>  | <b>47,366.48</b> | <b>9,175.93</b> | <b>56,542.41</b> |

- c) Due to the amalgamation of Transferor Company with the Transferee Company from appointed date of April 01, 2016, the figures of the current year will not be comparable to the corresponding figures of the previous year.
- 30.15 Consequent to the above referred amalgamation, L&T Infra Debt Fund Limited was evaluated to be an Associate of the Company. Thus, the first set of Consolidated Financial Statements of the Company incorporating the appropriate share of the profit and equity was prepared for the year ended 31st March 2017. The corresponding previous period represents the standalone figures of the Company prior to the Appointed Date and were therefore not comparable. In view of the above, the Reformatting Consolidated Financial Statements have been drawn as at and for the years ended 31st March 2018 and 31st March, 2017.
- 30.16 Investment in Grammen capital India Limited, an associate of the company is accounted in consolidated financial statements in accordance with Accounting Standard (AS) 13, Accounting for Investments and not under the equity method as per Accounting Standard (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements as the associate operates under severe long term restrictions that significantly impair its ability to transfer funds to investor.
- 30.17 Previous year figures have been regrouped/ reclassified wherever necessary.



For and on behalf of the board of directors of  
**L&T Finance Limited (erstwhile Family Credit Limited)**

(Innanath Dubhashi)  
Chairperson  
(DIN : 03545900)

Manish Jethwa  
Head Accounts  
(Chief Financial Officer)

Place : Mumbai  
Date : January 15, 2019



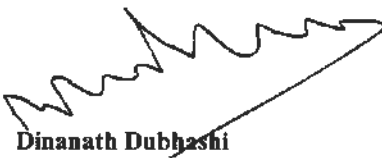
**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Statement of dividend paid / proposed:**

Annexure V

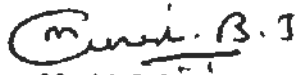
| Particulars                                    |         | For the year<br>ended March 31,<br>2018 | For the year<br>ended March 31,<br>2017 |
|--|---------|---|---|
| Equity Share Capital (₹ in lakh)               |         | 15,991.38                               | 14,400.47                               |
| Face Value Per Equity Share (₹)                | (a)     | 10.00                                   | 10.00                                   |
| Dividend on Equity Shares (₹ per Equity Share) | (b)     | -                                       | -                                       |
| Total dividend on Equity Shares (₹ in lakh)    |         | -                                       | -*                                      |
| Dividend Declared Rate (In %)                  | (c=b/a) | 0.00%                                   | 0.00%                                   |
| Dividend tax (gross) on dividend (₹ in lakh)   |         |   |   |

\*L&T Fincorp Ltd, one of the amalgamating company had declared and paid an interim dividend of ₹ 14,003.20 lakhs prior to the effective date of amalgamation and the Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2018.

**For and on behalf of the board of directors of  
L&T Finance Limited (Erstwhile Family Credit Limited)**

  
**Dinanath Dubhashi**  
Chairperson  
(DIN : 03545900)



  
**Manish Jethwa**  
Head Accounts  
(Chief Financial Officer)

Place: Mumbai  
Date : January 15, 2019



**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON REFORMATTED  
STANDALONE FINANCIAL INFORMATION**

The Board of Directors

L&T Finance Limited (Formerly known as "Family Credit Limited")

Dear Sirs,

1. We have examined the attached Reformatted Standalone Financial Information of L&T Finance Limited (Formerly known as "Family Credit Limited") (the "Company" or the "Issuer"), comprising the Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Reformatted Standalone Statements of Profit and Loss, the Reformatted Standalone Cash Flow Statement for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Reformatted Standalone Financial Information"). The Reformatted Standalone Financial Information have been prepared by the Management of the Company on the basis of note 1 to the Reformatted Standalone Financial Information and have been approved by the Board of Directors of the Company at their meeting held on January 15, 2019 for the purpose of inclusion in the Draft Shelf Prospectus and Shelf Prospectus (collectively the "Offer Documents") prepared by the Company in connection with its proposed issue of non-convertible debentures ( "NCDs") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Reformatted Standalone Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Kolkata, West Bengal in connection with the proposed issue of NCDs. The Reformatted Standalone Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1 to the Reformatted Standalone Financial Information. The Company's Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Information. The Company's Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, the Regulations and the Guidance Note.
3. We have examined such Reformatted Standalone Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 8, 2019 in connection with the proposed issue of NCDs of the Company;

↓

- b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information; and
  - d) The requirements of Section 26 of the Act and the Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Note in connection with the proposed issue of NCDs.
4. These Reformatted Standalone Financial Information have been compiled by the management from the Audited Standalone financial statements of the Company as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 2, 2018, May 2, 2017, April 28, 2016, April 16, 2015 and April 17, 2014 respectively.
5. For the purpose of our examination, we have relied on:
- a) Auditors' reports issued by us dated May 2, 2018 and May 2, 2017 on the standalone financial statements of the Company as at and for the years ended March 31, 2018 and 2017 as referred in Paragraph 4 above; and
  - b) Auditors' Report issued by the Previous Auditors dated April 28, 2016, April 16, 2015 and April 17, 2014 on the standalone financial statements of the Company as at and for the years ended March 31, 2016, 2015 and 2014, as referred in Paragraph 4 above.

The audits for the financial years ended March 31, 2016, 2015 and 2014 were conducted by the Company's previous auditors (the "Previous Auditors"), and accordingly reliance has been placed on the reformatted standalone statement of assets and liabilities and the reformatted standalone statements of profit and loss and reformatted cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2016, 2015 and 2014 Reformatted Standalone Financial Information") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors.

6. The audit report on the standalone financial statements issued by us was unmodified and included following emphasis of matter paragraph on the financial statements as at and for the year ended March 31, 2017:

"We draw attention to Note 29.15 of the financial statements which explains the basis for recording interim dividend paid by an amalgamating company in the financial statements of the Company.

Our opinion is not modified in respect of this matter."

*Del*



7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors for the respective years, we report that the Reformatted Standalone Financial Information are prepared, in all material aspects, on the basis described in note 1 to the Reformatted Standalone Financial Information.
8. At the request of the Company, we have also examined the following financial information of the Company set out in the Annexure V prepared by management and approved by the Board of Directors on January 15, 2019 as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014. In respect of the years ended March 31, 2016, 2015 and 2014, these information have been included based upon the reports submitted by the Previous auditors and relied upon by us:
  - (i) Statement of dividend paid / proposed, enclosed as Annexure V.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. The Reformatted Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited standalone financial statements mentioned in paragraph 4 above.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Kolkata, West Bengal in connection with the proposed issue of NCDs. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

Sanjiv V. Pilgaonkar  
Partner  
(Membership Number: 39826)

**Mumbai, January 15, 2019**

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L&T Finance Limited (Formerly Family Credit Limited)

Reformatted Standardized Statement of Assets and Liabilities  
in Rs. Millions

Annexure I

|  | Note No. | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>A. EQUITY AND LIABILITIES</b>   |          |                      |                      |                      |                      |                      |
| 1. Shareholders' funds   |          |                      |                      |                      |                      |                      |
| Share capital  | 2        | 1,59,973.82          | 1,44,004.73          | 20,430.06            | 20,430.96            | 20,430.96            |
| Reserves and surplus   | 3        | 6,38,761.30          | 5,43,834.18          | 42,785.03            | 34,122.22            | 20,855.93            |
|  |          | 8,98,735.12          | 6,87,838.91          | 63,215.09            | 54,553.25            | 47,286.89            |
| 2. Non-current liabilities   |          |                      |                      |                      |                      |                      |
| Long-term borrowings   | 4        | 21,21,680.51         | 15,31,433.98         | 2,80,308.88          | 1,45,970.34          | 1,10,086.28          |
| Other long-term liabilities  | 5        | 4,499.48             | 14,782.86            | 2,280.13             | 2,638.31             | 1,95.88              |
| Long-term provisions   | 6        | 10,423.45            | 9,157.55             | 886.63               | 918.17               | 438.71               |
|  |          | 21,36,603.45         | 15,56,300.11         | 2,83,647.64          | 1,49,526.82          | 1,10,701.86          |
| 3. Current liabilities   |          |                      |                      |                      |                      |                      |
| Short-term borrowings  | 7        | 7,24,888.59          | 6,87,061.60          | 1,14,391.66          | 1,10,207.87          | 60,860.00            |
| Current maturities of long-term borrowings   | 4        | 6,29,500.00          | 2,54,479.00          | 54,570.33            | 43,845.45            | 1,00,099.45          |
| Trade payables   | 8        | -                    | -                    | -                    | 0.79                 | -                    |
| Total outstanding dues of micro enterprises and small enterprises                      |          | 9,498.42             | 6,528.13             | 1,559.13             | 640.11               | 283.24               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 98,385.17            | 91,275.42            | 13,846.30            | 9,354.28             | 5,325.57             |
| Other current liabilities  | 9        | 8,038.28             | 5,015.68             | 4,016.44             | 3,387.03             | 630.30               |
| Short-term provisions  | 10       | -                    | -                    | -                    | -                    | -                    |
|  |          | 14,10,418.47         | 13,54,353.84         | 1,69,885.96          | 1,76,446.96          | 1,67,328.56          |
|  |          | 44,65,887.04         | 38,97,682.84         | 5,26,730.39          | 3,79,823.75          | 3,28,517.33          |
| <b>Total equity and liabilities</b>  |          |                      |                      |                      |                      |                      |
|  |          | 74,52,78             | 18,025.31            | 205.21               | 257.75               | 251.54               |
| <b>B. ASSETS</b>   |          |                      |                      |                      |                      |                      |
| 1. Non-current assets  |          |                      |                      |                      |                      |                      |
| Property, plant and equipment  | 11       | 1,87,464.98          | 2,82,149.54          | 85.44                | 161.24               | 213.86               |
| Intangible assets  | 11       | 923.47               | -                    | 41.50                | 7.03                 | -                    |
| Intangible assets under development  | 12       | 60,935.17            | 13,524.81            | 4,190.00             | 2,300.00             | 2,300.00             |
| Non-current investments  | 13       | 62,484.38            | 37,253.96            | 5,198.16             | 4,319.21             | 2,700.00             |
| Deferred tax assets (net)  | 14       | 30,737.89            | 16,481.44            | 332.43               | 326.83               | 581.75               |
| Long-term loans and advances   | 15       | 25,403,326.55        | 17,81,533.50         | 2,77,088.27          | 1,82,158.47          | 1,51,461.52          |
| Long-term loans and advances towards financing activities                              | 16       | 18,059.84            | 16,914.26            | 2,024.58             | 865.46               | 122.04               |
| Other non-current assets   | 16       | -                    | -                    | -                    | -                    | -                    |
|  |          | 28,38,421.00         | 22,04,212.82         | 2,69,536.58          | 1,90,376.08          | 1,67,630.80          |
| 2. Current assets  |          |                      |                      |                      |                      |                      |
| Current investments  | 17       | 1,50,358.67          | 2,38,072.17          | 171.06               | 15,314.52            | 16,500.00            |
| Trade receivables  | 18       | 912.05               | 1,028.77             | -                    | -                    | -                    |
| Cash and cash equivalents  | 19       | 34,871.53            | 29,487.59            | 4,431.36             | 2,465.78             | 1,396.48             |
| Short-term loans and advances  | 20       | 7,439.20             | 6,056.85             | 4,468.49             | 1,858.00             | 4,181.36             |
| Short-term loans and advances towards financing activities                             | 21       | 1,86,646.46          | 2,17,125.02          | -                    | 6,565.94             | 8,997.35             |
| Current maturities of long-term loans and advances towards financing activities        | 16       | 10,55,328.78         | 6,29,716.52          | 2,26,078.97          | 1,57,116.09          | 1,30,457.70          |
| Other current assets   | 22       | 91,722.75            | 73,894.20            | 10,743.90            | 5,624.33             | 4,153.73             |
|  |          | 15,27,275.44         | 13,93,470.02         | 2,45,893.80          | 1,90,147.66          | 1,67,086.84          |
|  |          | 44,65,697.04         | 35,97,682.84         | 5,26,730.39          | 3,79,823.75          | 3,28,517.33          |
| <b>Total assets</b>  |          |                      |                      |                      |                      |                      |
|  |          | 74,52,78             | 18,025.31            | 205.21               | 257.75               | 251.54               |

Significant accounting policies  
See accompanying notes forming part of  
reformatted financial information

Note 2 to 23

In terms of our report attached,  
For Deloitte Hassins & Sells LLP  
Chartered Accountants

Sanjiv V. Phogat  
Partner

Place: Mumbai  
Date: January 15, 2019



For and on behalf of the board of directors of  
L&T Finance Limited (Formerly Family Credit Limited)

Dhanraj Dubey  
Chairperson  
(DIN: 0545800)

Place: Mumbai  
Date: January 15, 2019

Manish Jethwa  
Head Accounts  
(Chief Financial Officer)



**L&T Finance Limited (Erstwhile Family Credit Limited)**

**Reformatted Standalone Statement of Profit and Loss  
₹ in lakh**

|   | Note No. | Year ended March 31, 2018 | Year ended March 31, 2017 | Year ended March 31, 2016 | Year ended March 31, 2015 | Year ended March 31, 2014 |
|---|----------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>A. INCOME:</b>   |          |                           |                           |                           |                           |                           |
| 1. Revenue from operations  | 23       | 4,99,744.95               | 4,08,205.22               | 77,114.56                 | 63,484.18                 | 44,832.88                 |
| 2. Other income   | 24       | 24,823.88                 | 6,292.32                  | 170.41                    | 318.03                    | 494.28                    |
| 3. Total Income (1+2)   |          | 5,24,568.84               | 4,14,497.54               | 77,284.97                 | 63,802.21                 | 45,327.16                 |
| <b>B. EXPENSES:</b>   |          |                           |                           |                           |                           |                           |
| Employee benefits expense   | 26       | 31,807.29                 | 30,087.20                 | 5,325.85                  | 2,925.58                  | 2,534.83                  |
| Finance costs   | 26       | 2,49,684.66               | 1,95,951.53               | 30,599.31                 | 26,787.41                 | 18,876.81                 |
| Depreciation and amortisation   | 11       | 69,323.65                 | 70,766.80                 | 266.78                    | 246.15                    | 281.91                    |
| Administration and other expenses   | 27       | 39,854.14                 | 36,016.53                 | 16,356.54                 | 16,967.38                 | 14,932.40                 |
| Provisions and Contingencies  | 28       | 80,445.63                 | 78,833.74                 | 11,304.92                 | 6,686.87                  | 2,165.28                  |
| 4. Total expenses   |          | 4,81,115.37               | 4,11,655.80               | 63,853.40                 | 53,613.39                 | 38,791.23                 |
| 5. Profit before tax (3-4)  |          | 43,453.47                 | 2,841.74                  | 13,431.57                 | 10,188.82                 | 6,535.93                  |
| 6. Tax expense:   |          |                           |                           |                           |                           |                           |
| Current tax   |          | 28,702.14                 | 13,783.40                 | 5,542.01                  | 4,522.00                  | 0.46                      |
| Deferred tax  |          | (15,240.83)               | (12,545.83)               | (849.95)                  | (1,619.21)                | (1,100.00)                |
| Total Provision for tax   |          | 14,461.31                 | 1,237.57                  | 4,692.06                  | 2,902.79                  | (1,099.54)                |
| 7. Profit after tax (5-6)   |          | 28,992.16                 | 1,604.17                  | 8,739.51                  | 7,286.03                  | 7,635.47                  |
| Earnings per equity share:  | 29.6     |                           |                           |                           |                           |                           |
| Basic earnings per equity share (₹)   |          | 2.00                      | 0.11                      | 4.28                      | 3.57                      | 4.28                      |
| Diluted earnings per equity share (₹)   |          | 2.00                      | 0.11                      | 4.28                      | 3.57                      | 4.28                      |
| Face value per equity share (₹)   |          | 10.00                     | 10.00                     | 10.00                     | 10.00                     | 10.00                     |
| Significant accounting policies   | 1        |                           |                           |                           |                           |                           |
| See accompanying notes forming part of reformatted standalone financial information | 2 to 29  |                           |                           |                           |                           |                           |

In terms of our report attached.  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Sanjiv V. Pitgaonkar  
Partner

Place : Mumbai  
Date : January 15, 2019



For and on behalf of the board of directors of  
L&T Finance Limited (Erstwhile Family Credit Limited)

Dinanath Dubhashi  
Chairperson  
(DIN : 03545900)

Manish Jethwa  
Head Accounts  
(Chief Financial Officer)

Place : Mumbai  
Date : January 15, 2019



Reformatted Standalone Statement of Cash Flows  
₹ in lakh

|  | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 | Annexure III<br>Year ended<br>March 31, 2014 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|--|
| <b>A. Cash flow from operating activities</b>  |                              |                              |                              |                              |  |
| Profit before tax  | 43,453.47                    | 2,841.74                     | 13,431.57                    | 10,188.82                    | 6,835.93                                     |
| Adjustments for:   |                              |                              |                              |                              |  |
| Depreciation and amortisation  | 69,323.65                    | 70,786.80                    | 266.78                       | 245.15                       | 281.91                                       |
| (Profit) / Loss on Sale of Property, Plant & Equipments (net)  | 546.53                       | 1,467.19                     | (2.29)                       | (19.06)                      | (8.89)                                       |
| Provision for gratuity   | 311.85                       | 267.94                       | 41.96                        | 53.28                        | 9.92   |
| Income from investments (net)  | (3,024.14)                   | (6,175.74)                   | (58.41)                      | (181.06)                     | (390.99)                                     |
| Provision for diminution in value of investments   | 1,824.36                     | 2,588.18                     | 138.74                       | 15.20                        | -  |
| Loss on foreclosure of loans (net) / bad debts written off   | 49,414.79                    | 23,784.28                    | 9,018.15                     | 5,143.18                     | 5,487.63                                     |
| Provision for non-performing assets  | 53,135.12                    | 35,900.85                    | 2,945.29                     | 601.79                       | (3,518.95)                                   |
| Provision for standard assets  | (13,061.74)                  | 16,400.22                    | (347.39)                     | 1,047.77                     | 245.00                                       |
| Provision for restructured assets  | (868.90)                     | 180.23                       | 87.00                        | -                            | -  |
| Unrealised gain on mutual fund (dividend)  | -                            | -                            | -                            | (4.72)                       | -  |
| Liabilities no longer required written back  | -                            | -                            | -                            | (7.92)                       | (5.64)                                       |
| Provision for interest on payment of income tax  | -                            | -                            | -                            | 113.14                       | -  |
| Operating profit before working capital changes  | 2,01,057.89                  | 1,46,021.67                  | 25,521.40                    | 17,196.67                    | 6,638.12                                     |
| Changes in working capital   |                              |                              |                              |                              |  |
| Adjustments for increase / (decrease) in operating liabilities   |                              |                              |                              |                              |  |
| Other non-current liabilities  | (10,293.38)                  | (9,329.33)                   | -                            | 2,442.31                     | 195.89                                       |
| Long-term provisions   | (1,834.41)                   | -                            | -                            | -                            | -  |
| Trade payable  | 2,966.29                     | (8,786.38)                   | -                            | 560.38                       | -  |
| Other current liabilities  | 7,255.65                     | (14,250.22)                  | 4,934.68                     | 3,843.81                     | 1,362.87                                     |
| Short-term provisions  | 188.27                       | (304.55)                     | -                            | 27.70                        | (40.92)                                      |
| Adjustments for (increase) / decrease in operating assets  |                              |                              |                              |                              |  |
| Long-term loans and advances   | (5,590.46)                   | 72.83                        | -                            | (8,089.87)                   | (2,060.63)                                   |
| Other non-current assets   | (1,145.58)                   | 246.98                       | (1,368.14)                   | (743.46)                     | (121.55)                                     |
| Trade receivables  | 116.72                       | (338.67)                     | -                            | -                            | -  |
| Short-term Loans and advances  | (1,382.25)                   | 5,186.01                     | -                            | 2,321.95                     | (2,182.38)                                   |
| Other current assets   | (17,738.55)                  | (1,451.53)                   | (3,081.34)                   | (1,670.13)                   | (2,015.73)                                   |
| Cash generated from operations   | 1,73,629.39                  | 1,19,088.18                  | 26,996.60                    | 17,889.55                    | 3,794.67                                     |
| Direct taxes paid (net)  | (35,699.15)                  | (21,359.72)                  | (2,745.01)                   | (1,884.06)                   | 41.71  |
| (Increase) / Decrease in loans & advances towards financing activities (net)   | (10,38,126.87)               | (3,45,937.85)                | (1,79,318.77)                | (54,923.83)                  | (1,29,514.57)                                |
| Net cash flow from/(used) in operating activities (A)  | (9,60,192.63)                | (2,47,931.39)                | (1,62,067.18)                | (39,928.44)                  | (1,23,679.19)                                |
| <b>B. Cash flow from investing activities</b>  |                              |                              |                              |                              |  |
| Add: Inflow from investing activities  |                              |                              |                              |                              |  |
| Proceeds from sale of Property, Plant & Equipments   | 6,508.72                     | 2,600.75                     | 2.91                         | 19.85                        | 8.88   |
| Proceeds from sale of current investments not considered as Cash and cash equivalents  | 37,77,352.25                 | 1,68,843.78                  | 1,35,307.99                  | 5,32,425.34                  | 8,12,391.03                                  |
| Proceeds from sale of non current investments  | 3,793.81                     | 810.15                       | -                            | -                            | -  |
| Interest received  | -                            | -                            | -                            | 0.34                         | 790.85                                       |
| Decrease/(increase) in fixed deposits greater than three months  | -                            | -                            | -                            | 6.52                         | 7,898.55                                     |
| Less: Outflow from investing activities  |                              |                              |                              |                              |  |
| Capital expenditure on Property, Plant & Equipments and Intangibles including capital advances   | 4,644.80                     | 1,613.01                     | 262.59                       | 284.21                       | 459.77                                       |
| Purchase of non current investments  |                              |                              |                              |                              |  |
| - Associates   | 1,980.44                     | -                            | -                            | -                            | 2,300.00                                     |
| - Others   | 18,018.87                    | 99,250.87                    | 1,890.00                     | -                            | -  |
| Purchase of current investments not considered as cash and cash equivalents  | 38,90,279.32                 | 3,20,279.95                  | 1,20,250.00                  | 5,29,069.53                  | 8,30,600.00                                  |
| Net cash from/(used in) investing activities* (B)  | 37,14,922.23                 | 4,21,143.83                  | 1,22,422.59                  | 5,29,334.03                  | 8,33,359.77                                  |
|  | 72,732.35                    | (2,50,889.16)                | 12,886.31                    | 3,128.02                     | (13,169.48)                                  |
| * FY 2017-18: Net cash used in investing activities excludes investments aggregating to ₹ 2,189.41 lakh (FY 2016-17: ₹ 2,718.28 lakh) acquired against claims. |                              |                              |                              |                              |  |
| <b>C. Cash flow from financing activities</b>  |                              |                              |                              |                              |  |
| Add: Inflow from financing activities  |                              |                              |                              |                              |  |
| Proceeds from issue of share capital including securities premium  | 1,40,000.00                  | -                            | -                            | -                            | 9,992.01                                     |
| Proceeds from long term borrowings   | 1,11,59,921.09               | 86,50,681.69                 | 11,39,658.91                 | 5,32,050.00                  | 72,440.00                                    |
| Net Proceeds from short term borrowings  | -                            | 5,16,454.08                  | -                            | 67,258.00                    | 52,023.00                                    |
| Less: Outflow from financing activities  |                              |                              |                              |                              |  |
| Repayments of long term borrowings   | 1,01,94,819.20               | 68,41,500.08                 | 9,81,848.54                  | 5,62,389.00                  | -  |
| Net Repayments of short term borrowings  | 2,72,052.01                  | -                            | 16,575.49                    | -                            | -  |
| Shares / Debenture issue expenses  | 408.46                       | 180.23                       | 95.87                        | 19.60                        | -  |
| Dividend paid (including dividend distribution tax)  | -                            | 16,890.02                    | -                            | -                            | -  |
| Net cash generated from/(used in) financing activities (C)   | 1,04,67,076.67               | 68,58,540.31                 | 9,98,517.80                  | 5,82,418.59                  | -  |
|  | 8,32,844.42                  | 8,68,684.86                  | 1,41,141.01                  | 36,889.31                    | 1,34,458.01                                  |
| Net cash increase in cash and cash equivalents (A+B+C)   | 5,383.94                     | 9,734.32                     | 1,962.14                     | 1,080.89                     | (382.54)                                     |
| Cash and cash equivalents as at beginning of the year  | 29,482.30                    | 4,426.51                     | 2,494.30                     | 1,383.41                     | 1,775.05                                     |
| Cash and cash equivalent transferred under Scheme of merger  | -                            | 15,321.47                    | -                            | -                            | -  |
| Cash and cash equivalents as at end of the year  | 34,866.24                    | 29,482.30                    | 4,426.51                     | 2,464.30                     | 1,383.41                                     |

|   | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 | Year ended<br>March 31, 2016 | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Reconciliation of Cash and Cash Equivalents                         |                              |                              |                              |                              |                              |
| Closing balance as per Balance Sheet                                | 34,871.53                    | 29,487.58                    | 4,431.39                     | 2,468.78                     | 1,396.46                     |
| Less: Deposits with original maturity for more than 3 months        | 5.29                         | 5.28                         | 4.88                         | 4.48                         | 13.07                        |
| Cash and cash equivalents as at end of the year (Refer Note No. 19) | 34,866.24                    | 29,482.30                    | 4,426.51                     | 2,464.30                     | 1,383.41                     |

## Notes:

- Previous period figures have been regrouped/reclassified wherever applicable.
- See accompanying notes forming part of reformatted standalone financial information.
- Net cash used in operating activities is determined after adjusting the following

|                   |             |             |           |           |           |
|-------------------|-------------|-------------|-----------|-----------|-----------|
| Interest received | 4,86,795.66 | 3,59,963.39 | 61,118.44 | 51,315.14 | 34,353.79 |
| Interest paid     | 2,32,282.89 | 2,03,445.92 | 11,280.25 | 21,756.22 | 16,992.91 |

In terms of our report attached,  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Sanjiv V. Pilgaonkar  
Partner

Place: Mumbai  
Date: January 15, 2019



For and on behalf of the board of directors of  
L&T Finance Limited (Erstwhile Family Credit Limited)

Dhanesh Durbhashi  
Chairperson  
(DIN: 03545900)

Manish Jethwa  
Head Accounts  
(Chief Financial Officer)

Place: Mumbai  
Date: January 15, 2019



**L&T Finance Limited (erstwhile Family Credit Limited)****Notes forming part of the Reformatted Standalone Financial Information****1. Basis of accounting and preparation of financial statements and summary of significant accounting policies****1.1 Basis of accounting and preparation of financial statements****(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

The Reformatted Standalone Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Reformatted Standalone Financial Statements to comply in all material respects with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment-Rules, 2016 as amended, and the relevant provisions of the Companies Act, 1956 ('the 1956 Act') and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Systemically Important Non-Deposit accepting NBFC ('NBFC-ND-SI'). The Reformatted Standalone Financial Statements have been prepared under historical cost convention and on an accrual basis except for interest and discounts on non-performing assets which are recognized on realization basis. The Reformatted Standalone Financial Statements have been prepared in accordance with the requirements of Section 26(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Regulations") issued by the SEBI.

**1.2 Summary of significant accounting policies****1.2.1 Use of Estimates****(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expense during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**1.2.2 Cash flow Statements****(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



**1.2.3 Property, plant and equipment and Intangible Assets**  
**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Property, plant and equipment are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Property, plant and equipment acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Property, plant and equipment acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Capital Work in Progress: projects under which property, plant and equipment are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Intangible assets not ready for the intended use on the date of balance sheet are disclosed as "Intangible assets under development"

**1.2.4 Depreciation on Property, plant and equipment and Intangible Assets**  
**(FY 2017-18, FY 2016-17)**

Depreciation on property, plant and equipment is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Computer software- 3 years

Distribution and Customer Network Rights-5 years

Goodwill-5 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

| Particulars        | Nature          | Useful Life adopted | Useful Life as per Schedule II |
|--------------------|-----------------|---------------------|--------------------------------|
|                    |                 | (in years)          | (in years)                     |
| Plant & Equipments | Operating Lease | 8.84                | 15                             |
| Motor car          | Operating Lease | 6.67                | 8                              |

Property, plant and equipment costing upto `5,000 individually are depreciated fully in the year of purchase.





**(FY 2015-16, FY 2014-15)**

### **Tangible Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from sale of Property, plant and equipment are measured as difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

### **Depreciation on Tangible Property, plant and equipment**

- i. Depreciation on Tangible Property, plant and equipment is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also the management's estimate of useful life of the assets.
- ii. Leasehold improvements are amortised over the primary lease period.
- iii. Property, plant and equipment costing upto Rs.5,000 individually are depreciated fully in the year of purchase.
- iv. Residual value has been taken at 5% of the cost.

### **Intangible assets**

Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on the straight line basis over the estimated useful economic life. Computer software is amortised on a straight line basis over a period of three years.

**(FY 2013-14)**

### **Tangible Property, plant and equipment**

Property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from sale of Property, plant and equipment are measured as difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

### **Depreciation on Tangible Property, plant and equipment**

Depreciation on Property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The Company has used the following rates to provide depreciation on its Property, plant & equipment.



|                        | <i>Rates (SLM)</i> | <i>Schedule XIV Rates (SLM)</i> |
|------------------------|--------------------|---------------------------------|
| Plant and Machinery    | 20.00%             | 4.75 %                          |
| Computers              | 33.33%             | 16.21 %                         |
| Furniture and Fittings | 20.00%             | 6.33 %                          |
| Vehicles               | 20.00%             | 9.50                            |

Leasehold improvements are amortised over the primary lease period.

Property, plant & equipment costing upto Rs.5,000 individually are depreciated fully in the year of purchase.

#### **Intangible assets**

- i. Intangible assets in the nature of software license are amortized over license period.
- ii. All others intangible assets are amortized over a period of 3 to 5 years.

#### **1.2.5 Impairment of assets**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

The Company assesses at each balance sheet whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

#### **1.2.6 Investments**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are valued scrip-wise and depreciation / appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for.

Long-term investments are carried at acquisition/amortised cost. Investment in debentures which are, in substance, in the nature of credit substitutes are classified as a part of loans towards financing activities and are measured in accordance with the criteria applied for the measurement of loans towards financing activities. Provision is made for diminution other than temporary on an individual investment basis.



### **1.2.7 Revenue Recognition**

**(FY 2017-18, FY 2016-17)**

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(b) Interest from interest-bearing assets is recognised on an accrual basis over the life of the asset based on the constant effective yield. The effective interest is determined on the basis of the terms of the cash flows under the contract including related fees, premiums, discounts or debt issuance costs, if any. Interest and other dues in the case of non-performing loans is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

(c) Revenues from the various services that the Company renders are recognised when the following criteria are met: persuasive evidence of an arrangement exists, the services have been rendered, the fee or commission is fixed or determinable, and collectability is reasonably assured.

**(FY 2015-16, FY 2014-15, FY 2013-14)**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income on loans given is recognised under the accrual method. Income including interest or any other charges on non-performing asset is recognized only when realized. Any such income recognized before the asset became non-performing and remaining unrealized is reversed.

Interest income on deposits with banks is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

Loan origination income i.e. processing fees and other charges collected upfront, are recognised at the inception of the loan.

### **1.2.8 Other Income**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Dividend is accounted when the right to its receipt is established.

### **1.2.9 Classification and provisioning of loan portfolio**

**(FY 2017-18, FY 2016-17)**

Loans towards financing activities are classified under four categories i.e. (i) Standard Assets (ii) Sub-Standard Assets (iii) Doubtful Assets and (iv) Loss Assets in accordance with RBI Guidelines.

In respect of Loans and Debentures / Bonds in the nature of advances where interest is not serviced, provision for diminution is made as per the parameters applicable to Non-Performing Advances.

Provision on restructured advances/corporate debt restructured advances is made at in accordance with the guidelines issued by the RBI.





Provision on standard assets is made as per the provisioning policy of the Company subject to minimum as stipulated in RBI Guidelines or where additional specific risks are identified by the Management, based on such identifications.

**(FY 2015-16, FY 2014-15)**

Loans and other credit facilities are classified as standard, sub-standard, doubtful and loss assets in accordance with Systemically Important Non - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended from time to time.

Provision in respect of non-performing assets are made based on management's assessment of the degree of impairment of the loans and advances subject to the minimum provision required as per Systemically Important Non - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended from time to time.

**(FY 2013-14)**

Loans and other credit facilities are classified as standard, sub-standard, doubtful, and loss assets in accordance with Non - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended from time to time.

Provision in respect of non-performing assets are made based on management's assessment of the degree of impairment of the loans and advances subject to the minimum provision required as per Non - Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as amended from time to time.

#### **1.2.10 Retirement and other employee benefits**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

##### **i) Defined-Contribution Plans**

The Company offers its employees defined contribution plans in the form of provident fund and family pension fund. Provident fund and family pension funds cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. Both the employees and the Company pay predetermined contributions into provident fund and family pension fund. The contributions are normally based on a certain proportion of the employee's salary.

##### **ii) Defined-Benefits Plans**

The Company makes annual contributions to the Fund administered by trustees and managed by an insurance company. The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation determined on the basis of the "Projected Unit Credit" method carried out at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

##### **iii) Other Employee Benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in the 12 months immediately following the period / year end are reported as expense during the year in which the employees perform services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit after deducting amounts already paid.



Where there are restrictions on availment / encashment of such benefits or where the availment is otherwise not expected to wholly occur in the next 12 months, the liability on account of the benefits is actuarially determined using the Projected Unit Credit method.

#### **1.2.11 Foreign Currency Transactions**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

(i) All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

(ii) Foreign currency monetary items are reported using the exchange rate prevailing at the close of the financial year.

(iii) Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

#### **1.2.12 Derivative contracts**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

#### **1.2.13 Borrowing Costs**

**(FY 2017-18, FY 2016-17)**

Borrowing costs include interest and amortisation of ancillary costs incurred. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

**(FY 2015-16, FY 2014-15, FY 2013-14)**

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the arrangement of borrowings.

#### **1.2.14 Income Taxes**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).



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

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

#### **1.2.15 Provisions, Contingent liabilities and Contingent Assets (FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements.

#### **1.2.16 Leases (FY 2017-18, FY 2016-17)**

**Where the company is lessee**

**Operating lease:**

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

**Where the company is lessor**

**Finance Lease:**

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

**Operating Lease:**



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

**(FY 2015-16, FY 2014-15, FY 2013-14)**

**Where the Company is Lessee:**

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**1.2.17 Cash and Cash Equivalents**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**1.2.18 Employee Stock Option Plan**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

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 SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the intrinsic value method to account for its stock based employee compensation plans. Stock options were granted to the employees of the Company during the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The cost incurred by the holding company, in respect of options granted to employees of the Company are being charged to the statement of profit and loss during the period and recovered by the holding Company.

**1.2.19 Earnings Per Share (EPS)**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

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#### **1.2.20 Share & Debenture Issue Expenses**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Expenses incurred on issue of shares and debentures are charged-off against the securities premium account in accordance with the provisions of section 52 of the Companies Act, 2013.

#### **1.2.21 Indirect tax input credit (Including Service tax and Goods and Service tax)**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Indirect tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

#### **1.2.22 Operating Cycle**

**(FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15, FY 2013-14)**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **1.2.23 Segment reporting**

**(FY 2017-18, FY 2016-17)**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

**(FY 2015-16, FY 2014-15)**

The Company has a single reportable segment i.e. financing which has similar risk and return for the purpose of AS-17 on 'Segment Reporting' notified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company operates in a single geographical segment i.e. domestic.





**(FY 2013-14)**

The Company has a single reportable segment i.e. financing which has similar risk and return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 (as amended). The Company operates in a single geographical segment i.e domestic.



## Share capital

## (i) Share capital authorised, issued and subscribed

| Authorised Shares               | As at March 31, 2018 |             | As at March 31, 2017 |             | As at March 31, 2016 |           | As at March 31, 2015 |           | As at March 31, 2014 |           |
|---------------------------------|----------------------|-------------|----------------------|-------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|                                 | No. of Shares        | ₹ in lakh   | No. of Shares        | ₹ in lakh   | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh |
| Equity shares of ₹ 10 each      | 2,65,43,09,610       | 2,65,430.96 | 2,65,43,09,610       | 2,65,430.96 | 35,43,09,610         | 35,430.96 | 35,43,09,610         | 35,430.96 | 35,43,09,610         | 35,430.96 |
| Preference Shares of ₹ 100 each | 10,00,000            | 1,000.00    | 10,00,000            | 1,000.00    | 10,00,000            | 1,000.00  | 10,00,000            | 1,000.00  | 10,00,000            | 1,000.00  |

## Issued, Subscribed &amp; Paid up shares

| Equity shares of ₹ 10 each fully paid up | As at March 31, 2018 |             | As at March 31, 2017 |             | As at March 31, 2016 |           | As at March 31, 2015 |           | As at March 31, 2014 |           |
|--|----------------------|-------------|----------------------|-------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|  | No. of Shares        | ₹ in lakh   | No. of Shares        | ₹ in lakh   | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh |
|  | 1,59,91,38,199       | 1,59,913.82 | 1,44,00,47,294       | 1,44,004.73 | 20,43,09,610         | 20,430.96 | 20,43,09,610         | 20,430.96 | 20,43,09,610         | 20,430.96 |
|  |                      | 1,59,913.82 |                      | 1,44,004.73 |                      | 20,430.96 |                      | 20,430.96 |                      | 20,430.96 |

## (ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

| Equity Shares                      | As at March 31, 2018 |             | As at March 31, 2017 |             | As at March 31, 2016 |           | As at March 31, 2015 |           | As at March 31, 2014 |           |
|------------------------------------|----------------------|-------------|----------------------|-------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|                                    | No. of Shares        | ₹ in lakh   | No. of Shares        | ₹ in lakh   | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh |
| At the beginning of the year       | 1,44,00,47,294       | 1,44,004.73 | 20,43,09,610         | 20,430.96   | 20,43,09,610         | 20,430.96 | 20,43,09,610         | 20,430.96 | 15,43,09,610         | 15,430.96 |
| Issued during the year             | 13,50,30,905         | 13,503.09   | 1,23,37,37,864       | 1,23,373.77 | -                    | -         | -                    | -         | 5,00,00,000          | 5,000.00  |
| Outstanding at the end of the year | 1,59,91,38,199       | 1,59,913.82 | 1,44,00,47,294       | 1,44,004.73 | 20,43,09,610         | 20,430.96 | 20,43,09,610         | 20,430.96 | 20,43,09,610         | 20,430.96 |

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

| Equity Shares  | As at March 31, 2018 |                | As at March 31, 2017 |                | As at March 31, 2016 |           | As at March 31, 2015 |           | As at March 31, 2014 |           |
|--|----------------------|----------------|----------------------|----------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|  | No. of Shares        | ₹ in lakh      | No. of Shares        | ₹ in lakh      | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh |
| Fully paid up pursuant to contract(s) without payment being received in cash |                      | 1,23,37,37,864 |                      | 1,23,37,37,864 |                      | -         |                      | -         |                      | -         |

## (iv) Terms/conditions attached to equity shares

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

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

**FY 2017-18:** During the year, the company has not declared any dividend.

**FY 2016-17:** During the year, the company has declared and paid interim dividend of ₹ 5.141 per equity share.

**FY 2015-16, FY 2014-15 & FY 2013-14:**  
The company has not declared any dividend.

## (v) Shares held by holding company

| Equity Shares   | As at March 31, 2018 |             | As at March 31, 2017 |             | As at March 31, 2016 |           | As at March 31, 2015 |           | As at March 31, 2014 |           |
|---|----------------------|-------------|----------------------|-------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|   | No. of Shares        | ₹ in lakh   | No. of Shares        | ₹ in lakh   | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh | No. of Shares        | ₹ in lakh |
| L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominee (Equity Shares of ₹ 10 each fully paid) | 1,59,91,38,199       | 1,59,913.82 | 1,44,00,47,294       | 1,44,004.73 | 20,43,09,610         | 20,430.96 | 20,43,09,610         | 20,430.96 | 20,43,09,610         | 20,430.96 |

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

| Equity Shares   | As at March 31, 2018 |           | As at March 31, 2017 |           | As at March 31, 2016 |           | As at March 31, 2015 |           | As at March 31, 2014 |           |
|---|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|   | No. of Shares        | % holding | No. of Shares        | % holding | No. of Shares        | % holding | No. of Shares        | % holding | No. of Shares        | % holding |
| L&T Finance Holdings Limited (Holding company) directly or through its beneficially nominee (Equity Shares of ₹ 10 each fully paid) | 1,59,91,38,199       | 100%      | 1,44,00,47,294       | 100%      | 20,43,09,610         | 100%      | 20,43,09,610         | 100%      | 20,43,09,610         | 100%      |



L&T Finance Limited (Erswhile Family Credit Limited)

Notes forming part of the Reformatted Standalone Financial Information

|  | As at March 31, 2018<br>₹ in lakh | As at March 31, 2017<br>₹ in lakh | As at March 31, 2016<br>₹ in lakh | As at March 31, 2015<br>₹ in lakh | As at March 31, 2014<br>₹ in lakh |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>3 Reserves &amp; Surplus</b>  |                                   |                                   |                                   |                                   |                                   |
| (i) Securities premium account   |                                   |                                   |                                   |                                   |                                   |
| Balance as per last financial statements   | 5,64,471.81                       | 45,709.85                         | 45,805.82                         | 45,825.51                         | 40,833.48                         |
| Add: Addition during the year  | 1,24,090.91                       | 5,18,868.25                       | -                                 | -                                 | 5,000.00                          |
| Less: Share issue expenses adjusted during the year  | 140.00                            | -                                 | -                                 | -                                 | -                                 |
| Less: Debenture issue expenses adjusted during the year  | -                                 | -                                 | -                                 | -                                 | -                                 |
| (Net of tax)   | 175.59                            | 124.39                            | 95.87                             | 19.69                             | 7.99                              |
| FY 2017-18 ₹ 91.87 lakh, FY 2018-17 ₹ 65.84 lakh, FY 2015-16 ₹ 95.87 lakh, FY 2014-15 ₹ 19.69 lakh, FY 2013-14 ₹ 7.99 lakh |                                   |                                   |                                   |                                   |                                   |
| Closing Balance  | <u>6,89,249.13</u>                | <u>5,84,471.81</u>                | <u>45,709.95</u>                  | <u>45,885.32</u>                  | <u>45,825.49</u>                  |
| (ii) Debenture redemption reserve  |                                   |                                   |                                   |                                   |                                   |
| Balance as per last financial statements   | 7,521.89                          | -                                 | -                                 | -                                 | -                                 |
| Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation                        | -                                 | 10,212.16                         | -                                 | -                                 | -                                 |
| Add: Transferred from surplus in the statement of profit and loss  | 2,309.66                          | -                                 | -                                 | -                                 | -                                 |
| Less: Transferred to general reserve   | 24.29                             | -                                 | -                                 | -                                 | -                                 |
| Less: Transferred to amalgamation adjustment account   | <u>45.88</u>                      | <u>2,690.32</u>                   | <u>-</u>                          | <u>-</u>                          | <u>-</u>                          |
| Closing Balance  | <u>9,761.38</u>                   | <u>7,521.89</u>                   | <u>-</u>                          | <u>-</u>                          | <u>-</u>                          |
| (iii) Reserve w/o 45-4C of RBI Act, 1934   |                                   |                                   |                                   |                                   |                                   |
| Balance as per last financial statements   | 52,641.73                         | 6,872.10                          | 5,124.20                          | 3,686.89                          | 2,139.80                          |
| Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation                        | -                                 | 48,448.80                         | -                                 | -                                 | -                                 |
| Add: Transferred from surplus in the statement of profit and loss  | 5,798.43                          | 320.83                            | 1,747.90                          | 1,457.21                          | 1,527.89                          |
| Closing balance  | <u>58,440.16</u>                  | <u>52,641.73</u>                  | <u>6,872.10</u>                   | <u>5,124.20</u>                   | <u>3,666.99</u>                   |





|  | As at March 31, 2014<br>₹ in lakh  | As at March 31, 2017<br>₹ in lakh  | As at March 31, 2016<br>₹ in lakh | As at March 31, 2015<br>₹ in lakh | As at March 31, 2014<br>₹ in lakh |
|--|--|--|-----------------------------------|-----------------------------------|-----------------------------------|
| (VI) Capital redemption reserve<br>Balance as per last financial statements<br>Closing balance   | 320.00<br>320.00   | 320.00<br>320.00   | 320.00<br>320.00                  | 320.00<br>320.00                  | 320.00<br>320.00                  |
| (VII) General reserves<br>Balance as per last financial statements<br>Add: Transferred from debenture redemption reserve<br>Closing balance  | 24.29<br>24.29   | -<br>-   | -<br>-                            | -<br>-                            | -<br>-                            |
| (VIII) Reserve u/s 36(1)(iii) of Income tax Act<br>Balance as per last financial statements<br>Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation<br>Add: Transferred from surplus in the statement of profit and loss<br>Closing balance   | 881.45<br>-<br>1,475.45<br>2,356.90  | -<br>881.45<br>-   | -<br>-                            | -<br>-                            | -<br>-                            |
| (IX) Amalgamation adjustment reserve<br>Balance as per last financial statements<br>Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on amalgamation<br>Add: Transferred from debenture redemption reserve<br>Closing balance   | (53,852.14)<br>-<br>48.88<br>(53,806.26)   | -<br>(56,542.41)<br>2,890.27<br>(53,652.14)  | -<br>-                            | -<br>-                            | -<br>-                            |
| (X) Unamortised loss on sale of loans<br>Balance as per last financial statements<br>Amortised during the year<br>Closing balance  | (2,307.78)<br>2,307.78<br>-  | (2,307.78)<br>(2,307.78)   | -<br>-                            | -<br>-                            | -<br>-                            |
| (XI) Surplus in the Statement of Profit and Loss<br>Balance as per last financial statements<br>Add: Net profit for the year<br>Less: Appropriations<br>- Interim dividend paid during the year<br>- Dividend distribution tax<br>- Transfer to debenture redemption reserve<br>- Transfer to reserve u/s 36(1)(iii) of Income tax Act, 1961<br>- Unamortised write down on investment<br>- Transfer to reserve u/s 45-IC of RBI Act, 1934<br>- 250.12<br>- 5,796.43<br>- Reserve Bank of India Act, 1934<br>Net surplus in the Statement of Profit and Loss | (25,742.80)<br>28,962.16<br>-<br>-<br>2,206.68<br>1,475.45<br>250.12<br>-<br>5,796.43<br>(6,584.30)<br>6,98,761.30 | (10,136.12)<br>1,804.17<br>14,033.20<br>2,856.82<br>-<br>-<br>-<br>-<br>320.63<br>(25,742.80)<br>5,43,934.16 | (17,127.73)<br>8,735.51<br>-      | (22,956.55)<br>7,266.03<br>-      | (29,064.93)<br>7,635.47<br>-      |
|  |  |  | 1,747.90<br>(10,136.12)           | 1,457.21<br>(17,127.73)           | 1,527.09<br>(22,956.55)           |
|  |  |  | 42,768.93                         | 34,122.28                         | 26,886.93                         |



|   | As at March 31, 2014             |                                 |                                  | As at March 31, 2013            |                                  |                                 | As at March 31, 2012             |                                 |                                  | As at March 31, 2011            |                                  |                                 | As at March 31, 2010             |                                 |                                  |
|---|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
|   | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh |
| <b>4 Long-term borrowings</b>                           |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |
| (i) Secured   |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |
| Redeemable non convertible debentures (refer note 4(a)) | 8,21,007.62                      | 1,59,675.00                     | 4,80,181.99                      | 2,15,425.00                     | 61,400.00                        | 50,400.00                       | 87,800.00                        | 18,850.00                       | 32,900.00                        | -                               | -                                | -                               | -                                | -                               | -                                |
| Term loans  |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |
| - From banks (refer note 4(b))                          | 5,31,956.67                      | 3,53,225.00                     | 4,04,757.67                      | 18,384.00                       | 82,456.88                        | 4,170.33                        | 4,170.34                         | 24,895.49                       | 69,666.28                        | 1,00,089.45                     | -                                | -                               | -                                | -                               | -                                |
| - Foreign currency loan                                 | 10,106.22                        | -                               | -                                | 12,970.00                       | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                |
| Line of Credit (refer note 4(c))                        | 1,70,000.00                      | -                               | 1,90,000.00                      | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                |
| Working capital demand loan (refer note 4(c))           | -                                | 53,600.00                       | 2,000.00                         | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                |
| <b>Total i</b>  | <b>15,32,960.51</b>              | <b>5,66,500.00</b>              | <b>10,75,939.66</b>              | <b>2,46,979.00</b>              | <b>1,43,856.88</b>               | <b>54,570.33</b>                | <b>91,970.34</b>                 | <b>43,845.49</b>                | <b>1,02,666.28</b>               | <b>1,00,089.45</b>              | -                                | -                               | -                                | -                               | -                                |
| (ii) Unsecured  |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |
| Redeemable non convertible debentures (refer note 4(a)) | 84,000.00                        | -                               | 84,000.00                        | 7,500.00                        | 26,500.00                        | -                               | 11,500.00                        | -                               | 7,500.00                         | -                               | -                                | -                               | -                                | -                               | -                                |
| Payable debt (refer note 4(b))                          | 25,000.00                        | -                               | 25,000.00                        | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                |
| Line of Credit (refer note 4(c))                        | 4,79,700.00                      | -                               | 3,45,500.00                      | -                               | -                                | -                               | 42,500.00                        | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                |
| Working capital demand loan (refer note 4(c))           | -                                | 63,000.00                       | -                                | 7,500.00                        | 1,10,000.00                      | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                |
| <b>Total ii</b>   | <b>8,88,700.00</b>               | <b>63,000.00</b>                | <b>4,34,500.00</b>               | <b>7,500.00</b>                 | <b>1,36,500.00</b>               | -                               | <b>54,000.00</b>                 | -                               | <b>7,500.00</b>                  | -                               | -                                | -                               | -                                | -                               | -                                |
| <b>Total Long-term borrowings (i + ii)</b>              | <b>21,21,660.51</b>              | <b>6,29,500.00</b>              | <b>15,31,439.66</b>              | <b>2,54,479.00</b>              | <b>2,80,356.88</b>               | <b>54,570.33</b>                | <b>1,45,970.34</b>               | <b>43,845.49</b>                | <b>1,10,166.28</b>               | <b>1,00,089.45</b>              | -                                | -                               | -                                | -                               | -                                |

Footnote:

FY 2017-18 : FY 2015-16:

(i) The Debentures are secured by way of first second charge, having pan passu rights, as the case may be, on the company's specified immovable properties and specified lease term loan receivables.

(ii) Term loan from bank is secured by hypothecation of specified lease term loan receivables.

FY 2016-17 : FY 2013-14:

(i) The Debentures are secured by way of first second charge, having pan passu rights, as the case may be, on the company's specified immovable properties and specified lease term loan receivables.

(ii) Term loan from bank is secured by hypothecation of specified lease term loan receivables.



Note 4 (a)

Secured Redeemable Non-Convertible Debentures as on March 31, 2015

| Series Details          | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2015 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Portion (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|-------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|--------------------------|----------------------|--------------------|--|
| Series A of FY 2013-14  | ₹ 10 Lakh each           | 03-01-14          | 40,000.00                             | -                            | 40,000.00                | 8.55%                | 05-04-15           | Redeemable at par at the end of 1553 days from the date of allotment |
| Series B of FY 2013-14  | ₹ 25 Lakh each           | 24-02-15          | 2,500.00                              | 2,500.00                     | -                        | 9.25%                | 24-02-16           | Redeemable at par at the end of 1825 days from the date of allotment |
| Series C of FY 2013-14  | ₹ 25 Lakh each           | 24-02-15          | 15,000.00                             | -                            | 15,000.00                | 9.25%                | 15-05-16           | Redeemable at par at the end of 1307 days from the date of allotment |
| Series D of FY 2013-14  | ₹ 25 Lakh each           | 17-04-15          | 11,000.00                             | -                            | 11,000.00                | 8.55%                | 17-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series E of FY 2013-14  | ₹ 25 Lakh each           | 17-04-15          | 1,600.00                              | -                            | 1,600.00                 | 8.55%                | 24-04-16           | Redeemable at par at the end of 1100 days from the date of allotment |
| Series F of FY 2013-14  | ₹ 25 Lakh each           | 17-04-15          | 2,250.00                              | -                            | 2,250.00                 | 8.55%                | 15-05-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series G of FY 2013-14  | ₹ 25 Lakh each           | 17-04-15          | 8,000.00                              | -                            | 8,000.00                 | 8.55%                | 15-05-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series H of FY 2013-14  | ₹ 25 Lakh each           | 17-04-15          | 1,750.00                              | -                            | 1,750.00                 | 8.55%                | 24-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series I of FY 2013-14  | ₹ 25 Lakh each           | 17-04-15          | 1,750.00                              | -                            | 1,750.00                 | 8.55%                | 24-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series J of FY 2013-14  | ₹ 25 Lakh each           | 28-04-15          | 850.00                                | -                            | 850.00                   | 8.55%                | 23-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series K of FY 2013-14  | ₹ 25 Lakh each           | 11-05-15          | 200.00                                | -                            | 200.00                   | 8.55%                | 30-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series L of FY 2013-14  | ₹ 25 Lakh each           | 11-05-15          | 600.00                                | -                            | 600.00                   | 8.55%                | 30-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series M of FY 2013-14  | ₹ 25 Lakh each           | 20-05-15          | 9,500.00                              | 2,500.00                     | 7,000.00                 | 8.55%                | 18-05-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series N of FY 2013-14  | ₹ 25 Lakh each           | 20-05-15          | 3,200.00                              | -                            | 3,200.00                 | 8.55%                | 22-05-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series O of FY 2013-14  | ₹ 25 Lakh each           | 20-05-15          | 4,700.00                              | -                            | 4,700.00                 | 8.55%                | 11-06-16           | Redeemable at par at the end of 1118 days from the date of allotment |
| Series P of FY 2013-14  | ₹ 25 Lakh each           | 20-05-15          | 3,000.00                              | -                            | 3,000.00                 | 8.55%                | 15-05-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series Q of FY 2013-14  | ₹ 25 Lakh each           | 20-05-15          | 8,000.00                              | -                            | 8,000.00                 | 8.55%                | 14-05-16           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series R of FY 2013-14  | ₹ 25 Lakh each           | 27-05-15          | 4,650.00                              | 4,650.00                     | -                        | 8.55%                | 27-05-16           | Redeemable at par at the end of 1491 days from the date of allotment |
| Series S of FY 2013-14  | ₹ 25 Lakh each           | 04-06-15          | 2,500.00                              | -                            | 2,500.00                 | 8.55%                | 04-06-16           | Redeemable at par at the end of 1491 days from the date of allotment |
| Series T of FY 2013-14  | ₹ 25 Lakh each           | 04-06-15          | 2,500.00                              | -                            | 2,500.00                 | 8.55%                | 04-06-16           | Redeemable at par at the end of 1491 days from the date of allotment |
| Series U of FY 2013-14  | ₹ 25 Lakh each           | 04-06-15          | 2,500.00                              | -                            | 2,500.00                 | 8.55%                | 24-12-16           | Redeemable at par at the end of 1739 days from the date of allotment |
| Series V of FY 2013-14  | ₹ 25 Lakh each           | 04-06-15          | 3,700.00                              | -                            | 3,700.00                 | 8.55%                | 22-11-16           | Redeemable at par at the end of 1739 days from the date of allotment |
| Series W of FY 2013-14  | ₹ 25 Lakh each           | 04-06-15          | 3,700.00                              | -                            | 3,700.00                 | 8.55%                | 07-01-17           | Redeemable at par at the end of 1739 days from the date of allotment |
| Series X of FY 2013-14  | ₹ 25 Lakh each           | 21-06-15          | 500.00                                | -                            | 500.00                   | 8.55%                | 26-06-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series Y of FY 2013-14  | ₹ 25 Lakh each           | 26-06-15          | 1,000.00                              | -                            | 1,000.00                 | 8.55%                | 26-06-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series Z of FY 2013-14  | ₹ 25 Lakh each           | 08-07-15          | 8,000.00                              | -                            | 8,000.00                 | 8.55%                | 06-07-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series AA of FY 2013-14 | ₹ 25 Lakh each           | 08-07-15          | 2,600.00                              | -                            | 2,600.00                 | 8.55%                | 17-07-16           | Redeemable at par at the end of 1103 days from the date of allotment |
| Series AB of FY 2013-14 | ₹ 25 Lakh each           | 08-07-15          | 3,500.00                              | -                            | 3,500.00                 | 8.55%                | 05-07-16           | Redeemable at par at the end of 1092 days from the date of allotment |
| Series AC of FY 2013-14 | ₹ 25 Lakh each           | 08-07-15          | 3,500.00                              | -                            | 3,500.00                 | 8.55%                | 02-07-16           | Redeemable at par at the end of 1092 days from the date of allotment |
| Series AD of FY 2013-14 | ₹ 25 Lakh each           | 19-08-15          | 2,500.00                              | -                            | 2,500.00                 | 8.55%                | 17-08-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series AE of FY 2013-14 | ₹ 25 Lakh each           | 19-08-15          | 1,800.00                              | -                            | 1,800.00                 | 8.55%                | 03-09-16           | Redeemable at par at the end of 1111 days from the date of allotment |
| Series AF of FY 2013-14 | ₹ 25 Lakh each           | 19-08-15          | 3,000.00                              | -                            | 3,000.00                 | 8.55%                | 15-08-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series AG of FY 2013-14 | ₹ 25 Lakh each           | 27-08-15          | 3,000.00                              | -                            | 3,000.00                 | 8.55%                | 20-08-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series AH of FY 2013-14 | ₹ 25 Lakh each           | 27-08-15          | 18,500.00                             | 18,500.00                    | -                        | 8.55%                | 20-08-16           | Redeemable at par at the end of 1103 days from the date of allotment |
| Series AI of FY 2013-14 | ₹ 25 Lakh each           | 13-04-16          | 7,500.00                              | 7,500.00                     | -                        | 8.55%                | 30-09-16           | Redeemable at par at the end of 1739 days from the date of allotment |
| Series AJ of FY 2013-14 | ₹ 25 Lakh each           | 13-04-16          | 7,500.00                              | 7,500.00                     | -                        | 8.55%                | 13-04-17           | Redeemable at par at the end of 1739 days from the date of allotment |
| Series AK of FY 2013-14 | ₹ 25 Lakh each           | 13-04-16          | 22,500.00                             | 22,500.00                    | -                        | 8.55%                | 31-05-16           | Redeemable at par at the end of 1143 days from the date of allotment |
| Series AL of FY 2013-14 | ₹ 25 Lakh each           | 13-04-16          | 2,500.00                              | 2,500.00                     | -                        | 8.55%                | 12-04-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series AM of FY 2013-14 | ₹ 25 Lakh each           | 13-04-16          | 1,000.00                              | 1,000.00                     | -                        | 8.55%                | 12-04-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series AN of FY 2013-14 | ₹ 25 Lakh each           | 20-04-16          | 1,000.00                              | 1,000.00                     | -                        | 8.55%                | 15-04-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series AO of FY 2013-14 | ₹ 25 Lakh each           | 20-04-16          | 30,000.00                             | 30,000.00                    | -                        | 8.55%                | 20-08-16           | Redeemable at par at the end of 1217 days from the date of allotment |
| Series AP of FY 2013-14 | ₹ 25 Lakh each           | 20-05-16          | 2,000.00                              | 2,000.00                     | -                        | 8.55%                | 20-05-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series AQ of FY 2013-14 | ₹ 25 Lakh each           | 24-05-16          | 300.00                                | 300.00                       | -                        | 8.55%                | 26-05-16           | Redeemable at par at the end of 1120 days from the date of allotment |
| Series AR of FY 2013-14 | ₹ 25 Lakh each           | 24-05-16          | 5,000.00                              | 5,000.00                     | -                        | 8.55%                | 24-05-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series AS of FY 2013-14 | ₹ 25 Lakh each           | 13-06-16          | 1,000.00                              | 1,000.00                     | -                        | 8.55%                | 11-05-16           | Redeemable at par at the end of 1024 days from the date of allotment |
| Series AT of FY 2013-14 | ₹ 25 Lakh each           | 13-06-16          | 1,000.00                              | 1,000.00                     | -                        | 8.55%                | 13-06-16           | Redeemable at par at the end of 1024 days from the date of allotment |







**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Note 4 (b)**

**Term loans from bank (Secured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Annually       | Up to 5 Years | 8.00% - 9.00%  | 6,000.00                                 | 4,500.00                        | 1,500.00                       |
|                | Above 5 Years | 8.00% - 9.00%  | 4,000.00                                 | 4,000.00                        | -                              |
| Bullet         | Up to 5 Years | 7.00% - 8.00%  | 50,000.00                                | 50,000.00                       | -                              |
|                | Up to 5 Years | 8.00% - 9.00%  | 4,35,000.00                              | 1,32,500.00                     | 3,02,500.00                    |
| Half Yearly    | Above 5 Years | 9.00% - 10.00% | 77,500.00                                | 77,500.00                       | -                              |
|                | Up to 5 Years | 8.00% - 9.00%  | 1,69,616.67                              | 1,31,433.34                     | 38,183.33                      |
| Quartely       | Above 5 Years | 8.00% - 9.00%  | 11,933.33                                | 11,933.33                       | -                              |
|                | Up to 5 Years | 7.00% - 8.00%  | 1,07,500.00                              | 1,07,500.00                     | -                              |
| Total          | Up to 5 Years | 8.00% - 9.00%  | 11,041.67                                | -                               | 11,041.67                      |
|                | Above 5 Years | 7.00% - 8.00%  | 12,500.00                                | 12,500.00                       | -                              |
| <b>Total</b>   |               |                | <b>8,85,091.67</b>                       | <b>5,31,866.67</b>              | <b>3,53,225.00</b>             |

**Note 4 (c)**

**Line of Credit (Secured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 1,70,000.00                              | 1,70,000.00                     | -                              |
| <b>Total</b>   |               |                | <b>1,70,000.00</b>                       | <b>1,70,000.00</b>              | <b>-</b>                       |

**Working capital demand loan (Secured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 39,000.00                                | -                               | 39,000.00                      |
|                | Up to 5 Years | 9.00% - 10.00% | 14,600.00                                | -                               | 14,600.00                      |
| <b>Total</b>   |               |                | <b>53,600.00</b>                         | <b>-</b>                        | <b>53,600.00</b>               |

**Line of Credit (Unsecured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 4,79,700.00                              | 4,79,700.00                     | -                              |
| <b>Total</b>   |               |                | <b>4,79,700.00</b>                       | <b>4,79,700.00</b>              | <b>-</b>                       |

**Working capital demand loan (Unsecured) as on March 31, 2018**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2018<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 63,000.00                                | -                               | 63,000.00                      |
| <b>Total</b>   |               |                | <b>63,000.00</b>                         | <b>-</b>                        | <b>63,000.00</b>               |



Note 4 (a)  
Secured Redeemable Non Convertible Debentures as on March 31, 2017

| Series Details                 | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2017 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturity (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|--------------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|---------------------------|----------------------|--------------------|--|
| Series A of FY 2013-14         | ₹ 100 Lakh each          | 03-01-14          | 45,000.00                             | -                            | 45,000.00                 | 9.05%                | 05-04-15           | Redeemable at par at the end of 1553 days from the date of allotment |
| Series L of FY 2014-15         | ₹ 100 Lakh each          | 13-03-15          | 15,000.00                             | -                            | 15,000.00                 | 9.10%                | 28-03-16           | Redeemable at par at the end of 1111 days from the date of allotment |
| Series Q of FY 2014-15         | ₹ 100 Lakh each          | 13-03-15          | 15,000.00                             | -                            | 15,000.00                 | 9.10%                | 28-03-16           | Redeemable at par at the end of 1111 days from the date of allotment |
| Series A of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 13-04-16          | 14,500.00                             | -                            | 14,500.00                 | 8.84%                | 28-03-16           | Redeemable at par at the end of 714 days from the date of allotment  |
| Series P of FY 2015-16 OPT V   | ₹ 25 Lakh each           | 24-02-15          | 2,200.00                              | -                            | 2,200.00                  | 9.24%                | 06-03-16           | Redeemable at par at the end of 1105 days from the date of allotment |
| Series P of FY 2015-16 OPT II  | ₹ 25 Lakh each           | 24-02-15          | 500.00                                | -                            | 500.00                    | 9.24%                | 23-02-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series P of FY 2015-16 OPT I   | ₹ 25 Lakh each           | 24-02-15          | 500.00                                | -                            | 500.00                    | 9.15%                | 07-02-16           | Redeemable at par at the end of 1078 days from the date of allotment |
| Series N - OPT III of FY 14-15 | ₹ 25 Lakh each           | 21-01-15          | 12,000.00                             | -                            | 12,000.00                 | 9.20%                | 19-01-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series L of FY 14-15 OPT III   | ₹ 25 Lakh each           | 26-12-14          | 900.00                                | -                            | 900.00                    | 9.06%                | 06-12-17           | Redeemable at par at the end of 1075 days from the date of allotment |
| Series P of FY 2014-15 OPT IV  | ₹ 25 Lakh each           | 24-02-15          | 2,500.00                              | 2,500.00                     | -                         | 9.25%                | 24-02-20           | Redeemable at par at the end of 1825 days from the date of allotment |
| Series IFY 14-15 OPT III       | ₹ 25 Lakh each           | 07-11-14          | 900.00                                | -                            | 900.00                    | 9.31%                | 07-11-17           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series IFY 14-15 OPT I         | ₹ 25 Lakh each           | 29-10-14          | 1,000.00                              | -                            | 1,000.00                  | 9.17%                | 27-10-17           | Redeemable at par at the end of 1207 days from the date of allotment |
| Series IFY 14-15 OPT II        | ₹ 25 Lakh each           | 24-02-15          | 15,000.00                             | 15,000.00                    | -                         | 9.22%                | 15-06-16           | Redeemable at par at the end of 1207 days from the date of allotment |
| Series L of FY 15-16 OPT I     | ₹ 25 Lakh each           | 25-12-15          | 12,500.00                             | -                            | 12,500.00                 | 9.51%                | 29-02-17           | Redeemable at par at the end of 701 days from the date of allotment  |
| Series K of FY 15-16           | ₹ 25 Lakh each           | 26-10-15          | 10,000.00                             | -                            | 10,000.00                 | 9.61%                | 25-03-17           | Redeemable at par at the end of 760 days from the date of allotment  |
| Series L of FY 15-16 OPT II    | ₹ 25 Lakh each           | 29-10-15          | 10,000.00                             | -                            | 10,000.00                 | 9.51%                | 25-03-17           | Redeemable at par at the end of 657 days from the date of allotment  |
| Series A of FY 2015-16 OPT 7   | ₹ 25 Lakh each           | 17-04-15          | 11,000.00                             | 11,000.00                    | -                         | 8.65%                | 17-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series D of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 31-05-15          | 12,500.00                             | -                            | 12,500.00                 | 9.93%                | 31-05-17           | Redeemable at par at the end of 721 days from the date of allotment  |
| Series A of FY 2015-16 OPT 9   | ₹ 25 Lakh each           | 17-04-15          | 1,800.00                              | 1,800.00                     | -                         | 8.86%                | 24-04-16           | Redeemable at par at the end of 1103 days from the date of allotment |
| Series A of FY 2015-16 OPT 8   | ₹ 25 Lakh each           | 17-04-15          | 2,225.00                              | 2,225.00                     | -                         | 8.86%                | 19-04-16           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series A of FY 2015-16 OPT 6   | ₹ 25 Lakh each           | 17-04-15          | 6,000.00                              | 6,000.00                     | -                         | 8.86%                | 16-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series A of FY 2015-16 OPT 5   | ₹ 25 Lakh each           | 17-04-15          | 175.00                                | 175.00                       | -                         | 8.86%                | 12-04-16           | Redeemable at par at the end of 1091 days from the date of allotment |
| Series C of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 07-08-15          | 10,000.00                             | -                            | 10,000.00                 | 9.97%                | 07-08-17           | Redeemable at par at the end of 713 days from the date of allotment  |
| Series C of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 07-08-15          | 4,000.00                              | -                            | 4,000.00                  | 9.98%                | 04-08-17           | Redeemable at par at the end of 718 days from the date of allotment  |
| Series E of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 12-08-15          | 2,000.00                              | -                            | 2,000.00                  | 9.90%                | 01-08-17           | Redeemable at par at the end of 706 days from the date of allotment  |
| Series A of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 29-04-15          | 850.00                                | 850.00                       | -                         | 9.92%                | 24-04-16           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series L of FY 15-16 OPT II    | ₹ 25 Lakh each           | 30-01-15          | 12,500.00                             | -                            | 12,500.00                 | 9.53%                | 28-02-17           | Redeemable at par at the end of 910 days from the date of allotment  |
| Series G of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 29-05-15          | 2,925.00                              | -                            | 2,925.00                  | 9.87%                | 27-07-17           | Redeemable at par at the end of 723 days from the date of allotment  |
| Series F of FY 2015-16 OPT V   | ₹ 25 Lakh each           | 12-06-15          | 150.00                                | -                            | 150.00                    | 9.80%                | 24-07-17           | Redeemable at par at the end of 723 days from the date of allotment  |
| Series A of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 21-07-15          | 5,000.00                              | -                            | 5,000.00                  | 9.91%                | 21-07-17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series B of FY 2015-16 OPT 5   | ₹ 25 Lakh each           | 11-05-15          | 200.00                                | 200.00                       | -                         | 9.86%                | 07-05-16           | Redeemable at par at the end of 1092 days from the date of allotment |
| Series B of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 11-05-15          | 600.00                                | 600.00                       | -                         | 9.85%                | 30-04-16           | Redeemable at par at the end of 1085 days from the date of allotment |
| Series G of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 13-07-15          | 1,000.00                              | -                            | 1,000.00                  | 9.84%                | 13-07-17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series H of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 21-07-15          | 1,550.00                              | -                            | 1,550.00                  | 9.92%                | 12-07-17           | Redeemable at par at the end of 722 days from the date of allotment  |
| Series G of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 13-07-15          | 5,000.00                              | -                            | 5,000.00                  | 9.99%                | 06-07-17           | Redeemable at par at the end of 724 days from the date of allotment  |
| Series C of FY 2015-16 OPT 5   | ₹ 25 Lakh each           | 20-03-15          | 2,500.00                              | 2,500.00                     | -                         | 9.67%                | 20-03-20           | Redeemable at par at the end of 1527 days from the date of allotment |
| Series C of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 20-03-15          | 1,500.00                              | 1,500.00                     | -                         | 9.91%                | 18-03-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series C of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 20-03-15          | 3,000.00                              | 3,000.00                     | -                         | 9.91%                | 22-03-17           | Redeemable at par at the end of 1098 days from the date of allotment |
| Series G of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 20-03-15          | 17,500.00                             | -                            | 17,500.00                 | 9.90%                | 26-03-17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series C of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 20-03-15          | 4,700.00                              | 4,700.00                     | -                         | 9.91%                | 14-03-16           | Redeemable at par at the end of 1141 days from the date of allotment |
| Series C of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 20-03-15          | 3,000.00                              | 3,000.00                     | -                         | 9.91%                | 15-03-16           | Redeemable at par at the end of 1191 days from the date of allotment |
| Series F of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 30-06-15          | 825.00                                | -                            | 825.00                    | 9.91%                | 14-05-16           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series F of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 30-06-15          | 1,800.00                              | -                            | 1,800.00                  | 9.91%                | 26-06-17           | Redeemable at par at the end of 727 days from the date of allotment  |
| Series D of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 27-05-15          | 4,050.00                              | 4,050.00                     | -                         | 9.88%                | 27-05-16           | Redeemable at par at the end of 1461 days from the date of allotment |
| Series E of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 04-06-15          | 300.00                                | -                            | 300.00                    | 9.80%                | 20-06-17           | Redeemable at par at the end of 747 days from the date of allotment  |
| Series C of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 20-06-14          | 2,400.00                              | -                            | 2,400.00                  | 9.76%                | 19-06-17           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series F of FY 2015-16 OPT IV  | ₹ 25 Lakh each           | 12-06-15          | 235.00                                | -                            | 235.00                    | 9.62%                | 19-06-17           | Redeemable at par at the end of 730 days from the date of allotment  |
| Series E of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 23-06-15          | 2,800.00                              | -                            | 2,800.00                  | 9.95%                | 18-06-17           | Redeemable at par at the end of 727 days from the date of allotment  |

L&T Finance Limited (Erstwhile Family Credit Limited)  
Notes to the financial statements as at March 31, 2018

Note 4 (a)  
Secured Redeemable Non Convertible Debentures as on March 31, 2017

| Series Details                 | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2017 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturity (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|--------------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|---------------------------|----------------------|--------------------|--|
| Series F of FY 2015-16 OPT III | ₹ 25 Lakh each           | 12-08-15          | 300.00                                | -                            | 300.00                    | 9.82%                | 12-08-17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series E of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 04-06-15          | 500.00                                | 500.00                       | -                         | 9.85%                | 04-06-16           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series E of FY 2015-16 OPT 7   | ₹ 25 Lakh each           | 04-06-15          | 2,500.00                              | 2,500.00                     | -                         | 9.86%                | 04-06-16           | Redeemable at par at the end of 1491 days from the date of allotment |
| Series E of FY 2015-16 OPT 6   | ₹ 25 Lakh each           | 04-06-15          | 2,000.00                              | 2,000.00                     | -                         | 9.85%                | 24-12-16           | Redeemable at par at the end of 1299 days from the date of allotment |
| Series E of FY 2015-16 OPT 5   | ₹ 25 Lakh each           | 04-06-15          | 1,700.00                              | 1,700.00                     | -                         | 9.85%                | 22-11-16           | Redeemable at par at the end of 1287 days from the date of allotment |
| Series E of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 04-06-15          | 3,700.00                              | 3,700.00                     | -                         | 9.85%                | 04-06-16           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series D of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 12-08-15          | 600.00                                | -                            | 600.00                    | 9.91%                | 12-08-17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series D of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 12-08-15          | 2,500.00                              | -                            | 2,500.00                  | 9.91%                | 07-08-17           | Redeemable at par at the end of 714 days from the date of allotment  |
| Series E of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 23-03-15          | 200.00                                | -                            | 200.00                    | 9.95%                | 06-08-17           | Redeemable at par at the end of 714 days from the date of allotment  |
| Series D of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 12-08-15          | 400.00                                | -                            | 400.00                    | 9.91%                | 06-08-17           | Redeemable at par at the end of 714 days from the date of allotment  |
| Series C of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 27-05-15          | 1,800.00                              | -                            | 1,800.00                  | 9.91%                | 29-05-17           | Redeemable at par at the end of 733 days from the date of allotment  |
| Series D of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 27-05-15          | 800.00                                | -                            | 800.00                    | 9.80%                | 26-05-17           | Redeemable at par at the end of 730 days from the date of allotment  |
| Series C of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 27-05-15          | 500.00                                | -                            | 500.00                    | 9.91%                | 24-05-17           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series C of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 27-05-15          | 1,850.00                              | -                            | 1,850.00                  | 9.91%                | 22-05-17           | Redeemable at par at the end of 726 days from the date of allotment  |
| Series E of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 23-03-15          | 500.00                                | 500.00                       | -                         | 9.95%                | 07-01-16           | Redeemable at par at the end of 1294 days from the date of allotment |
| Series B of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 11-05-15          | 1,050.00                              | -                            | 1,050.00                  | 9.86%                | 15-05-17           | Redeemable at par at the end of 735 days from the date of allotment  |
| Series C of FY 2015-16 OPT 7   | ₹ 25 Lakh each           | 20-03-15          | 1,225.00                              | -                            | 1,225.00                  | 9.81%                | 16-05-17           | Redeemable at par at the end of 726 days from the date of allotment  |
| Series G of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 26-08-15          | 300.00                                | 300.00                       | -                         | 9.90%                | 26-08-16           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series C of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 27-05-15          | 250.00                                | -                            | 250.00                    | 9.90%                | 09-05-17           | Redeemable at par at the end of 713 days from the date of allotment  |
| Series G of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 26-06-15          | 1,000.00                              | 1,000.00                     | -                         | 9.91%                | 26-06-16           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series A of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 29-04-15          | 1,825.00                              | -                            | 1,825.00                  | 9.87%                | 04-05-17           | Redeemable at par at the end of 732 days from the date of allotment  |
| Series B of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 11-05-15          | 4,900.00                              | -                            | 4,900.00                  | 9.80%                | 02-05-17           | Redeemable at par at the end of 722 days from the date of allotment  |
| Series H of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 09-07-15          | 5,000.00                              | 5,000.00                     | -                         | 9.92%                | 06-07-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series H of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 09-07-15          | 2,900.00                              | 2,900.00                     | -                         | 9.93%                | 17-07-16           | Redeemable at par at the end of 1103 days from the date of allotment |
| Series H of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 09-07-15          | 3,500.00                              | 3,500.00                     | -                         | 9.93%                | 06-07-16           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series H of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 09-07-15          | 3,500.00                              | 3,500.00                     | -                         | 9.93%                | 02-07-16           | Redeemable at par at the end of 1090 days from the date of allotment |
| Series A of FY 2015-16 OPT 4   | ₹ 25 Lakh each           | 17-04-15          | 2,200.00                              | -                            | 2,200.00                  | 9.81%                | 27-04-17           | Redeemable at par at the end of 741 days from the date of allotment  |
| Series D of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 27-05-15          | 1,500.00                              | -                            | 1,500.00                  | 9.80%                | 27-04-17           | Redeemable at par at the end of 701 days from the date of allotment  |
| Series A of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 29-04-15          | 1,700.00                              | -                            | 1,700.00                  | 9.87%                | 26-04-17           | Redeemable at par at the end of 726 days from the date of allotment  |
| Series A of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 29-04-15          | 2,450.00                              | -                            | 2,450.00                  | 9.87%                | 26-04-17           | Redeemable at par at the end of 727 days from the date of allotment  |
| Series L of FY 14-15 OPT IV    | ₹ 25 Lakh each           | 13-02-16          | 1,025.00                              | -                            | 1,025.00                  | 9.02%                | 17-04-17           | Redeemable at par at the end of 794 days from the date of allotment  |
| Series A of FY 2015-16 OPT 3   | ₹ 25 Lakh each           | 17-04-15          | 5,500.00                              | -                            | 5,500.00                  | 9.80%                | 17-04-17           | Redeemable at par at the end of 731 days from the date of allotment  |
| Series IFY 2015-16 OPT 2       | ₹ 25 Lakh each           | 19-03-15          | 2,500.00                              | 2,500.00                     | -                         | 9.80%                | 17-08-16           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series IFY 2015-16 OPT 1       | ₹ 25 Lakh each           | 19-03-15          | 1,600.00                              | 1,600.00                     | -                         | 9.80%                | 09-02-16           | Redeemable at par at the end of 1111 days from the date of allotment |
| Series IFY 2015-16 OPT 1       | ₹ 25 Lakh each           | 19-03-15          | 3,000.00                              | 3,000.00                     | -                         | 9.80%                | 16-06-16           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series J of FY 15-16 OPT 1     | ₹ 25 Lakh each           | 22-08-16          | 3,000.00                              | 3,000.00                     | -                         | 9.81%                | 29-08-16           | Redeemable at par at the end of 1069 days from the date of allotment |
| Series A of FY 2015-16 OPT 2   | ₹ 25 Lakh each           | 17-04-15          | 3,975.00                              | -                            | 3,975.00                  | 9.81%                | 08-04-17           | Redeemable at par at the end of 712 days from the date of allotment  |
| Series L of FY 14-15 OPT II    | ₹ 25 Lakh each           | 13-02-15          | 500.00                                | -                            | 500.00                    | 9.03%                | 04-04-17           | Redeemable at par at the end of 781 days from the date of allotment  |
| Series A of FY 2015-16 OPT 1   | ₹ 25 Lakh each           | 17-04-15          | 475.00                                | -                            | 475.00                    | 9.81%                | 04-04-17           | Redeemable at par at the end of 716 days from the date of allotment  |
| Series B of FY 2015-16 OPT 6   | ₹ 25 Lakh each           | 11-05-15          | 4,000.00                              | -                            | 4,000.00                  | 9.85%                | 04-04-17           | Redeemable at par at the end of 694 days from the date of allotment  |
| Series N of FY 15-16           | ₹ 25 Lakh each           | 29-03-16          | 18,500.00                             | 18,500.00                    | -                         | 9.90%                | 29-04-19           | Redeemable at par at the end of 1126 days from the date of allotment |
| Series A of FY 2016-17 OPT 7   | ₹ 25 Lakh each           | 13-04-16          | 400.00                                | 400.00                       | -                         | 9.86%                | 30-09-19           | Redeemable at par at the end of 1265 days from the date of allotment |
| Series A of FY 2016-17 OPT 6   | ₹ 25 Lakh each           | 13-04-16          | 7,500.00                              | 7,500.00                     | -                         | 9.86%                | 12-09-19           | Redeemable at par at the end of 1247 days from the date              |

Note 4 (a)

Secured Redeemable Non Convertible Debentures as on March 31, 2017

| Series Details                  | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2017 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|---------------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series A of FY 2016-17 Option 1 | ₹ 25 Lakh each           | 20-05-16          | 12,500.00                             | 12,500.00                    | -                           | 8.80%                | 21-05-19           | Redeemable at par at the end of 1127 days from the date of allotment |
| Series C of FY 2016-17 Option 2 | ₹ 25 Lakh each           | 24-05-16          | 300.00                                | 300.00                       | -                           | 8.84%                | 25-05-19           | Redeemable at par at the end of 1130 days from the date of allotment |
| Series C of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 24-05-16          | 5,000.00                              | 5,000.00                     | -                           | 8.95%                | 24-05-19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series C of FY 2016-17 OPT 2    | ₹ 25 Lakh each           | 13-06-16          | 1,000.00                              | 1,000.00                     | -                           | 8.60%                | 11-06-21           | Redeemable at par at the end of 1824 days from the date of allotment |
| Series C of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 13-06-16          | 1,000.00                              | 1,000.00                     | -                           | 8.80%                | 13-06-19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series D of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 14-06-16          | 5,000.00                              | 5,000.00                     | -                           | 8.72%                | 14-06-19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series E of FY 2016-17 OPT 2    | ₹ 25 Lakh each           | 29-06-16          | 250.00                                | 250.00                       | -                           | 8.71%                | 22-07-19           | Redeemable at par at the end of 1116 days from the date of allotment |
| Series E of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 29-06-16          | 13,000.00                             | 13,000.00                    | -                           | 8.72%                | 28-06-19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series F of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 22-07-16          | 20,000.00                             | 20,000.00                    | -                           | 8.70%                | 20-07-19           | Redeemable at par at the end of 726 days from the date of allotment  |
| Series G of FY 2016-17 OPT II   | ₹ 25 Lakh each           | 03-08-16          | 7,500.00                              | 7,500.00                     | -                           | 8.45%                | 02-08-19           | Redeemable at par at the end of 1094 days from the date of allotment |
| Series G of FY 2016-17 OPT I    | ₹ 25 Lakh each           | 03-08-16          | 5,000.00                              | 5,000.00                     | -                           | 8.40%                | 03-08-19           | Redeemable at par at the end of 730 days from the date of allotment  |
| Series H of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 05-08-16          | 7,500.00                              | 7,500.00                     | -                           | 7.37%                | 05-08-19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series B of FY 2016-17 OPT 2    | ₹ 25 Lakh each           | 05-08-16          | 500.00                                | 500.00                       | -                           | 8.85%                | 05-08-19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series B of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 05-08-16          | 1,000.00                              | 1,000.00                     | -                           | 8.83%                | 03-08-18           | Redeemable at par at the end of 728 days from the date of allotment  |
| Series I of FY 2016-17          | ₹ 25 Lakh each           | 09-08-16          | 5,000.00                              | 5,000.00                     | -                           | 8.40%                | 09-08-19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series D of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 18-08-16          | 250.00                                | 250.00                       | -                           | 8.55%                | 05-08-19           | Redeemable at par at the end of 1082 days from the date of allotment |
| Series E of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 23-08-16          | 1,175.00                              | 1,175.00                     | -                           | 8.54%                | 30-09-19           | Redeemable at par at the end of 1133 days from the date of allotment |
| Series F of FY 2016-17          | ₹ 25 Lakh each           | 02-09-16          | 5,000.00                              | 5,000.00                     | -                           | 8.31%                | 05-09-19           | Redeemable at par at the end of 1093 days from the date of allotment |
| Series G of FY 2016-17          | ₹ 25 Lakh each           | 12-09-16          | 20,000.00                             | 20,000.00                    | -                           | 8.31%                | 12-09-19           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series J of FY 2016-17 OPT II   | ₹ 25 Lakh each           | 19-01-17          | 15,000.00                             | 15,000.00                    | -                           | 7.83%                | 20-01-20           | Redeemable at par at the end of 1096 days from the date of allotment |
| Series J of FY 2016-17 OPT I    | ₹ 25 Lakh each           | 19-01-17          | 5,000.00                              | 5,000.00                     | -                           | 7.86%                | 18-01-19           | Redeemable at par at the end of 729 days from the date of allotment  |
| Series C of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 22-03-17          | 5,000.00                              | 5,000.00                     | -                           | 7.71%                | 22-03-19           | Redeemable at par at the end of 457 days from the date of allotment  |
| Series D of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 27-03-17          | 2,500.00                              | 2,500.00                     | -                           | 7.90%                | 27-03-20           | Redeemable at par at the end of 1095 days from the date of allotment |
| Series D of FY 2016-17 OPT 1    | ₹ 25 Lakh each           | 27-03-17          | 5,000.00                              | 5,000.00                     | -                           | 7.75%                | 28-04-19           | Redeemable at par at the end of 790 days from the date of allotment  |
| Series E of FY 2016-17          | ₹ 25 Lakh each           | 29-03-17          | 10,000.00                             | 10,000.00                    | -                           | 7.90%                | 29-03-20           | Redeemable at par at the end of 1186 days from the date of allotment |
| Series F of FY 2016-17          | ₹ 25 Lakh each           | 31-03-17          | 30,000.00                             | 30,000.00                    | -                           | 8.07%                | 28-05-20           | Redeemable at par at the end of 1155 days from the date of allotment |
| NCD 2009 Series 4               | ₹ 1000 each              | 17-09-09          | 45,981.99                             | 45,981.99                    | -                           | 10.24%               | 17-09-19           | Redeemable at par at the end of 3652 days from the date of allotment |
|                                 |                          |                   | 8,25,898.99                           | 4,80,181.99                  | 2,16,426.00                 |                      |                    |  |

Note 4 (a)

Unsecured Redeemable Non Convertible Debentures as on March 31, 2017

| Series Details         | Face Value per Debenture | Date of Allotment | Balance as at March 31, 2017 (₹ lakh) | Non-Current Portion (₹ lakh) | Current Maturities (₹ lakh) | Interest Rate % p.a. | Date of Redemption | Redeemable Terms   |
|------------------------|--------------------------|-------------------|---------------------------------------|------------------------------|-----------------------------|----------------------|--------------------|--|
| Series H of FY 2007-08 | ₹ 10 Lakh each           | 20-02-08          | 7,500.00                              | -                            | 7,500.00                    | 10.50%               | 20-02-16           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series F of FY 2011-12 | ₹ 10 Lakh each           | 30-12-11          | 20,000.00                             | 20,000.00                    | -                           | 11.50%               | 30-12-21           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series J of FY 2012-13 | ₹ 10 Lakh each           | 21-12-12          | 27,500.00                             | 27,500.00                    | -                           | 9.80%                | 21-12-22           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series C of FY 2013-14 | ₹ 10 Lakh each           | 26-02-14          | 2,500.00                              | 2,500.00                     | -                           | 10.90%               | 28-04-24           | Redeemable at par at the end of 3712 days from the date of allotment |
| Series F of FY 2013-14 | ₹ 10 Lakh each           | 27-03-14          | 5,000.00                              | 5,000.00                     | -                           | 10.90%               | 27-03-24           | Redeemable at par at the end of 3643 days from the date of allotment |
| Series I of FY 2013-14 | ₹ 10 Lakh each           | 27-03-14          | 5,000.00                              | 5,000.00                     | -                           | 10.35%               | 27-03-24           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series E of FY 2014-15 | ₹ 10 Lakh each           | 30-06-14          | 4,000.00                              | 4,000.00                     | -                           | 10.40%               | 29-06-24           | Redeemable at par at the end of 3651 days from the date of allotment |
| Series M of FY 2014-15 | ₹ 10 Lakh each           | 31-12-14          | 5,000.00                              | 5,000.00                     | -                           | 9.65%                | 31-12-24           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series S of FY 2014-15 | ₹ 10 Lakh each           | 30-03-15          | 5,000.00                              | 5,000.00                     | -                           | 9.81%                | 28-03-25           | Redeemable at par at the end of 3651 days from the date of allotment |
| Series J of FY 2015-16 | ₹ 10 Lakh each           | 09-09-15          | 10,000.00                             | 10,000.00                    | -                           | 9.25%                | 09-09-25           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series F of FY 2015-16 | ₹ 10 Lakh each           | 28-01-16          | 3,200.00                              | 3,200.00                     | -                           | 9.39%                | 28-01-27           | Redeemable at par at the end of 4018 days from the date of allotment |
| Series G of FY 2015-16 | ₹ 10 Lakh each           | 09-02-16          | 1,800.00                              | 1,800.00                     | -                           | 9.25%                | 09-02-26           | Redeemable at par at the end of 3653 days from the date of allotment |
| Series H of FY 2015-16 | ₹ 10 Lakh each           | 04-03-16          | 5,000.00                              | 5,000.00                     | -                           | 9.48%                | 04-03-26           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series M of FY 2016-16 | ₹ 10 Lakh each           | 23-03-16          | 10,000.00                             | 10,000.00                    | -                           | 9.30%                | 23-03-26           | Redeemable at par at the end of 3652 days from the date of allotment |
| Series I - PD          | ₹ 10 Lakh each           | 30-03-16          | 5,000.00                              | 5,000.00                     | -                           | 10.10%               | 30-03-26           | Redeemable at par at the end of 3652 days from the date of allotment |
|                        |                          |                   | 1,16,900.00                           | 1,09,000.00                  | 7,900.00                    |                      |                    |  |





**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**

**Note 4 (b)**

**Term loans from bank (Secured) as on March 31, 2017**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2017<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Above 5 Years | 8.00% - 9.00%  | 2,25,000.00                              | 2,25,000.00                     | -                              |
|                | Above 5 Years | 9.00% - 10.00% | 40,000.00                                | 40,000.00                       | -                              |
| Half Yearly    | Up to 5 Years | 8.00% - 9.00%  | 250.00                                   | -                               | 250.00                         |
|                | Up to 5 Years | 9.00% - 10.00% | 12,709.00                                | -                               | 12,709.00                      |
|                | Above 5 Years | 8.00% - 9.00%  | 58,300.00                                | 58,300.00                       | -                              |
|                | Above 5 Years | 9.00% - 10.00% | 62,291.00                                | 62,291.00                       | -                              |
| Quarterly      | Up to 5 Years | 8.00% - 9.00%  | 1,666.67                                 | -                               | 1,666.67                       |
|                | Up to 5 Years | 9.00% - 10.00% | 3,958.33                                 | -                               | 3,958.33                       |
|                | Above 5 Years | 8.00% - 9.00%  | 17,500.00                                | 17,500.00                       | -                              |
|                | Above 5 Years | 9.00% - 10.00% | 1,666.67                                 | 1,666.67                        | -                              |
| <b>Total</b>   |               |                | <b>4,23,341.67</b>                       | <b>4,04,757.67</b>              | <b>18,584.00</b>               |

**Note 4 (c)**

**Line of Credit (Secured) as on March 31, 2017**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2017<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 1,90,000.00                              | 1,90,000.00                     | -                              |
| <b>Total</b>   |               |                | <b>1,90,000.00</b>                       | <b>1,90,000.00</b>              | <b>-</b>                       |

**Working capital demand loan (Secured) as on March 31, 2017**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2017<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 2,000.00                                 | 2,000.00                        | -                              |
| <b>Total</b>   |               |                | <b>2,000.00</b>                          | <b>2,000.00</b>                 | <b>-</b>                       |

**Line of Credit (Unsecured) as on March 31, 2017**

| Repayment Term | Tenure        | Interest Range | Balance as at March 31, 2017<br>(₹ lakh) | Non-Current Portion<br>(₹ lakh) | Current Maturities<br>(₹ lakh) |
|----------------|---------------|----------------|--|---------------------------------|--------------------------------|
| Bullet         | Up to 5 Years | 8.00% - 9.00%  | 2,95,500.00                              | 2,95,500.00                     | -                              |
|                |               | 9.00% - 10.00% | 50,000.00                                | 50,000.00                       | -                              |
| Total          |               |                | 3,45,500.00                              | 3,45,500.00                     | -                              |





L&T Finance Limited (erstwhile Family Credit Limited)  
Notes forming part of the Reformatting Standalone Financial Information

| Note 4a  |                 |                     |           |                     |        |                     |        |                     |           | (₹ in Lakh) |
|--|-----------------|---------------------|-----------|---------------------|--------|---------------------|--------|---------------------|-----------|-------------|
| Secured Redeemable Non Convertible Debentures as on March 31, 2016 |                 |                     |           |                     |        |                     |        |                     |           |             |
| Original maturity of loan  | Interest rate   | Due within 1 year   |           | Due in 1 to 2 Years |        | Due in 2 to 3 Years |        | Due after 3 Years   |           | Total       |
|  |                 | No. of Installments | Amount    | No. of Installments | Amount | No. of Installments | Amount | No. of Installments | Amount    |             |
| Bullet repayment schedule  |                 |                     |           |                     |        |                     |        |                     |           |             |
| 1-3 Yrs  | 8.01% - 9.00%   | 1                   | 10,000.00 | -                   | -      | -                   | -      | -                   | -         | 10,000.00   |
|  | 9.01% - 10.00%  | 4                   | 39,500.00 | -                   | -      | -                   | -      | -                   | -         | 39,500.00   |
|  | 10.01% - 11.00% | 1                   | 900.00    | -                   | -      | -                   | -      | -                   | -         | 900.00      |
| Above 3 years  | 8.01%-9.00%     | -                   | -         | -                   | -      | -                   | -      | 4                   | 39,000.00 | 39,000.00   |
|  | 9.01% - 10.00%  | -                   | -         | -                   | -      | -                   | -      | 3                   | 22,400.00 | 22,400.00   |
|  |                 |                     | 50,400.00 |                     | -      |                     | -      |                     | 61,400.00 | 1,11,800.00 |

| Unsecured Redeemable Non Convertible Debentures as on March 31, 2016 |               |                     |        |                     |        |                     |        |                     |           | (₹ in Lakh) |
|--|---------------|---------------------|--------|---------------------|--------|---------------------|--------|---------------------|-----------|-------------|
| Original maturity of loan  | Interest rate | Due within 1 year   |        | Due in 1 to 2 Years |        | Due in 2 to 3 Years |        | Due after 3 Years   |           | Total       |
|  |               | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount    |             |
| Bullet repayment schedule  |               |                     |        |                     |        |                     |        |                     |           |             |
| Above 3 years  | 10%-11%       | -                   | -      | -                   | -      | -                   | -      | 3                   | 26,500.00 | 26,500.00   |
|  |               |                     |        |                     |        |                     |        |                     | 26,500.00 | 26,500.00   |

| Note 4 (b)   |               |                     |          |                     |           |                     |           |                     |        | (₹ in Lakh) |
|--|---------------|---------------------|----------|---------------------|-----------|---------------------|-----------|---------------------|--------|-------------|
| Term loan from bank (Secured) as on March 31, 2016 |               |                     |          |                     |           |                     |           |                     |        |             |
| Original maturity of loan                          | Interest rate | Due within 1 year   |          | Due in 1 to 2 Years |           | Due in 2 to 3 Years |           | Due after 3 Years   |        | Total       |
|  |               | No. of Installments | Amount   | No. of Installments | Amount    | No. of Installments | Amount    | No. of Installments | Amount |             |
| Quarterly repayment schedule                       |               |                     |          |                     |           |                     |           |                     |        |             |
| 1-3 Yrs  | 10.01%-11%    | 6                   | 4,170.33 | 6                   | 20,949.55 | 12.00               | 61,549.33 | -                   | -      | 86,669.21   |
|  |               |                     | 4,170.33 |                     | 20,949.55 |                     | 61,549.33 |                     | -      | 86,669.21   |



Note 4 (c)  
Line of Credit (Secured) as on March 31, 2016

(₹ in Lakh)

| Line of Credit (Secured) as on March 31, 2016 |               |                     |        |                     |             |                     |        |                     |        | (₹ in Lakh) |
|---|---------------|---------------------|--------|---------------------|-------------|---------------------|--------|---------------------|--------|-------------|
| Original maturity of loan                     | Interest rate | Due within 1 year   |        | Due in 1 to 2 Years |             | Due in 2 to 3 Years |        | Above 3 years       |        | Total       |
|   |               | No. of installments | Amount | No. of installments | Amount      | No. of installments | Amount | No. of installments | Amount |             |
| Bullet repayment schedule                     |               |                     |        |                     |             |                     |        |                     |        |             |
| 1-3 Yrs                                       | 10%-11%       | -                   | -      | -                   | 1,10,000.00 | -                   | -      | -                   | -      | 1,10,000.00 |
|   |               |                     | -      |                     | 1,10,000.00 |                     | -      |                     | -      | 1,10,000.00 |



| Refer note 4(a) long-term borrowings                     |                 |                     |           |                     |           |                     |           |                     |        |             |
|--|-----------------|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|--------|-------------|
| Terms of repayment of NCD (Secured) as on March 31, 2015 |                 |                     |           |                     |           |                     |           |                     |        |             |
| (₹ in Lakhs)   |                 |                     |           |                     |           |                     |           |                     |        |             |
| Original maturity of loan                                | Interest rate   | Due within 1 year   |           | Due in 1 to 3 Years |           | Due in 2 to 3 Years |           | Due after 3 Years   |        | Total       |
|  |                 | No. of installments | Amount    | No. of installments | Amount    | No. of installments | Amount    | No. of installments | Amount |             |
| Bullet repayment schedule                                |                 |                     |           |                     |           |                     |           |                     |        |             |
| 1-3 Yrs  | 8.01% - 9.00%   | 2                   | 6,350.00  | 1                   | 10,000.00 | -                   | -         | -                   | -      | 16,350.00   |
|  | 9.01% - 10.00%  | 1                   | 10,000.00 | 5                   | 84,500.00 | 1                   | 2,400.00  | -                   | -      | 96,900.00   |
|  | 10.01% - 11.00% | 1                   | 2,000.00  | 1                   | 900.00    | -                   | -         | -                   | -      | 2,900.00    |
| Above 3 years  | 9.01% - 10.00%  | -                   | -         | -                   | -         | 1                   | 10,000.00 | -                   | -      | 10,000.00   |
|  |                 |                     | 18,350.00 |                     | 78,400.00 |                     | 12,400.00 |                     | -      | 1,06,550.00 |

| Refer note 4(a) long-term borrowings                       |               |                     |        |                     |        |                     |        |                     |           | ₹ in Lakh) |
|--|---------------|---------------------|--------|---------------------|--------|---------------------|--------|---------------------|-----------|------------|
| Terms of repayment of NCD (Unsecured) as on March 31, 2016 |               |                     |        |                     |        |                     |        |                     |           |            |
| Original maturity of loan                                  | Interest rate | Due within 1 year   |        | Due in 1 to 3 Years |        | Due in 3 to 5 Years |        | Due after 5 Years   |           | Total      |
|  |               | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount    |            |
| Bullet repayment schedule                                  |               |                     |        |                     |        |                     |        |                     |           |            |
| Above 3 years  | 10%-11%       | -                   | -      | -                   | -      | -                   | -      | 3                   | 11,500.00 | 11,500.00  |
|  |               |                     | -      |                     | -      |                     | -      |                     | 11,500.00 | 11,500.00  |

| Refer note 4(b)Long-term borrowings                             |               |                     |           |                     |        |                     |        |                     |        |              |
|---|---------------|---------------------|-----------|---------------------|--------|---------------------|--------|---------------------|--------|--------------|
| Terms of repayment of Term Loan borrowings as on March 31, 2015 |               |                     |           |                     |        |                     |        |                     |        | (₹ in Lakhs) |
| Original maturity of loan                                       | Interest rate | Due within 1 year   |           | Due in 1 to 2 Years |        | Due in 2 to 3 Years |        | Due after 3 Years   |        | Total        |
|   |               | No. of installments | Amount    | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount |              |
| Half Yearly repayment schedule                                  |               |                     |           |                     |        |                     |        |                     |        |              |
| 1-3 Yrs   | 9.01%-10%     | 1                   | 633.33    | -                   | -      | -                   | -      | -                   | -      | 633.33       |
| Quarterly repayment schedule                                    |               |                     |           |                     |        |                     |        |                     |        |              |
| 1-3 Yrs   | 10%-11%       | 2                   | 7,500.00  | -                   | -      | -                   | -      | -                   | -      | 7,500.00     |
|   |               | 4                   | 3,332.00  | 1                   | 837.00 | -                   | -      | -                   | -      | 4,169.00     |
|   |               | 3                   | 7,500.00  | -                   | -      | -                   | -      | -                   | -      | 7,500.00     |
|   |               | 2                   | 2,496.83  | -                   | -      | -                   | -      | -                   | -      | 2,496.83     |
|   |               |                     | 21,662.16 |                     | 837.00 |                     | -      |                     | -      | 22,499.16    |

| Terms of repayment of Demand Loan borrowings as on March 31, 2015 |               |                     |          |                     |          |                     |        |                     |        | (₹ in Lakhs) |
|---|---------------|---------------------|----------|---------------------|----------|---------------------|--------|---------------------|--------|--------------|
| Original maturity of loan   | Interest rate | Due within 1 year   |          | Due in 1 to 3 Years |          | Due in 3 to 5 Years |        | Due after 5 Years   |        | Total        |
|   |               | No. of installments | Amount   | No. of installments | Amount   | No. of installments | Amount | No. of installments | Amount |              |
| Bullet repayment schedule   |               |                     |          |                     |          |                     |        |                     |        |              |
| 1-3 Yrs   | 10%-11%       | 4                   | 3,333.33 | 5                   | 3,333.34 | -                   | -      | -                   | -      | 6,666.67     |
|   |               | 4                   | 3,333.33 | 5                   | 3,333.34 | -                   | -      | -                   | -      | 6,666.67     |

Refer note 4(c) long-term borrowings

Terms of repayment of Unsecured Revolving Limit as on March 31, 2015

(₹ in Lakhs)

| Original maturity of loan | Interest rate | Due within 1 year   |        | Due in 1 to 2 Years |        | Due in 2 to 3 Years |        | Above 3 years       |        | Total  |
|---------------------------|---------------|---------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|--------|
|                           |               | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount |        |
| Bullet repayment schedule |               |                     |        |                     |        |                     |        |                     |        |        |
| 1-3 Yrs                   | 10%-11%       | 0                   | 0      | 1                   | 12,500 | -                   | -      | -                   | -      | 12,500 |
|                           |               | 0                   | 0      | 1                   | 30,000 | 0                   | 0      | 0                   | 0      | 30,000 |
|                           |               | 0                   | 0      | 2                   | 42,500 | -                   | -      | -                   | 0      | 42,500 |



| Refer note 4(a) long-term borrowings                     |               |                     |        |                     |           |                     |        |                     |        |           |
|--|---------------|---------------------|--------|---------------------|-----------|---------------------|--------|---------------------|--------|-----------|
| Terms of repayment of MCD (Secured) as on March 31, 2014 |               |                     |        |                     |           |                     |        |                     |        |           |
| (₹ in Lakhs)   |               |                     |        |                     |           |                     |        |                     |        |           |
| Original maturity of loan                                | Interest rate | Due within 1 year   |        | Due in 1 to 2 Years |           | Due in 2 to 3 Years |        | Due after 3 Years   |        | Total     |
|  |               | No. of installments | Amount | No. of installments | Amount    | No. of installments | Amount | No. of installments | Amount |           |
| Monthly repayment schedule                               |               |                     |        |                     |           |                     |        |                     |        |           |
| 1-3 Yrs  | 10%-11%       | -                   | -      | -                   | 32,000.00 | -                   | 900.00 | -                   | -      | 32,900.00 |
|  |               | -                   | -      | -                   | 32,000.00 | -                   | 900.00 | -                   | -      | 32,900.00 |

| Refer note 4(a) long-term borrowings                       |               |                     |        |                     |        |                     |        |                     |          |             |
|--|---------------|---------------------|--------|---------------------|--------|---------------------|--------|---------------------|----------|-------------|
| Terms of repayment of MCD (Unsecured) as on March 31, 2014 |               |                     |        |                     |        |                     |        |                     |          |             |
| Original maturity of loan                                  | Interest rate | Due within 1 year   |        | Due in 1 to 2 Years |        | Due in 2 to 3 Years |        | Due after 3 Years   |          | (₹ in Lakh) |
|  |               | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount | No. of installments | Amount   |             |
| Monthly repayment schedule                                 |               |                     |        |                     |        |                     |        |                     |          |             |
| Above 3 years  | 10%-11%       | -                   | -      | -                   | -      | -                   | -      | -                   | 7,500.00 | 7,500.00    |
|  |               | -                   | -      | -                   | -      | -                   | -      | -                   | 7,500.00 | 7,500.00    |

| Refer note 4(b) long-term borrowings                            |               |                     |           |                     |           |                     |        |                     |        |             |
|---|---------------|---------------------|-----------|---------------------|-----------|---------------------|--------|---------------------|--------|-------------|
| Terms of repayment of Term Loan borrowings as on March 31, 2014 |               |                     |           |                     |           |                     |        |                     |        |             |
| (₹ in Lakhs)  |               |                     |           |                     |           |                     |        |                     |        |             |
| Original maturity of loan                                       | Interest rate | Due within 1 year   |           | Due in 1 to 2 Years |           | Due in 2 to 3 Years |        | Due after 3 Years   |        | Total       |
|   |               | No. of installments | Amount    | No. of installments | Amount    | No. of installments | Amount | No. of installments | Amount |             |
| Monthly repayment schedule                                      |               |                     |           |                     |           |                     |        |                     |        |             |
| 1-3 Yrs   | 10%-11%       | 1                   | 17,476.90 | 1                   | 833.33    | -                   | -      | -                   | -      | 18,310.23   |
|   |               | 3                   | 4,185.56  | 2                   | 4,087.95  | -                   | -      | -                   | -      | 9,163.51    |
|   |               | 4                   | 55,083.33 | 3                   | 7,500.00  | -                   | -      | -                   | -      | 62,583.33   |
|   | 11%-12%       | -                   | -         | 1                   | 20,000.00 | -                   | -      | -                   | -      | 20,000.00   |
|   |               | 4                   | 15,000.00 | 2                   | 7,500.00  | -                   | -      | -                   | -      | 22,500.00   |
|   |               | 1                   | 13.89     | -                   | -         | -                   | -      | -                   | -      | 13.89       |
| Above 3 years   | 12%-13%       | 11                  | 1,694.44  | -                   | -         | -                   | -      | -                   | -      | 1,694.44    |
|   |               | 4                   | 3,332.00  | 4                   | 3,332.00  | 1                   | 837.00 | -                   | -      | 7,501.00    |
|   | 10%-11%       | -                   | -         | -                   | -         | -                   | -      | -                   | -      | -           |
|   |               | -                   | 96,788.12 | -                   | 44,193.89 | -                   | 837.00 | -                   | -      | 1,41,799.00 |

| Refer note 4(c) long-term borrowings                              |               |                     |          |                     |           |                     |          |                     |        |             |
|---|---------------|---------------------|----------|---------------------|-----------|---------------------|----------|---------------------|--------|-------------|
| Terms of repayment of Demand Loan borrowings as on March 31, 2014 |               |                     |          |                     |           |                     |          |                     |        |             |
| Original maturity of loan   | Interest rate | Due within 1 year   |          | Due in 1 to 2 Years |           | Due in 2 to 3 Years |          | Due after 3 Years   |        | (₹ in Lakh) |
|   |               | No. of installments | Amount   | No. of installments | Amount    | No. of installments | Amount   | No. of installments | Amount |             |
| Monthly repayment schedule  |               |                     |          |                     |           |                     |          |                     |        |             |
| 1-3 Yrs   | 10%-11%       | -                   | -        | 1                   | 20,000.00 | -                   | -        | -                   | -      | 20,000.00   |
|   | 11%-12%       | 4                   | 3,333.33 | 4                   | 3,333.33  | 2                   | 1,332.67 | -                   | -      | 7,999.33    |
|   | -             | -                   | 3,333.33 | -                   | 23,333.33 | -                   | 1,332.67 | -                   | -      | 27,999.33   |



|   | As at March 31, 2018 |           | As at March 31, 2017 |           | As at March 31, 2016 |           | As at March 31, 2015 |           | As at March 31, 2014 |           |
|---|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|   | ₹ in lakh            | ₹ in lakh | ₹ in lakh            | ₹ in lakh | ₹ in lakh            | ₹ in lakh | ₹ in lakh            | ₹ in lakh | ₹ in lakh            | ₹ in lakh |
| <b>5 Other long term liabilities</b>                                      |                      |           |                      |           |                      |           |                      |           |                      |           |
| Interest accrued but not due on borrowings                                | 4,098.85             |           | 12,588.38            |           | 2,246.79             |           | 2,427.26             |           |                      |           |
| Security deposits and margin money received                               | 333.64               |           | 1,340.50             |           | 33.34                |           | 211.05               |           |                      |           |
| Debt service reserve account  | -                    |           | 452.78               |           | -                    |           | -                    |           |                      |           |
| Others  | 89.99                |           | 403.19               |           | -                    |           | -                    |           |                      |           |
| <b>Total other long term liabilities</b>                                  | <b>4,499.48</b>      |           | <b>14,782.85</b>     |           | <b>2,280.13</b>      |           | <b>2,639.31</b>      |           |                      |           |
| <b>6 Long-term provisions</b>   |                      |           |                      |           |                      |           |                      |           |                      |           |
| <b>Others:</b>  |                      |           |                      |           |                      |           |                      |           |                      |           |
| Contingency provision against standard assets                             | 9,884.88             |           | 6,428.29             |           | 911.97               |           | 916.17               |           |                      |           |
| Interest capitalised on restructured assets                               | 575.56               |           | 2,408.97             |           | -                    |           | -                    |           |                      |           |
| For Employee benefits   |                      |           |                      |           |                      |           |                      |           |                      |           |
| - Gratuity  | 163.24               |           | 313.33               |           | 56.56                |           | -                    |           |                      |           |
| <b>Total long-term provisions</b>   | <b>10,423.48</b>     |           | <b>9,150.59</b>      |           | <b>968.53</b>        |           | <b>916.17</b>        |           |                      |           |
| <b>7 Short-term borrowings</b>  |                      |           |                      |           |                      |           |                      |           |                      |           |
| <b>(i) Secured -</b>  |                      |           |                      |           |                      |           |                      |           |                      |           |
| Bank overdraft/ Cash Credit   | 5,846.91             |           | 7,558.42             |           | 11,259.37            |           | -                    |           |                      |           |
| <b>Total i</b>  | <b>5,846.91</b>      |           | <b>7,558.42</b>      |           | <b>11,259.37</b>     |           | <b>-</b>             |           |                      |           |
| <b>(ii) Unsecured</b>   |                      |           |                      |           |                      |           |                      |           |                      |           |
| Commercial papers   | 6,70,000.00          |           | 9,85,060.00          |           | 1,04,500.00          |           | 1,20,000.00          |           |                      |           |
| Less : Unexpired discounting charge                                       | 17,418.32            |           | 20,007.82            |           | 1,467.98             |           | 1,792.03             |           |                      |           |
| <b>Loans and advances from related parties (Inter Corporate Deposits)</b> | <b>6,52,581.68</b>   |           | <b>9,65,052.18</b>   |           | <b>1,03,032.02</b>   |           | <b>1,18,207.97</b>   |           |                      |           |
| Revolving credit from bank  | 66,571.00            |           | 24,351.00            |           | 0.27                 |           | -                    |           |                      |           |
| <b>Total ii</b>   | <b>7,19,152.68</b>   |           | <b>9,89,393.18</b>   |           | <b>1,03,032.29</b>   |           | <b>1,18,207.97</b>   |           |                      |           |
| <b>Total short-term borrowings</b>  | <b>7,24,999.59</b>   |           | <b>9,97,951.60</b>   |           | <b>1,14,291.66</b>   |           | <b>1,18,207.97</b>   |           |                      |           |
| <b>- Secured by first exclusive charge on specific receivables</b>        |                      |           |                      |           |                      |           |                      |           |                      |           |
| <b>8 Trade payables</b>   |                      |           |                      |           |                      |           |                      |           |                      |           |
| - Dues to Micro and Small Enterprises (see note below)                    | -                    |           | -                    |           | -                    |           | 0.79                 |           |                      |           |
| - Others  | 9,495.42             |           | 6,525.13             |           | 1,559.13             |           | 840.11               |           |                      |           |
| <b>Total trade payable</b>  | <b>9,495.42</b>      |           | <b>6,525.13</b>      |           | <b>1,559.13</b>      |           | <b>840.90</b>        |           |                      |           |

Note: On the basis of replies received by the Company in response to enquiries made, there are no dues payable at the year end to Micro and Small Enterprises nor are there other particulars that are required to be disclosed under the Companies Act, 2013 or the Micro, Small and Medium Enterprises Development Act, 2008.



Notes forming part of the Reformatized Standalone Financial Information

9 Other current liabilities

|   | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            |
| Interest accrued but not due on borrowings                        | 66,098.42            | 42,327.78            | 9,485.50             | 2,842.88             | 646.23               |
| Deferred income on loan processing and assignments                | 166.20               | 530.22               | -                    | -                    | -                    |
| Security deposits and cash margin money received                  | 1,548.47             | 1,106.19             | -                    | -                    | -                    |
| Short-term obligations  | 1,037.95             | 1,307.55             | -                    | -                    | -                    |
| Statutory dues  | 3,179.69             | 3,405.20             | 374.14               | 254.74               | 243.55               |
| Advance from customers  | 16,225.70            | 22,957.81            | 1,210.25             | 1,113.16             | 684.17               |
| Trade payables for capital goods                                  | 11.79                | 11.79                | -                    | -                    | -                    |
| Overdraft as per books of account                                 | 7.42                 | 1,892.38             | -                    | 3,050.42             | 1,841.35             |
| Accrued expenses  | 7,795.82             | 11,185.46            | 2,441.38             | 1,919.15             | 1,743.44             |
| Gratuity payable to fund  | -                    | -                    | -                    | -                    | -                    |
| Other liabilities (Refer note 29.3 for related parties' balances) | 2,313.81             | 6,618.02             | 135.03               | 173.84               | 166.83               |
| Total other current liabilities                                   | 98,355.17            | 91,275.42            | 13,646.30            | 9,354.39             | 5,325.67             |

Note: No amount was due for transfer to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

10 Short-term provisions

|   |          |          |          |          |        |
|---|----------|----------|----------|----------|--------|
| For employee benefits:                        |          |          |          |          |        |
| Compensated absences                          | 1,019.50 | 831.33   | 260.68   | 187.91   | 120.87 |
| Gratuity                                      | -        | -        | -        | 24.24    | -      |
| Others  | -        | -        | -        | -        | -      |
| Contingency provision against standard assets | 4,987.87 | 4,187.36 | 787.75   | 1,140.94 | 569.63 |
| Provision for tax (net of advance tax)        | 2,050.82 | -        | 3,760.61 | 2,053.94 | -      |
| Total short-term provisions                   | 8,058.29 | 5,018.69 | 4,811.44 | 3,387.03 | 690.30 |



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**  
**Notes 11 : Property, plant and equipment and Intangible assets**

₹ in lakh

| Particulars                              | Gross Block        |   |                 |                      |                    | Accumulated Depreciation |                  |                 | Net Block          |                    |
|--|--------------------|---|-----------------|----------------------|--------------------|--------------------------|------------------|-----------------|--------------------|--------------------|
|  | As at<br>1-Apr-17  | Acquisition<br>through business<br>combination* | Additions       | Sale /<br>Adjustment | As at<br>31-Mar-18 | Upto<br>1-Apr-17         | For the<br>year  | Deductions      | Upto<br>31-Mar-18  | As at<br>31-Mar-18 |
| <b>Property, plant and equipment</b>     |                    |   |                 |                      |                    |                          |                  |                 |                    |                    |
| <b><u>Owned assets</u></b>               |                    |   |                 |                      |                    |                          |                  |                 |                    |                    |
| Buildings                                | 2,663.44           | -   | -               | 2,618.12             | 45.32              | 52.81                    | 50.18            | 94.06           | 8.93               | 36.39              |
| Office equipment                         | 645.45             | -   | 47.46           | 92.35                | 600.56             | 253.55                   | 149.53           | 84.56           | 318.52             | 282.04             |
| Furniture and fixtures                   | 849.79             | -   | 105.50          | 118.75               | 836.54             | 283.74                   | 223.83           | 95.21           | 412.36             | 424.18             |
| Leasehold renovation                     | 2,079.21           | -   | 61.84           | 157.80               | 1,983.25           | 878.79                   | 436.66           | 152.46          | 1,162.99           | 820.26             |
| Computers                                | 2,311.69           | -   | 986.78          | 848.91               | 2,449.56           | 1,192.44                 | 670.77           | 781.27          | 1,081.94           | 1,367.62           |
| Motor car                                | 10.13              | -   | 120.00          | 10.13                | 120.00             | 10.13                    | 20.58            | 10.13           | 20.58              | 99.42              |
| <b><u>Owned assets leased out</u></b>    |                    |   |                 |                      |                    |                          |                  |                 |                    |                    |
| Plant and Machinery                      | 4,051.23           | -   | -               | 794.27               | 3,256.96           | 795.77                   | 597.67           | 209.54          | 1,183.90           | 2,073.06           |
| Office Equipment                         | 77.06              | -   | -               | -                    | 77.06              | 31.60                    | 31.17            | -               | 62.77              | 14.29              |
| Furniture and fixtures                   | 987.80             | -   | -               | -                    | 987.80             | 192.56                   | 207.61           | -               | 400.17             | 587.63             |
| Motor car                                | 7,792.47           | -   | 424.62          | 5,199.08             | 3,018.01           | 1,901.01                 | 820.25           | 1,431.91        | 1,289.35           | 1,728.66           |
| Vehicles                                 | 50.34              | -   | -               | -                    | 50.34              | 50.34                    | -                | -               | 50.34              | -                  |
| Computers                                | 219.05             | -   | -               | 75.00                | 144.05             | 69.61                    | 55.22            | -               | 124.83             | 19.22              |
| <b>(A)</b>                               | <b>21,737.66</b>   | <b>-</b>  | <b>1,746.20</b> | <b>9,914.41</b>      | <b>13,569.45</b>   | <b>5,712.35</b>          | <b>3,263.47</b>  | <b>2,859.14</b> | <b>6,116.68</b>    | <b>7,452.77</b>    |
| <b><u>Intangible assets</u></b>          |                    |   |                 |                      |                    |                          |                  |                 |                    |                    |
| Specialised software                     | 2,652.56           | -   | 1,381.62        | -                    | 4,034.18           | 1,893.90                 | 713.96           | -               | 2,607.86           | 1,426.32           |
| Distribution and Customer Network Rights | 43,880.00          | -   | -               | -                    | 43,880.00          | 8,776.00                 | 8,776.00         | -               | 17,552.00          | 26,328.00          |
| Goodwill                                 | 2,82,851.10        | -   | -               | -                    | 2,82,851.10        | 56,570.22                | 56,570.22        | -               | 1,13,140.44        | 1,69,710.66        |
| <b>(B)</b>                               | <b>3,29,383.66</b> | <b>-</b>  | <b>1,381.62</b> | <b>-</b>             | <b>3,30,765.28</b> | <b>67,240.12</b>         | <b>66,060.18</b> | <b>-</b>        | <b>1,33,300.30</b> | <b>1,97,464.98</b> |
| <b>Total (A) + (B)</b>                   | <b>3,51,121.32</b> | <b>-</b>  | <b>3,127.82</b> | <b>9,914.41</b>      | <b>3,44,334.73</b> | <b>72,952.47</b>         | <b>69,323.65</b> | <b>2,859.14</b> | <b>1,39,416.98</b> | <b>2,04,917.75</b> |

\* Transfer on account of acquisition through business combination





**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**  
**Notes 11 : Property, plant and equipment and Intangible assets**

| Particulars                              | Gross Block       |  |                 |                             |                      |                    | Accumulated Depreciation |                  |                 |                   | Net Block          |
|--|-------------------|--|-----------------|-----------------------------|----------------------|--------------------|--------------------------|------------------|-----------------|-------------------|--------------------|
|  |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |
|  | As at<br>1-Apr-16 | Acquisition<br>through<br>business<br>combination* | Additions       | Amalgamation<br>Adjustments | Sale /<br>Adjustment | As at<br>31-Mar-17 | Upto<br>1-Apr-16         | For the<br>year  | Deductions      | Upto<br>31-Mar-17 |                    |
| <b>Tangible Assets</b>                   |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |
| <b><u>Owned Assets</u></b>               |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |
| Buildings                                | -                 | 2,663.44   | -               | -                           | -                    | 2,663.44           | -                        | 52.81            | -               | 52.81             | 2,610.63           |
| Office Equipment                         | 304.70            | 422.81   | 100.72          | -                           | 182.78               | 645.45             | 244.45                   | 174.92           | 165.82          | 253.55            | 391.90             |
| Furniture and fixtures                   | 165.12            | 677.02   | 123.85          | -                           | 116.20               | 849.79             | 163.16                   | 205.21           | 84.63           | 283.74            | 566.05             |
| Leasehold Renovation                     | 632.53            | 1,295.10   | 432.63          | -                           | 281.05               | 2,079.21           | 555.86                   | 560.32           | 237.39          | 878.79            | 1,200.42           |
| Computers                                | 1,272.24          | 1,322.12   | 388.57          | -                           | 671.24               | 2,311.69           | 1,115.92                 | 749.24           | 672.72          | 1,192.44          | 1,119.25           |
| Motor car                                | 10.13             | -  | -               | -                           | -                    | 10.13              | 10.13                    | -                | -               | 10.13             | -                  |
| <b><u>Owned Assets Leased out</u></b>    |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |
| Plant and Machinery                      | -                 | 5,298.85   | -               | -                           | 1,247.62             | 4,051.23           | -                        | 795.77           | -               | 795.77            | 3,255.46           |
| Office Equipment                         | -                 | 81.03  | -               | -                           | 3.97                 | 77.06              | -                        | 35.17            | 3.57            | 31.60             | 45.46              |
| Furniture and fixtures                   | -                 | 1,032.24   | -               | -                           | 44.44                | 987.80             | -                        | 212.20           | 19.64           | 192.56            | 795.24             |
| Motor car                                | -                 | 10,200.25  | 182.68          | -                           | 2,590.46             | 7,792.47           | -                        | 1,901.01         | -               | 1,901.01          | 5,891.46           |
| Vehicles                                 | -                 | 140.26   | -               | -                           | 89.92                | 50.34              | -                        | 50.34            | -               | 50.34             | -                  |
| Computers                                | -                 | 243.08   | -               | -                           | 24.03                | 219.05             | -                        | 69.61            | -               | 69.61             | 149.44             |
| <b>(A)</b>                               | <b>2,384.72</b>   | <b>23,376.20</b>                                   | <b>1,228.45</b> |                             | <b>5,251.71</b>      | <b>21,737.66</b>   | <b>2,089.52</b>          | <b>4,806.60</b>  | <b>1,183.77</b> | <b>5,712.35</b>   | <b>16,025.31</b>   |
| <b>Intangible Assets</b>                 |                   |  |                 |                             |                      |                    |                          |                  |                 |                   |                    |
| Specialised software                     | 1,380.74          | 421.31   | 855.89          | -                           | 5.38                 | 2,652.56           | 1,285.30                 | 613.98           | 5.38            | 1,893.90          | 758.66             |
| Distribution and Customer Network Rights | -                 | 43,880.00  | -               | -                           | -                    | 43,880.00          | -                        | 8,776.00         | -               | 8,776.00          | 35,104.00          |
| Goodwill                                 | -                 | 2,82,851.10  | -               | -                           | -                    | 2,82,851.10        | -                        | 56,570.22        | -               | 56,570.22         | 2,26,280.88        |
| <b>(B)</b>                               | <b>1,380.74</b>   | <b>3,27,152.41</b>                                 | <b>855.89</b>   | <b>0</b>                    | <b>5.38</b>          | <b>3,29,383.66</b> | <b>1,285.30</b>          | <b>65,960.20</b> | <b>5.38</b>     | <b>67,240.12</b>  | <b>2,62,143.54</b> |
| <b>Total (A) + (B)</b>                   | <b>3,765.46</b>   | <b>3,50,528.61</b>                                 | <b>2,084.34</b> | <b>-</b>                    | <b>5,257.09</b>      | <b>3,51,121.32</b> | <b>3,374.82</b>          | <b>70,766.80</b> | <b>1,189.15</b> | <b>72,952.47</b>  | <b>2,78,168.85</b> |



Transfer on account of amalgamation



**L&T Finance Limited (Erstwhile Family Credit Limited)**

**Notes forming part of the Reformatted Standalone Financial Information**

**Notes 11 : Property, plant and equipment and Intangible assets**

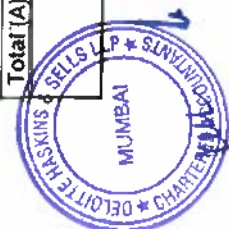
| Particulars                              | Gross Block     |               |              |                 |                 |               | Accumulated Depreciation |                 |               | Net Block |   |
|--|-----------------|---------------|--------------|-----------------|-----------------|---------------|--------------------------|-----------------|---------------|-----------|---|
|  | As at           | Additions     | Sale /       | As at           | Upto            | For the       | Deductions               | Upto            | As at         |           |   |
|  | 1-Apr-15        |               | Adjustment   | 31-Mar-16       | 1-Apr-15        | year          |                          |                 |               |           |   |
| <b>Property, plant and equipment</b>     |                 |               |              |                 |                 |               |                          |                 |               |           |   |
| <u><b>Owned assets</b></u>               |                 |               |              |                 |                 |               |                          |                 |               |           |   |
| Buildings                                | -               | -             | -            | -               | -               | -             | -                        | -               | -             | -         | - |
| Office equipment                         | 297.18          | 15.42         | 7.90         | 304.70          | 225.11          | 26.89         | 7.55                     | 244.45          | 60.26         |           |   |
| Furniture and fixtures                   | 167.62          | 5.57          | 8.07         | 165.12          | 166.22          | 4.96          | 8.02                     | 163.16          | 1.96          |           |   |
| Leasehold renovation                     | 596.91          | 90.94         | 55.32        | 632.53          | 588.68          | 22.28         | 55.10                    | 555.86          | 76.68         |           |   |
| Computers                                | 1,203.30        | 73.86         | 4.92         | 1,272.24        | 1,027.26        | 93.58         | 4.92                     | 1,115.92        | 156.32        |           |   |
| Motor car                                | 10.13           | -             | -            | 10.13           | 10.13           | -             | -                        | 10.13           | -             |           |   |
| <u><b>Owned assets leased out</b></u>    |                 |               |              |                 |                 |               |                          |                 |               |           |   |
| Plant and Machinery                      | -               | -             | -            | -               | -               | -             | -                        | -               | -             |           |   |
| Office Equipment                         | -               | -             | -            | -               | -               | -             | -                        | -               | -             |           |   |
| Furniture and fixtures                   | -               | -             | -            | -               | -               | -             | -                        | -               | -             |           |   |
| Motor car                                | -               | -             | -            | -               | -               | -             | -                        | -               | -             |           |   |
| Vehicles                                 | -               | -             | -            | -               | -               | -             | -                        | -               | -             |           |   |
| Computers                                | -               | -             | -            | -               | -               | -             | -                        | -               | -             |           |   |
| <b>(A)</b>                               | <b>2,275.14</b> | <b>185.79</b> | <b>76.21</b> | <b>2,384.72</b> | <b>2,017.40</b> | <b>147.71</b> | <b>75.59</b>             | <b>2,089.52</b> | <b>295.22</b> |           |   |
| <u><b>Intangible assets</b></u>          |                 |               |              |                 |                 |               |                          |                 |               |           |   |
| Specialised software                     | 1,307.47        | 73.27         | -            | 1,380.74        | 1,166.23        | 119.07        | -                        | 1,285.30        | 95.44         |           |   |
| Distribution and Customer Network Rights | -               | -             | -            | -               | -               | -             | -                        | -               | -             |           |   |
| Goodwill                                 | -               | -             | -            | -               | -               | -             | -                        | -               | -             |           |   |
| <b>(B)</b>                               | <b>1,307.47</b> | <b>73.27</b>  | <b>-</b>     | <b>1,380.74</b> | <b>1,166.23</b> | <b>119.07</b> | <b>-</b>                 | <b>1,285.30</b> | <b>95.44</b>  |           |   |
| <b>Total (A) + (B)</b>                   | <b>3,582.61</b> | <b>259.06</b> | <b>76.21</b> | <b>3,765.46</b> | <b>3,183.63</b> | <b>266.78</b> | <b>75.59</b>             | <b>3,374.82</b> | <b>390.66</b> |           |   |

₹ in lakh



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**  
**Notes 11 : Property, plant and equipment and Intangible assets**

| Particulars                              | Gross Block       |               |                      |                    | Accumulated Depreciation |                 |               |                   | Net Block          |   |
|--|-------------------|---------------|----------------------|--------------------|--------------------------|-----------------|---------------|-------------------|--------------------|---|
|  | As at<br>1-Apr-14 | Additions     | Sale /<br>Adjustment | As at<br>31-Mar-15 | Upto<br>1-Apr-14         | For the<br>year | Deductions    | Upto<br>31-Mar-15 | As at<br>31-Mar-15 |   |
| <b>Property, plant and equipment</b>     |                   |               |                      |                    |                          |                 |               |                   |                    |   |
| <u>Owned assets</u>                      |                   |               |                      |                    |                          |                 |               |                   |                    |   |
| Buildings                                | -                 | 27.73         | -                    | 297.18             | -                        | 28.81           | -             | 225.11            | 72.07              | - |
| Office equipment                         | 332.17            | -             | 62.72                | 297.18             | 258.32                   | 4.89            | 62.02         | 166.22            | 1.40               | - |
| Furniture and fixtures                   | 185.48            | 4.87          | 22.73                | 167.62             | 184.06                   | 9.74            | 22.73         | 588.68            | 8.23               | - |
| Leasehold renovation                     | 693.93            | 6.78          | 103.80               | 596.91             | 682.65                   | 71.45           | 103.71        | 1,027.26          | 176.05             | - |
| Computers                                | 1,198.25          | 82.51         | 77.45                | 1,203.31           | 1,033.26                 | -               | 77.45         | 10.13             | -                  | - |
| Motor car                                | 10.13             | -             | -                    | 10.13              | -                        | -               | -             | -                 | -                  | - |
| <u>Owned assets leased out</u>           |                   |               |                      |                    |                          |                 |               |                   |                    |   |
| Plant and Machinery                      | -                 | -             | -                    | -                  | -                        | -               | -             | -                 | -                  | - |
| Office Equipment                         | -                 | -             | -                    | -                  | -                        | -               | -             | -                 | -                  | - |
| Furniture and fixtures                   | -                 | -             | -                    | -                  | -                        | -               | -             | -                 | -                  | - |
| Motor car                                | -                 | -             | -                    | -                  | -                        | -               | -             | -                 | -                  | - |
| Vehicles                                 | -                 | -             | -                    | -                  | -                        | -               | -             | -                 | -                  | - |
| Computers                                | -                 | -             | -                    | -                  | -                        | -               | -             | -                 | -                  | - |
| <b>(A)</b>                               | <b>2,419.96</b>   | <b>121.89</b> | <b>266.70</b>        | <b>2,275.15</b>    | <b>2,168.42</b>          | <b>114.89</b>   | <b>265.91</b> | <b>2,017.40</b>   | <b>257.75</b>      |   |
| <u>Intangible assets</u>                 |                   |               |                      |                    |                          |                 |               |                   |                    |   |
| Specialised software                     | 1,248.82          | 58.64         | -                    | 1,307.46           | 1,034.96                 | 131.26          | -             | 1,166.22          | 141.24             | - |
| Distribution and Customer Network Rights | -                 | -             | -                    | -                  | -                        | -               | -             | -                 | -                  | - |
| Goodwill                                 | -                 | -             | -                    | -                  | -                        | -               | -             | -                 | -                  | - |
| <b>(B)</b>                               | <b>1,248.82</b>   | <b>58.64</b>  | <b>-</b>             | <b>1,307.46</b>    | <b>1,034.96</b>          | <b>131.26</b>   | <b>-</b>      | <b>1,166.22</b>   | <b>141.24</b>      |   |
| <b>Total (A) + (B)</b>                   | <b>3,668.78</b>   | <b>180.53</b> | <b>266.70</b>        | <b>3,582.61</b>    | <b>3,203.38</b>          | <b>246.15</b>   | <b>265.91</b> | <b>3,183.62</b>   | <b>398.99</b>      |   |



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**  
**Notes 11 : Property, plant and equipment and Intangible assets**

| Particulars                              | Gross Block     |               |               |                 | Accumulated Depreciation |               |               |                 | Net Block     |
|--|-----------------|---------------|---------------|-----------------|--------------------------|---------------|---------------|-----------------|---------------|
|  | As at           | Additions     | Sale /        | As at           | Upto                     | For the       | Deductions    | Upto            |               |
|  | 1-Apr-13        |               | Adjustment    | 31-Mar-14       | 1-Apr-13                 | year          |               | 31-Mar-14       |               |
| <b>Property, plant and equipment</b>     |                 |               |               |                 |                          |               |               |                 |               |
| <u>Owned assets</u>                      |                 |               |               |                 |                          |               |               |                 |               |
| Buildings                                | -               | 39.69         | 14.84         | 332.18          | -                        | 43.53         | -             | -               | -             |
| Office equipment                         | 307.33          | -             | -             | -               | 229.54                   | -             | 14.75         | 258.32          | 73.86         |
| Furniture and fixtures                   | 186.85          | 6.47          | 7.85          | 185.47          | 184.26                   | 7.65          | 7.85          | 184.06          | 1.41          |
| Leasehold renovation                     | 764.25          | 14.50         | 84.82         | 693.93          | 735.70                   | 31.78         | 84.83         | 682.65          | 11.28         |
| Computers                                | 1,017.34        | 188.73        | 7.82          | 1,198.25        | 957.94                   | 83.14         | 7.82          | 1,033.26        | 164.99        |
| Motor car                                | 10.13           | -             | -             | 10.13           | 10.13                    | -             | -             | 10.13           | -             |
| <u>Owned assets leased out</u>           |                 |               |               |                 |                          |               |               |                 |               |
| Plant and Machinery                      | -               | -             | -             | -               | -                        | -             | -             | -               | -             |
| Office Equipment                         | -               | -             | -             | -               | -                        | -             | -             | -               | -             |
| Furniture and fixtures                   | -               | -             | -             | -               | -                        | -             | -             | -               | -             |
| Motor car                                | -               | -             | -             | -               | -                        | -             | -             | -               | -             |
| Vehicles                                 | -               | -             | -             | -               | -                        | -             | -             | -               | -             |
| Computers                                | -               | -             | -             | -               | -                        | -             | -             | -               | -             |
| <b>(A)</b>                               | <b>2,285.90</b> | <b>249.39</b> | <b>115.33</b> | <b>2,419.96</b> | <b>2,117.57</b>          | <b>166.10</b> | <b>115.25</b> | <b>2,168.42</b> | <b>251.54</b> |
| <u>Intangible assets</u>                 |                 |               |               |                 |                          |               |               |                 |               |
| Specialised software                     | 1,037.13        | 211.69        | -             | 1,248.82        | 919.15                   | 115.81        | -             | 1,034.96        | 213.86        |
| Distribution and Customer Network Rights | -               | -             | -             | -               | -                        | -             | -             | -               | -             |
| Goodwill                                 | -               | -             | -             | -               | -                        | -             | -             | -               | -             |
| <b>(B)</b>                               | <b>1,037.13</b> | <b>211.69</b> | <b>-</b>      | <b>1,248.82</b> | <b>919.15</b>            | <b>115.81</b> | <b>-</b>      | <b>1,034.96</b> | <b>213.86</b> |
| <b>Total (A) + (B)</b>                   | <b>3,323.03</b> | <b>461.08</b> | <b>115.33</b> | <b>3,668.78</b> | <b>3,036.72</b>          | <b>281.91</b> | <b>115.25</b> | <b>3,203.38</b> | <b>465.40</b> |

₹ in lakh





|  | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            |
| <b>13 Deferred tax assets (net)</b>  |                      |                      |                      |                      |                      |
| Component  |                      |                      |                      |                      |                      |
| Deferred tax liability   |                      | 568.49               |                      |                      |                      |
| Difference between book depreciation and tax depreciation  |                      | 771.90               |                      |                      |                      |
| Other item giving rise to timing difference  |                      | 1,253.85             |                      |                      |                      |
| <b>Deferred tax assets</b>   |                      |                      |                      |                      |                      |
| Provision for NP/Interest receivable   |                      | 46,130.04            | 4,715.78             | 3,117.47             | 2,276.59             |
| Provision on Standard Assets   |                      | 5,198.99             |                      | 698.21               | 343.07               |
| Difference between book depreciation and tax depreciation  |                      | 1,638.09             | 226.99               | 240.73               | 288.48               |
| Provision for gratuity and leave encashment  |                      | 413.33               | 109.62               | 65.65                | 41.00                |
| Provision for diminution in value of investment  |                      | -                    | -                    | 5.28                 | -                    |
| Other item giving rise to timing difference  |                      | 1,378.19             | 116.79               | 190.88               | -                    |
| <b>Net deferred tax assets</b>   |                      | <b>52,494.72</b>     | <b>5,166.16</b>      | <b>4,319.21</b>      | <b>3,228.24</b>      |
|  |                      |                      |                      |                      | <b>3,206.80</b>      |
| <b>Foot notes :</b>  |                      |                      |                      |                      |                      |
| <b>FY 2017-18:</b> No deferred tax liability has been recognised as Special Reserve created under section 36 (1)(viii) of Income Tax Act, 1961 based on the Management's evaluation that possibility of withdrawal there from is remote. |                      |                      |                      |                      |                      |
| <b>14 Long-term loans and advances</b>   |                      |                      |                      |                      |                      |
| Unsecured (Considered good)  |                      |                      |                      |                      |                      |
| Security Deposit   | 6,574.05             | 5,258.08             | 265.23               | 244.57               | 294.94               |
| Capital Advances   | 969.42               | 376.11               | 67.20                | 77.65                | 0.59                 |
| Advance taxes (net of provision for tax)   | 18,609.24            | 10,472.54            | -                    | -                    | 282.48               |
| Others   | 4,551.39             | -                    | -                    | -                    | -                    |
| Prepaid Expenses   | -                    | -                    | -                    | 4.71                 | 3.82                 |
| Advances recoverable in cash or in kind or for value to be received  | 86.35                | 345.26               | 32.55                | 32.55                | 32.55                |
| Provision for other doubtful loans and advances  | (32.55)              | (32.55)              | (32.55)              | (32.55)              | (32.55)              |
| <b>Long-term loans and advances</b>  | <b>30,737.91</b>     | <b>16,417.44</b>     | <b>332.43</b>        | <b>356.93</b>        | <b>581.73</b>        |



|   | As at March 31, 2018             |                                 |                                  | As at March 31, 2017            |                                  |                                 | As at March 31, 2016             |                                 |                                  | As at March 31, 2015            |                                  |                                 |
|---|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
|   | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh | Non current portion<br>₹ in lakh | Current maturities<br>₹ in lakh |
| <b>15 Long term loans and advances towards financing activities</b>             |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |
| (i) Secured   |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |
| Term loans  | 20,919.22                        | 5,58,867.40                     | 15,51,533.42                     | 5,14,551.56                     | 2,22,941.79                      | 1,83,934.72                     | 1,83,934.72                      | 1,83,934.72                     | 1,83,934.72                      | 1,83,934.72                     | 1,83,934.72                      | 1,83,934.72                     |
| Finance Lease   | 7,092.99                         | 2,407.89                        | 4,436.09                         | 2,513.17                        | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               |
| Debentures (refer note 15(i))   | 1,25,739.27                      | 22,427.08                       | 72,123.50                        | 18,882.16                       | 13,000.00                        | -                               | -                                | -                               | -                                | -                               | -                                | -                               |
| Less: Allowances for non-performing assets                                      | 22,03,751.08                     | 5,83,702.34                     | 16,28,043.01                     | 6,35,945.89                     | 2,35,945.79                      | 1,83,934.72                     | 1,83,934.72                      | 1,83,934.72                     | 1,83,934.72                      | 1,83,934.72                     | 1,83,934.72                      | 1,83,934.72                     |
| Less: Provision on Restructured Assets  | 51,509.79                        | -                               | 73,780.81                        | -                               | 9,492.12                         | -                               | -                                | -                               | -                                | -                               | -                                | -                               |
| Less: Allowances for standard assets  | 823.63                           | -                               | 1,880.53                         | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               |
| Less: Allowances for standard assets  | 225.53                           | -                               | 17,324.15                        | -                               | -                                | -                               | -                                | -                               | -                                | -                               | -                                | -                               |
| <b>Total</b>  | <b>21,11,033.10</b>              | <b>5,83,702.34</b>              | <b>15,35,297.52</b>              | <b>6,35,945.89</b>              | <b>2,36,449.67</b>               | <b>1,83,934.72</b>              | <b>1,83,934.72</b>               | <b>1,83,934.72</b>              | <b>1,83,934.72</b>               | <b>1,83,934.72</b>              | <b>1,83,934.72</b>               | <b>1,83,934.72</b>              |
| (ii) Unsecured  |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |                                  |                                 |
| Term loans  | 4,46,338.45                      | 4,70,622.44                     | 1,96,011.77                      | 2,93,139.53                     | 36,963.26                        | 42,144.25                       | 13,641.06                        | 8,039.56                        | 2,363.29                         | 5,507.24                        | 5,507.24                         | 5,507.24                        |
| Debentures (refer note 15(i))   | 22,500.00                        | 1,000.00                        | 53,600.00                        | 630.00                          | 14,000.00                        | -                               | -                                | -                               | -                                | -                               | -                                | -                               |
| Less: Allowances for non-performing assets                                      | 4,58,838.45                      | 4,71,622.44                     | 2,49,511.77                      | 2,93,769.63                     | 50,963.26                        | 42,144.25                       | 13,641.06                        | 8,039.56                        | 2,363.29                         | 5,507.24                        | 5,507.24                         | 5,507.24                        |
| Less: Allowances for non-performing assets                                      | 39,578.90                        | -                               | 2,925.79                         | -                               | 324.66                           | -                               | 235.15                           | 379.81                          | 379.81                           | 379.81                          | 379.81                           | 379.81                          |
| <b>Total</b>  | <b>4,29,259.55</b>               | <b>4,71,622.44</b>              | <b>2,46,535.98</b>               | <b>2,93,769.63</b>              | <b>50,963.26</b>                 | <b>42,144.25</b>                | <b>13,641.06</b>                 | <b>8,039.56</b>                 | <b>2,363.29</b>                  | <b>5,507.24</b>                 | <b>5,507.24</b>                  | <b>5,507.24</b>                 |
| <b>Total long-term loans and advances towards financing activities (i + ii)</b> | <b>25,40,352.65</b>              | <b>10,55,324.78</b>             | <b>17,81,833.50</b>              | <b>9,29,715.52</b>              | <b>2,77,082.27</b>               | <b>2,26,078.97</b>              | <b>1,97,575.82</b>               | <b>1,92,974.28</b>              | <b>1,86,308.08</b>               | <b>1,89,441.96</b>              | <b>1,89,441.96</b>               | <b>1,89,441.96</b>              |

16 Other non current assets

Accrued interest/premium on debentures and loans  
Interest accrued but not due on deposits placed with banks  
Bank money deposits  
Other non current assets

|  |                  |
|--|------------------|
| Accrued interest/premium on debentures and loans           | 13,674.69        |
| Interest accrued but not due on deposits placed with banks | -                |
| Bank money deposits  | 4,385.15         |
| Other non current assets                                   | 18,059.34        |
| <b>Total</b>   | <b>36,119.18</b> |

|  |                 |
|--|-----------------|
| Accrued interest/premium on debentures and loans           | 886.46          |
| Interest accrued but not due on deposits placed with banks | -               |
| Bank money deposits  | -               |
| Other non current assets                                   | 865.46          |
| <b>Total</b>   | <b>1,751.92</b> |



**L&T Finance Limited (Erstwhile Family Credit Limited)**  
Notes forming part of the Reformatted Standalone Financial Information

Note: 16(i)

Following are the details of debentures in the nature of Loan:

| Name of Company                                   | As at March 31, 2018 |             |             | As at March 31, 2017 |             |             | As at March 31, 2016 |             |           | As at March 31, 2015 |            |           | As at March 31, 2014 |            |           |
|---|----------------------|-------------|-------------|----------------------|-------------|-------------|----------------------|-------------|-----------|----------------------|------------|-----------|----------------------|------------|-----------|
|   | Nos.                 | Face Value  | ₹ in lakh   | Nos.                 | Face Value  | ₹ in lakh   | Nos.                 | Face Value  | ₹ in lakh | Nos.                 | Face Value | ₹ in lakh | Nos.                 | Face Value | ₹ in lakh |
| <b>Debenture - Secured</b>                        |                      |             |             |                      |             |             |                      |             |           |                      |            |           |                      |            |           |
| Avantha Holding Limited                           | 2,250                | 10,00,000   | 22,500.00   | 2,250                | 10,00,000   | 22,500.00   | 532                  | 10,00,000   | 5,320.00  | -                    | -          | -         | -                    | -          | -         |
| Citywood Builders Private Limited                 | 3,000                | 8,57,011    | 2,571.03    | 3,000                | 9,40,000    | 2,820.00    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Diamond Power Infrastructure Limited              | 3,000                | 83,441      | 2,503.23    | 3,000                | 83,441      | 2,503.23    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Gratias Developer Private Limited                 | 640                  | 8,68,750    | 5,560.00    | 640                  | 9,34,375    | 5,980.00    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Interpid Finance And Leasing Pvt Ltd              | 200                  | 2,91,667    | 583.33      | 200                  | 7,91,667    | 1,583.33    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| M Power Microfinance Private Limited              | 150                  | 2,91,667    | 437.50      | 150                  | 7,91,667    | 1,187.50    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Oriental Nagpur Belt Highway Limited              | 3,217                | 1,00,000    | 3,217.00    | 11,478               | 1,00,000    | 11,479.00   | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Panel Financial Services Private Limited          | 150                  | 2,91,667    | 437.50      | 150                  | 7,91,667    | 1,187.50    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| PCR Investments Limited                           | 1,500                | 10,00,000   | 15,000.00   | -                    | -           | -           | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Pudhuanu Financial Services Private Limited       | 200                  | 2,91,667    | 583.33      | 200                  | 7,91,667    | 1,583.33    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Regen Infrastructure And Services Private Limited | 2,784                | 9,21,819    | 25,755.63   | -                    | -           | -           | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Renew Atchay Urja Private Limited                 | 180                  | 9,98,780    | 1,797.80    | -                    | -           | -           | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Sambandh Finance Private Limited                  | 100                  | 2,91,667    | 291.67      | 100                  | 7,91,667    | 791.67      | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Sain Creditcare Network Limited                   | 280                  | 2,91,667    | 758.33      | 280                  | 7,91,667    | 2,058.33    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| SINTEX-BAPL Limited                               | 27,000               | 1,00,000    | 27,000.00   | -                    | -           | -           | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| SP Janm Udhampur Highway Limited                  | 4,878                | 10,00,000   | 48,780.00   | -                    | -           | -           | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| U P Power Corporation Ltd                         | 3,518                | 10,00,000   | 35,180.00   | -                    | -           | -           | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Mandhana Industries Limited                       | 200                  | 6,00,000    | 1,200.00    | -                    | -           | -           | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Bacchus Hospitality Services & Real Estate Pvt L  | -                    | -           | -           | 200                  | 6,00,000    | 1,200.00    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Bollins Developers Limited                        | 80                   | 1,00,00,000 | 6,000.00    | 2,500                | 10,00,000   | 25,000.00   | 600                  | 10,00,000   | 6,000.00  | 800                  | 10,00,000  | 8,000.00  | -                    | -          | -         |
| Integrated Spaces Limited                         | -                    | -           | -           | 80                   | 10,83,188   | 2,978.77    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Valdel Projects Corporation Private Limited       | -                    | -           | -           | 2,958                | 72,340      | 2,153.00    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Salient Financial Solution Limited                | -                    | -           | -           | -                    | -           | -           | 168                  | 10,00,000   | 1,680.00  | -                    | -          | -         | -                    | -          | -         |
| <b>Debenture - Unsecured</b>                      |                      |             |             |                      |             |             |                      |             |           |                      |            |           |                      |            |           |
| Avantha Holding Limited                           | 2,250                | 10,00,000   | 22,500.00   | 2,250                | 10,00,000   | 22,500.00   | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Bhoruka Power Holdings Private Limited            | 1,00,000             | 1,000       | 1,000.00    | 1,00,000             | 1,000       | 1,000.00    | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Jindal Power Limited                              | -                    | -           | -           | 105                  | 6,00,000    | 630.00      | -                    | -           | -         | -                    | -          | -         | -                    | -          | -         |
| Tata Teleservices (Maharashtra) Ltd               | -                    | -           | -           | 1,000                | 10,00,000   | 10,000.00   | 700                  | 10,00,000   | 7,000.00  | -                    | -          | -         | -                    | -          | -         |
| High Point Properties Private Limited             | -                    | -           | -           | 200                  | 1,00,00,000 | 20,000.00   | 70                   | 1,00,00,000 | 7,000.00  | -                    | -          | -         | -                    | -          | -         |
|   |                      |             | 2,21,666.36 |                      |             | 1,46,136.66 |                      |             | 27,000.00 |                      |            | 6,000.00  |                      |            |           |









|   | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            | ₹ in lakh            |
| <b>18 Trade receivable</b>  |                      |                      |                      |                      |                      |
| Secured   |                      |                      |                      |                      |                      |
| Considered good   |                      |                      |                      |                      |                      |
| Debit outstanding for a period exceeding six months   |                      |                      |                      |                      |                      |
| Other   | 15.16                | 408.14               | -                    | -                    | -                    |
| Unsecured   |                      |                      |                      |                      |                      |
| Considered good   |                      |                      |                      |                      |                      |
| Debit outstanding for a period exceeding six months   |                      |                      |                      |                      |                      |
| Other   | 898.89               | 540.63               | -                    | -                    | -                    |
| <b>Total trade receivable</b>   | <b>914.05</b>        | <b>948.77</b>        |                      |                      |                      |
| <b>19 Cash and cash equivalents</b>   |                      |                      |                      |                      |                      |
| Balance with Banks  |                      |                      |                      |                      |                      |
| in Current Account  | 27,127.81            | 23,130.15            | 2,825.87             | 1,357.87             | 929.83               |
| in Deposit Account  | 1,916.18             | 381.29               | -                    | -                    | -                    |
| (Deposits with original maturity of less than three months)   |                      |                      |                      |                      |                      |
| Cash on hand  | 5,822.24             | 5,990.86             | 1,797.64             | 1,108.43             | 453.78               |
| <b>Other balances</b>   |                      |                      |                      |                      |                      |
| Deposits with original maturity of more than 3 months but less than 12 months   | -                    | -                    | -                    | 4.10                 | 13.07                |
| Deposits with original maturity for more than 12 months   | 4.84                 | 4.84                 | 4.43                 | -                    | -                    |
| Margin money deposits*  | 0.45                 | 0.45                 | 0.45                 | 0.38                 | -                    |
| <b>Total cash and cash equivalents</b>  | <b>34,871.53</b>     | <b>29,497.59</b>     | <b>4,623.39</b>      | <b>2,468.78</b>      | <b>1,393.48</b>      |
| * Margin money deposit includes margin money against bank guarantee ₹ 0.04 lakhs (As at March 31, 2017 : ₹ 0.04 lakhs, As at March 31, 2016 : ₹ 0.04 lakhs, As at March 31, 2015 : ₹ 0.04 lakhs, As at March 31, 2014 : ₹ 0.04 lakhs) |                      |                      |                      |                      |                      |
| <b>20 Short-term loans and advances</b>   |                      |                      |                      |                      |                      |
| Advances recoverable in cash or in kind or for value to be recovered (net of provision)   | 7,439.20             | 8,056.95             | 4,468.49             | 1,858.00             | 4,181.38             |
| (Refer note 29.3 for related parties' balances)   |                      |                      |                      |                      |                      |
| <b>Total short-term loans and advances</b>  | <b>7,439.20</b>      | <b>8,056.95</b>      | <b>4,468.49</b>      | <b>1,858.00</b>      | <b>4,181.38</b>      |
| <b>21 Short-term loans and advances towards financing activities</b>  |                      |                      |                      |                      |                      |
| (i) Secured   |                      |                      |                      |                      |                      |
| Term loans  | 16.04                | 816.40               | -                    | 1,565.94             | 8,897.35             |
| (ii) Unsecured  |                      |                      |                      |                      |                      |
| Term loans  | 1,88,630.42          | 2,16,307.42          | -                    | 5,000.00             | -                    |
| <b>Total short-term loans and advances towards financing activities</b>   | <b>1,88,646.46</b>   | <b>2,17,123.82</b>   | <b>-</b>             | <b>6,565.94</b>      | <b>8,897.35</b>      |
| <b>22 Other current assets</b>  |                      |                      |                      |                      |                      |
| Accrued interest on loan towards financing activities   | 38,629.88            | 72,693.49            | 8,915.63             | 5,824.33             | 4,153.73             |
| Unamortised premium on loans/debt securities  | 2,283.32             | -                    | -                    | -                    | -                    |
| Less : Reserve created  | -                    | 2,307.78             | -                    | -                    | -                    |
| Assets acquired in settlement of claims   | 2,447.48             | (2,307.78)           | -                    | -                    | -                    |
| Other current assets  | 360.07               | 477.96               | -                    | -                    | -                    |
| <b>Total other current assets</b>   | <b>41,720.73</b>     | <b>73,863.67</b>     | <b>8,915.63</b>      | <b>5,824.33</b>      | <b>4,153.73</b>      |



|  | Year ended March 31, 2018 |                    | Year ended March 31, 2017 |                    | Year ended March 31, 2016 |                  | Year ended March 31, 2015 |                  | Year ended March 31, 2014 |                  |
|--|---------------------------|--------------------|---------------------------|--------------------|---------------------------|------------------|---------------------------|------------------|---------------------------|------------------|
|  | ₹ in lakh                 | ₹ in lakh          | ₹ in lakh                 | ₹ in lakh          | ₹ in lakh                 | ₹ in lakh        | ₹ in lakh                 | ₹ in lakh        | ₹ in lakh                 | ₹ in lakh        |
| <b>23 Revenue from operations</b>                                      |                           |                    |                           |                    |                           |                  |                           |                  |                           |                  |
| Interest income from financing activities                              |                           | 4,55,108.53        |                           | 3,55,202.46        |                           | 64,209.85        |                           | 52,993.64        |                           | 38,360.99        |
| Income from Leases   |                           | 3,905.22           |                           | 3,240.64           |                           | -                |                           | -                |                           | -                |
| Bill Discounting income  |                           | 9,350.43           |                           | 12,654.97          |                           | -                |                           | -                |                           | -                |
| Processing fees and other operational income from financing activities |                           | 28,641.26          |                           | 23,471.26          |                           | 12,504.71        |                           | 10,490.54        |                           | 8,471.89         |
| Financial Advisory Fees  |                           | 2,861.52           |                           | 9,742.28           |                           | -                |                           | -                |                           | -                |
| Gain/(Loss) on loan sell down  |                           | 367.19             |                           | 883.61             |                           | -                |                           | -                |                           | -                |
| Total revenue from operations  |                           | <u>4,89,744.85</u> |                           | <u>4,08,255.22</u> |                           | <u>77,714.56</u> |                           | <u>63,484.18</u> |                           | <u>44,832.88</u> |
| <b>24 Other Income</b>   |                           |                    |                           |                    |                           |                  |                           |                  |                           |                  |
| Income from investments  |                           | 24,297.60          |                           | 5,991.62           |                           | 57.89            |                           | 189.52           |                           | 291.03           |
| Profit on sale of property, plant & equipment                          |                           |                    |                           | 2.29               |                           | 2.29             |                           | 13.05            |                           | 8.99             |
| Interest on fixed deposits   |                           | 383.07             |                           | 184.12             |                           | 0.31             |                           | 0.34             |                           | 99.96            |
| Others   |                           | 153.14             |                           | 116.50             |                           | 109.82           |                           | 117.91           |                           | 94.40            |
| Total other Income   |                           | <u>24,833.81</u>   |                           | <u>6,294.53</u>    |                           | <u>170.41</u>    |                           | <u>318.83</u>    |                           | <u>494.28</u>    |
| <b>25 Employee benefits expenses</b>                                   |                           |                    |                           |                    |                           |                  |                           |                  |                           |                  |
| Salaries and bonus   |                           | 28,266.36          |                           | 27,421.32          |                           | 4,781.01         |                           | 2,610.43         |                           | 2,311.46         |
| Contribution to and provision for:<br>Provident and other funds        |                           | 1,741.22           |                           | 1,238.54           |                           | 298.50           |                           | 116.77           |                           | 107.97           |
| Gratuity fund  |                           | 311.95             |                           | 287.94             |                           | 41.86            |                           | 53.28            |                           | 9.92             |
| Expenses on Employee Stock Option Plans (refer note 29.8)              |                           | 2,053.17           |                           | 1,520.48           |                           | 340.46           |                           | 173.05           |                           | 117.89           |
| Staff welfare expense  |                           | 437.22             |                           | 6.92               |                           | 0.02             |                           | 0.16             |                           | 1.69             |
| Total employee benefits expenses                                       |                           | <u>31,807.29</u>   |                           | <u>30,687.20</u>   |                           | <u>5,225.85</u>  |                           | <u>2,925.59</u>  |                           | <u>2,534.83</u>  |
| <b>26 Finance costs</b>  |                           |                    |                           |                    |                           |                  |                           |                  |                           |                  |
| Interest expenses  |                           | 2,47,563.79        |                           | 1,94,126.28        |                           | 30,401.21        |                           | 26,653.63        |                           | 18,819.53        |
| Exchange loss/cost   |                           | 2,404.36           |                           | 1,423.28           |                           | 196.10           |                           | 133.78           |                           | 57.28            |
| Exchange loss/Gain/(Loss) (attributable to finance cost)               |                           | (283.69)           |                           | 399.97             |                           | -                |                           | -                |                           | -                |
| Total finance costs  |                           | <u>2,49,684.46</u> |                           | <u>1,95,949.53</u> |                           | <u>30,597.31</u> |                           | <u>26,787.41</u> |                           | <u>18,876.81</u> |



|   | Year ended March 31, 2018 |           | Year ended March 31, 2017 |           | Year ended March 31, 2016 |           | Year ended March 31, 2015 |           | Year ended March 31, 2014 |           |
|---|---------------------------|-----------|---------------------------|-----------|---------------------------|-----------|---------------------------|-----------|---------------------------|-----------|
|   | ₹ in lakh                 | ₹ in lakh | ₹ in lakh                 | ₹ in lakh | ₹ in lakh                 | ₹ in lakh | ₹ in lakh                 | ₹ in lakh | ₹ in lakh                 | ₹ in lakh |
| <b>27 Administration and other expenses</b>                     |                           |           |                           |           |                           |           |                           |           |                           |           |
| Traveling and conveyance  | 2,031.75                  |           | 1,870.94                  |           | 206.12                    |           | 222.85                    |           | 197.00                    |           |
| Printing and stationery   | 688.99                    |           | 728.29                    |           | 270.07                    |           | 213.01                    |           | 219.38                    |           |
| Telephone and postage   | 1,137.30                  |           | 1,262.07                  |           | 402.58                    |           | 429.71                    |           | 386.98                    |           |
| Directors' Sitting fees   | 32.25                     |           | 34.99                     |           | 7.80                      |           | 2.80                      |           | -                         |           |
| Non Executive Directors Remunerations                           | 33.93                     |           | 134.41                    |           | -                         |           | 11.85                     |           | -                         |           |
| Brokerage and service charges                                   | 4,058.07                  |           | 2,418.18                  |           | 3,808.06                  |           | 3,752.23                  |           | 3,135.00                  |           |
| Stamping charges  | 230.02                    |           | 2,842.89                  |           | -                         |           | 58.02                     |           | 39.75                     |           |
| Advertising and publicity                                       | 381.97                    |           | 136.65                    |           | 206.41                    |           | 63.00                     |           | 78.74                     |           |
| Repairs and maintenance   | 5,068.24                  |           | 4,160.43                  |           | 1,047.64                  |           | 1,026.23                  |           | 513.27                    |           |
| Rent  | 4,406.67                  |           | 4,188.91                  |           | 753.98                    |           | 759.24                    |           | 752.55                    |           |
| Rates and taxes   | 175.31                    |           | 739.78                    |           | 531.72                    |           | 280.21                    |           | 297.47                    |           |
| Electricity charges   | 496.58                    |           | 501.68                    |           | 132.76                    |           | 195.21                    |           | 170.99                    |           |
| Insurance   | 138.75                    |           | 128.87                    |           | 14.53                     |           | 10.03                     |           | 5.38                      |           |
| Auditors remuneration   |                           |           |                           |           |                           |           |                           |           |                           |           |
| Audit fees  | 42.00                     |           | 40.00                     |           | 6.00                      |           | 9.75                      |           | 8.48                      |           |
| Tax audit fees  | 3.00                      |           | 5.00                      |           | 1.80                      |           | 1.50                      |           | 1.59                      |           |
| Other services  | 55.05                     |           | 46.50                     |           | 6.82                      |           | 10.30                     |           | 6.00                      |           |
| Reimbursement of expenses and indirect tax on above             | 8.53                      |           | 3.30                      |           | 7.60                      |           | 3.72                      |           | 6.82                      |           |
| Professional fees   |                           |           |                           |           |                           |           |                           |           |                           |           |
| Loan processing charges   | 5,786.05                  |           | 8,132.55                  |           | 22.22                     |           | 25.27                     |           | 22.90                     |           |
| Collection charges  | 633.61                    |           | 822.10                    |           | 853.39                    |           | 2,360.85                  |           | 3,223.96                  |           |
| Bank Charges  | 10,633.26                 |           | 8,824.05                  |           | 5,098.77                  |           | 1,409.63                  |           | 1,864.76                  |           |
| Filing fees   | 861.04                    |           | 832.80                    |           | 908.76                    |           | 4,470.11                  |           | 2,971.59                  |           |
| Loss on sale of property plant & equipment                      | 0.41                      |           | 0.41                      |           | 0.28                      |           | 884.30                    |           | 879.86                    |           |
| Brand license fees  | 546.53                    |           | 1,462.19                  |           | -                         |           | 1.31                      |           | 107.70                    |           |
| Corporate social responsibilities                               | 1,603.49                  |           | 103.77                    |           | -                         |           | -                         |           | -                         |           |
| Corporate support Charges                                       | 181.28                    |           | 212.57                    |           | 150.96                    |           | 114.03                    |           | 4.90                      |           |
| Miscellaneous expenses  | 284.76                    |           | 532.06                    |           | 507.82                    |           | 332.58                    |           | 206.20                    |           |
| Total administration and other expenses                         | 39,854.14                 |           | 245.34                    |           | 594.76                    |           | 356.81                    |           | 230.42                    |           |
|   |                           |           | <u>38,018.33</u>          |           | <u>16,356.54</u>          |           | <u>16,967.38</u>          |           | <u>14,332.40</u>          |           |
| <b>28 Provisions and Contingencies</b>                          |                           |           |                           |           |                           |           |                           |           |                           |           |
| Contingent provision against standard assets                    | (13,061.74)               |           | 16,400.22                 |           | (347.38)                  |           | 1,047.77                  |           | 245.00                    |           |
| Provision for non-performing assets                             | 53,135.12                 |           | 35,500.85                 |           | 2,945.29                  |           | 601.79                    |           | (3,515.95)                |           |
| Provision for restructured assets                               | (868.90)                  |           | 180.23                    |           | 87.00                     |           | -                         |           | -                         |           |
| Provision for diminution in value of investments                | 1,874.36                  |           | 2,588.18                  |           | 138.74                    |           | 15.20                     |           | 5,437.23                  |           |
| Provision on foreclosure of loans (net) / Bad debts written off | 49,414.79                 |           | 23,764.28                 |           | 8,461.28                  |           | 5,022.11                  |           | 2,165.28                  |           |
| Total provisions and contingencies                              | <u>90,445.53</u>          |           | <u>79,833.74</u>          |           | <u>11,304.92</u>          |           | <u>6,668.87</u>           |           | <u>2,165.28</u>           |           |



Note No. - 29 : Other notes forming part of the reformatting standalone financial information

29.1 Employee Benefits:

i) Defined Contribution Plans :

Charge recognised in the Statement of Profit and Loss are as follows :

|   | ₹ in Lakh  |            |            |            |            |
|---|------------|------------|------------|------------|------------|
|   | FY 2017-18 | FY 2016-17 | FY 2015-16 | FY 2014-15 | FY 2013-14 |
| Provident fund contributions                  | 1,119.97   | 990.40     | 172.43     | 106.60     | 107.97     |
| Superannuation fund contributions             | -          | 40.85      | -          | -          | -          |
| Employee State Insurance Scheme contributions | 621.25     | 202.16     | 126.07     | 13.16      | -          |

ii) Defined Benefit Gratuity Plans :

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

| Particulars                                     | ₹ in Lakh            |                      |                                       |                      |                      |
|---|----------------------|----------------------|---------------------------------------|----------------------|----------------------|
|   | As at March 31, 2018 | As at March 31, 2017 | Gratuity Plan<br>As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
| Present Value of Defined Benefit Obligation     |                      |                      |                                       |                      |                      |
| - Wholly Funded                                 | 954.66               | 906.80               | 134.87                                | 116.00               | 103.00               |
| Less: Fair value of Plan Assets                 | (791.42)             | (569.47)             | (78.20)                               | (94.00)              | (128.00)             |
| Unrecognised Past Service Costs                 | -                    | -                    | -                                     | -                    | -                    |
| Amount to be recognised as liability or (asset) | 163.24               | 319.33               | 56.67                                 | 24.00                | (25.00)              |
| Amounts reflected in the Balance Sheet          |                      |                      |                                       |                      |                      |
| Liability                                       | 163.24               | 319.33               | 56.67                                 | 24.00                | -                    |
| Assets  | -                    | -                    | -                                     | -                    | (25.00)              |
| Net liability bifurcated as follows:            |                      |                      |                                       |                      |                      |
| Current   | -                    | -                    | -                                     | -                    | -                    |
| Non Current                                     | 163.24               | 319.33               | 56.67                                 | 24.00                | (25.00)              |

b) The amounts recognised in the Statement of profit and loss are as follows:

| Particulars                                 | ₹ in Lakh |           |                            |           |           |
|---|-----------|-----------|----------------------------|-----------|-----------|
|   | 2017-2018 | 2016-2017 | Gratuity Plan<br>2015-2016 | 2014-2015 | 2013-2014 |
| 1 Current Service Cost                      | 265.31    | 284.23    | 30.04                      | 20.00     | 22.00     |
| 2 Interest on Defined Benefit Obligation    | 81.98     | 98.31     | 11.55                      | 11.00     | 10.00     |
| 3 Expected Return on Plan Assets            | (56.32)   | (51.75)   | (8.90)                     | (9.00)    | (10.00)   |
| 4 Actuarial Losses/(Gains)                  | 20.98     | (42.85)   | 7.27                       | 31.00     | (12.00)   |
| 5 Past Service Cost                         | -         | -         | -                          | -         | -         |
| Total included in Employee Benefit Expenses | 311.95    | 287.94    | 41.96                      | 53.00     | 10.00     |
| Actual Return on Plan Assets                | 48.81     | 65.99     | 7.00                       | 8.00      | 12.00     |

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

| Particulars  | ₹ in Lakh            |                      |                                       |                      |                      |
|--|----------------------|----------------------|---------------------------------------|----------------------|----------------------|
|  | As at March 31, 2018 | As at March 31, 2017 | Gratuity Plan<br>As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
| Opening balance of the present value of Defined Benefit Obligation | 908.80               | 134.86               | 117.80                                | 103.00               | 101.00               |
| Add: Current Service Cost  | 265.31               | 284.24               | 30.04                                 | 20.00                | 22.00                |
| Add: Interest Cost   | 81.98                | 98.31                | 11.55                                 | 11.00                | 10.00                |
| Add/(less): Actuarial Losses/(Gain)                                | 14.47                | (28.61)              | 6.99                                  | 30.00                | (10.00)              |
| Liability Assume on acquisition / (Settled on Divestitures)        | (1.39)               | 791.74               | (1.34)                                | 1.00                 | -                    |
| Less: Benefits paid  | (314.51)             | (371.74)             | (29.98)                               | (47.00)              | (20.00)              |
| Closing balance of the present value of Defined Benefit Obligation | 954.66               | 906.80               | 134.86                                | 116.00               | 103.00               |

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

| Particulars  | ₹ in Lakh            |                      |                                       |                      |                      |
|--|----------------------|----------------------|---------------------------------------|----------------------|----------------------|
|  | As at March 31, 2018 | As at March 31, 2017 | Gratuity Plan<br>As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
| Opening balance of the fair value of the plan assets | 589.47               | 78.20                | 93.55                                 | 128.00               | 123.00               |
| Add: Expected Return on plan assets                  | 56.32                | 51.75                | 8.90                                  | 9.00                 | 10.00                |
| Add/(less): Actuarial gains/(losses)                 | (6.50)               | 14.24                | (0.27)                                | (1.00)               | 2.00                 |
| Add: Contributions by Employer                       | 466.65               | 237.65               | 8.00                                  | 5.00                 | 13.00                |
| Add: Assets acquired on acquisition                  | -                    | 559.37               | -                                     | -                    | -                    |
| Less: Benefits Paid                                  | (314.51)             | (371.74)             | (29.98)                               | (47.00)              | (20.00)              |
| Closing balance of the plan assets                   | 791.43               | 589.47               | 78.20                                 | 94.00                | 128.00               |

e) Asset Information:

| Particulars                         | As at March 31, 2018 |           | As at March 31, 2017 |           | Gratuity Plan<br>As at March 31, 2016 |           | As at March 31, 2015 |           | As at March 31, 2014 |           |
|-------------------------------------|----------------------|-----------|----------------------|-----------|---------------------------------------|-----------|----------------------|-----------|----------------------|-----------|
|                                     | %                    | ₹ in Lakh | %                    | ₹ in Lakh | %                                     | ₹ in Lakh | %                    | ₹ in Lakh | %                    | ₹ in Lakh |
| 1 Government of India Securities    | 23%                  | 183.29    | 32%                  | 190.43    | 0%                                    | -         | 0%                   | -         | 0%                   | -         |
| 2 Corporate Bonds                   | 26%                  | 207.21    | 35%                  | 207.33    | 0%                                    | -         | 0%                   | -         | 0%                   | -         |
| 3 Special Deposit Scheme            | 4%                   | 30.33     | 5%                   | 28.85     | 0%                                    | -         | 0%                   | -         | 0%                   | -         |
| 4 Equity Shares of Listed Companies | 0%                   | -         | 0%                   | -         | 0%                                    | -         | 0%                   | -         | 0%                   | -         |
| 5 Property                          | 0%                   | -         | 0%                   | -         | 0%                                    | -         | 0%                   | -         | 0%                   | -         |
| 6 Insurer Managed Funds             | 7%                   | 56.63     | 6%                   | 36.68     | 100%                                  | 78.20     | 100%                 | 94.00     | 100%                 | 128.00    |
| 7 Others                            | 39%                  | 311.95    | 22%                  | 126.20    | 0%                                    | -         | 0%                   | -         | 0%                   | -         |



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                               | As at March 31, 2014                               |
|---|--|--|--|--|--|
| 1 Discount rate (per annum)                     | 7.25%  | 7.20%  | 8.00%  | 7.90%  | 9.35%  |
| 2 Expected rate of return on assets (per annum) | 7.50%  | 8.00%  | 7.50%  | 7.50%  | 7.50%  |
| 3 Salary escalation rate (per annum)            | 9.00%  | 8.00%  | 8.00%  | 6.00%  | 6.00%  |
| 4 Mortality rate                                | Indian Assured Lives Mortality (2006-08) Ult table | Indian Assured Lives Mortality (2006-08) Ult table | Indian Assured Lives Mortality (2006-08) Ult table | Indian Assured Lives Mortality (2006-08) Ult table | 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 | As at March 31, 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Defined Benefit Obligation                 | 954.66               | 908.80               | 134.87               | 117.60               | 103.34               |
| Plan Assets                                | 791.43               | 589.47               | 78.20                | 93.58                | 128.16               |
| Surplus/(Deficit)                          | (163.23)             | (319.33)             | (56.67)              | (24.24)              | 24.62                |
| Experience Adjustments on Plan Liabilities | (56.45)              | (117.91)             | 8.66                 | 9.68                 | (6.11)               |
| Experience Adjustments on Plan Assets      | (6.50)               | 14.24                | (0.27)               | (1.38)               | 2.39                 |

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 | FY 2013-14 |
|--------------|------------|------------|------------|------------|------------|
| Contribution | 300.00     | 300.00     | -          | -          | -          |

Other information: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

iii) Defined Benefit Provident Fund Plan:

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

| Particulars  | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| A. (Net (Liability) / Asset) recognised in the Balance Sheet         |                      |                      |                      |                      |                      |
| Present Value of Funded Obligation                                   | (2,406.96)           | -                    | -                    | -                    | -                    |
| Present Value of Unfunded obligation                                 | -                    | -                    | -                    | -                    | -                    |
| Add: Assets acquired on acquisition                                  | -                    | (5,152.12)           | -                    | -                    | -                    |
| Less: Fair value of Plan Assets                                      | 2,427.12             | 5,162.88             | -                    | -                    | -                    |
| Amount to be recognised in the Balance Sheet as (liability) or asset | 20.16                | 30.76                | -                    | -                    | -                    |
| B. Amounts to be recognised in the Balance Sheet                     |                      |                      |                      |                      |                      |
| Liability  | -                    | -                    | -                    | -                    | -                    |
| Assets   | 20.16                | 30.76                | -                    | -                    | -                    |

b) Expenses recognised in the Statement of Profit and Loss:

| Particulars   | 2017-2018 | 2016-2017 | Provident Fund Plan 2015-2016 | 2014-2015 | 2013-2014 |
|---|-----------|-----------|-------------------------------|-----------|-----------|
| 1 Current Service Cost  | 0.01      | 394.97    | -                             | -         | -         |
| 2 PF Transfer In  | -         | -         | -                             | -         | -         |
| 3 Interest on Defined Benefit Obligation                        | 275.49    | 425.74    | -                             | -         | -         |
| 4 Expected Return on Plan Assets                                | (275.49)  | (425.74)  | -                             | -         | -         |
| 5 Net Actuarial Losses/(Gains)                                  | (255.63)  | 62.62     | -                             | -         | -         |
| 6 Actuarial gain/(loss) not recognized in books                 | 255.63    | (62.62)   | -                             | -         | -         |
| 7 Expenses recognized in the statement of Profit & Loss Account | 0.01      | 394.97    | -                             | -         | -         |
| 8 Actual Return of Plan Asset                                   | 531.12    | 368.12    | -                             | -         | -         |

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

| Particulars  | As at March 31, 2018 | As at March 31, 2017 | Provident Fund Plan As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|--|----------------------|----------------------|
| Opening balance of the present value of Defined Benefit Obligation | 5,152.12             | -                    | -  | -                    | -                    |
| Add: Assets acquired on acquisition                                | -                    | 5,311.22             | -  | -                    | -                    |
| Transfer in/out  | (7.85)               | (316.46)             | -  | -                    | -                    |
| Add: Current Service Cost  | 0.01                 | 394.97               | -  | -                    | -                    |
| Add: Interest Cost   | 275.49               | 425.74               | -  | -                    | -                    |
| Add: Contribution by Plan Participants                             | 194.93               | 780.81               | -  | -                    | -                    |
| Add: Actuarial Losses / (Gain)                                     | -                    | -                    | -  | -                    | -                    |
| Less: Benefits paid  | (3,207.64)           | (1,444.16)           | -  | -                    | -                    |
| Closing balance of the present value of Defined Benefit Obligation | 2,406.96             | 5,152.12             | -  | -                    | -                    |

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

| Particulars  | As at March 31, 2018 | As at March 31, 2017 | Provident Fund Plan As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|--|----------------------|----------------------|
| Opening balance of the fair value of the plan assets | 5,162.88             | -                    | -  | -                    | -                    |
| Add: Assets acquired on acquisition                  | -                    | 5,325.47             | -  | -                    | -                    |
| Transfer in/out                                      | (79.83)              | (316.46)             | -  | -                    | -                    |
| Add: Expected Return on plan assets                  | 275.49               | 425.74               | -  | -                    | -                    |
| Add/(less): Actuarial gain/(losses)                  | 255.63               | (62.62)              | -  | -                    | -                    |
| Add: Contributions by Employer                       | 0.16                 | 431.23               | -  | -                    | -                    |
| Add: Contribution by Plan participants               | 0.43                 | 823.68               | -  | -                    | -                    |
| Less: Benefits Paid                                  | (3,207.64)           | (1,444.16)           | -  | -                    | -                    |
| Less: Transfer to Regional Provident Fund            | -                    | -                    | -  | -                    | -                    |
| Closing balance of the plan assets                   | 2,427.12             | 5,162.88             | -  | -                    | -                    |

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

| Particulars                      | As at March 31, 2018 | As at March 31, 2017 | Provident Fund Plan As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|----------------------------------|----------------------|----------------------|--|----------------------|----------------------|
| 1 Government of India Securities | 23%                  | 20%                  | -  | -                    | -                    |
| 2 State Government Scheme        | 20%                  | 21%                  | -  | -                    | -                    |
| 3 Special Deposit Scheme         | 8%                   | 8%                   | -  | -                    | -                    |
| 4 Public Sector Unit Bond        | 29%                  | 33%                  | -  | -                    | -                    |
| 5 Corporate Bonds                | 17%                  | 15%                  | -  | -                    | -                    |
| 6 Others (cheques on hand)       | 5%                   | 3%                   | -  | -                    | -                    |
|                                  | 100%                 | 100%                 | -  | -                    | -                    |





## 29.2 Segment Reporting : Accounting Standard (AS) 17

## FY 2017-18 &amp; FY 2016-17

- (i) The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Rural Housing, Wholesale, and Defocused Business. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reportable segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocated expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. As the operations of the Company are carried out within India, there are no geographical segments.

## (ii) Information about Business Segment composition :

## Segment composition :

Rural Business comprises of Farm Equipments, Micro Finance and Two Wheeler Finance.

Housing Business comprises of Loan against Property and Real Estate Finance.

Wholesale Business comprises of Infrastructure Finance, Structured Corporate Loans and Supply Chain Finance.

Defocused Business comprises of Commercial Vehicle Finance, Construction Equipment Finance, SME term loans and Leases.

Unallocated represents tax assets and tax liabilities

| Sr. No. | Particulars  | Rural Business                              |   | Housing Business                            |   | Wholesale Business                          |   | Defocused Business                          |   | TOTAL                                       |   |
|---------|--|---|---|---|---|---|---|---|---|---|---|
|         |  | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 | For the year ended / As at 31st March, 2018 | For the year ended / As at 31st March, 2017 |
| 1.      | Revenue  | 2,47,510.35                                 | 1,90,098.97                                 | 68,408.72                                   | 41,103.41                                   | 1,61,319.82                                 | 1,39,269.69                                 | 22,505.06                                   | 47,733.16                                   | 4,99,744.95                                 | 4,08,205.22                                 |
| 2.      | Less : Inter segment revenue                                       | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |
| 3.      | Total revenue (1) - (2)  | 2,47,510.35                                 | 1,90,098.97                                 | 68,408.72                                   | 41,103.41                                   | 1,61,319.82                                 | 1,39,269.69                                 | 22,505.06                                   | 47,733.16                                   | 4,99,744.95                                 | 4,08,205.22                                 |
| 4.      | Segment result   | 57,654.66                                   | 30,638.77                                   | 33,928.69                                   | 18,787.83                                   | 36,297.14                                   | 40,211.07                                   | (19,081.25)                                 | (21,344.65)                                 | 1,08,798.24                                 | 68,293.02                                   |
| 5.      | Unallocated expenses <sup>1</sup>                                  | -   | -   | -   | -   | -   | -   | -   | -   | 65,345.77                                   | 65,451.28                                   |
| 6.      | Operating profit (4)-(5)   | 57,654.66                                   | 30,638.77                                   | 33,928.69                                   | 18,787.83                                   | 36,297.14                                   | 40,211.07                                   | (19,081.25)                                 | (21,344.65)                                 | 43,453.47                                   | 2,841.74                                    |
| 7.      | Income tax expenses (including deferred tax)                       | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |
| 8.      | Net profit (6)-(7)   | 57,654.66                                   | 30,638.77                                   | 33,928.69                                   | 18,787.83                                   | 36,297.14                                   | 40,211.07                                   | (19,081.25)                                 | (21,344.65)                                 | 43,453.47                                   | 2,841.74                                    |
| 9.      | Segment assets   | 16,50,265.82                                | 10,26,167.14                                | 5,91,232.55                                 | 3,72,908.66                                 | 18,27,977.81                                | 16,40,346.43                                | 1,27,651.75                                 | 2,48,912.78                                 | 41,97,128.03                                | 32,88,334.99                                |
| 10.     | Unallocated assets <sup>2</sup>                                    | -   | -   | -   | -   | -   | -   | -   | -   | 2,68,569.01                                 | 3,09,347.84                                 |
| 11.     | Total assets (9) + (10)  | 16,50,265.82                                | 10,26,167.14                                | 5,91,232.55                                 | 3,72,908.66                                 | 18,27,977.81                                | 16,40,346.43                                | 1,27,651.75                                 | 2,48,912.78                                 | 44,65,697.04                                | 35,97,682.83                                |
| 12.     | Segment liabilities  | 14,17,436.14                                | 9,08,022.92                                 | 5,07,817.79                                 | 3,29,975.11                                 | 15,70,075.33                                | 14,51,490.78                                | 1,09,641.84                                 | 2,20,255.15                                 | 36,04,971.10                                | 29,09,743.95                                |
| 13.     | Unallocated liabilities <sup>3</sup>                               | -   | -   | -   | -   | -   | -   | -   | -   | 2,050.82                                    | -   |
| 14.     | Total liabilities (12)+(13)  | 14,17,436.14                                | 9,08,022.92                                 | 5,07,817.79                                 | 3,29,975.11                                 | 15,70,075.33                                | 14,51,490.78                                | 1,09,641.84                                 | 2,20,255.15                                 | 38,07,021.92                                | 29,09,743.95                                |
| 15.     | Capital Expenditure (tangible and intangible fixed assets)         | 1,770.25                                    | 2,104.27                                    | 610.16                                      | 738.88                                      | 1,920.59                                    | 3,302.51                                    | 4,578.09                                    | 10,638.31                                   | 8,879.09                                    | 16,783.97                                   |
| 16.     | Depreciation & amortisation expenses (included in segment expense) | 1,286.74                                    | 1,477.16                                    | 46.47                                       | 44.81                                       | 430.05                                      | 373.41                                      | 2,214.12                                    | 3,525.21                                    | 3,977.38                                    | 5,420.59                                    |

## Note :

1. Relates to amortisation of Goodwill generated on merger.
2. Includes tax paid in advance/tax deducted at source (net), deferred tax asset (net) and Goodwill generated on merger.
3. Includes provision for tax (net) and deferred tax liabilities (net).

## FY 2015-16, FY 2014-15

The Company has a single reportable segment i.e. financing which has similar risk and return for the purpose of AS-17 on 'Segment Reporting' notified under section 133 of the the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company operates in a single geographical segment i.e. domestic.

## FY 2013-14

The Company has a single reportable segment i.e. financing which has similar risk and return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 (as amended). The Company operates in a single geographical segment i.e. domestic.



29.3a Related Party Disclosures: Accounting Standard - 18

2017-18 2016-17 2015-16 2014-15 2013-14

(a) List of Related Parties (with whom transactions were carried out during the respective periods)

A Ultimate Holding Company

1. Larsen & Toubro Limited

B Holding Company

2. L&T Finance Holdings Limited

C Fellow Subsidiary Companies

(with whom transactions were carried out during the respective periods)

3. L&T Infrastructure Finance Company Limited  
4. Larsen & Toubro Infotech Limited  
5. L&T Capital Company Limited  
6. L&T Capital Markets Limited  
7. L&T Housing Finance Limited  
8. L&T Investment Management Limited  
  
9. L&T Financial Consultants Limited (erstwhile L&T Vrindavan Properties Ltd)  
10. L&T Infra Investment Partners Advisory Private Limited  
11. L&T Electricals and Automation Limited  
12. L&T Finance Ltd (upto 31.03.2016)  
13. L&T FinCorp Ltd (upto 31.03.2016)  
14. L&T Infra Debt Fund Ltd (upto 31.03.2016)  
15. L&T Access Distribution Services Ltd  
16. L&T General Insurance Company Ltd  
17. Ewac Alloys Ltd

**Note:** The name of the Company has been changed from "L&T Vrindavan Properties Limited" to "L&T Financial Consultants Limited" with effect from October 10, 2016.

D Associates

(with whom transactions were carried out during the respective periods)

12. L&T Infra Debt Fund Limited

E. Fellow Associates

(with whom transactions were carried out during the respective periods)

1. Feedback Infrastructure Services Pvt Ltd  
2. Metro Tunneling Group  
3. Salzer Electronics Ltd  
4. Magtorq Private Ltd  
5. JSK Electricals Private Ltd

F. Key Management Personnel

(with whom transactions were carried out during the respective periods)

13. Mr. Vamsidhar Chevendra - March 20, 2015 to April 28, 2016  
14. Mr. Muralidharan Rajamani - April 29, 2016 to February 12, 2017  
15. Mr. Sunil Prabhune - w.e.f February 13, 2017  
16. G.C Rangan - Chief Executive and Manager (upto November 30, 2014)

✓ Transaction during the year(s)





**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**

**29.3b (b) Disclosure of related party transactions :-**

| Sr. No.             | Nature of Transaction*                                 | 2017-18     | 2016-17     | 2015-16     | 2014-15   | ₹ in lakh<br>2013-14 |
|---------------------|--|-------------|-------------|-------------|-----------|----------------------|
| <b>Transactions</b> |  |             |             |             |           |                      |
| <b>1</b>            | <b>Inter corporate deposits borrowed</b>               |             |             |             |           |                      |
|                     | L&T Finance Holdings Limited                           | 7,42,103.00 | 7,55,606.10 | 2,16,550.00 | 58,150.00 | 64,250.00            |
|                     | L&T Finance Limited                                    | -           | -           | 27,700.00   | 58,395.00 | 43,000.00            |
|                     | L&T Infrastructure Finance Company Limited             | 1,37,000.00 | 81,350.00   | -           | -         | -                    |
|                     | L&T Housing Finance Limited                            | 63,600.00   | 42,915.00   | -           | 10,700.00 | -                    |
|                     | L&T Capital Company Limited                            | 837.00      | 760.00      | -           | -         | -                    |
|                     | L&T Investment Management Limited                      | 96,794.00   | 1,435.00    | -           | -         | -                    |
|                     | L&T Capital Market Limited                             | 13,446.00   | -           | -           | -         | -                    |
|                     | L&T Infra Investment Partners Advisory Private Limited | 15,995.00   | -           | -           | -         | -                    |
|                     | L&T FinCorp Limited                                    | -           | -           | -           | -         | 300.00               |
| <b>2</b>            | <b>Inter corporate deposits repaid</b>                 |             |             |             |           |                      |
|                     | L&T Finance Holdings Limited                           | 6,96,260.00 | 7,54,590.10 | 2,16,650.00 | 58,150.00 | 64,250.00            |
|                     | L&T Finance Limited                                    | -           | -           | 27,700.00   | 58,395.00 | 43,000.00            |
|                     | L&T Infrastructure Finance Company Limited             | 1,40,600.00 | 77,850.00   | -           | -         | -                    |
|                     | L&T Housing Finance Limited                            | 63,600.00   | 42,915.00   | -           | 10,700.00 | -                    |
|                     | L&T Capital Company Limited                            | 960.00      | 557.00      | -           | -         | -                    |
|                     | L&T Investment Management Limited                      | 96,794.00   | 1,435.00    | -           | -         | -                    |
|                     | L&T Capital Market Limited                             | 13,446.00   | -           | -           | -         | -                    |
|                     | L&T Infra Investment Partners Advisory Private Limited | 15,995.00   | -           | -           | -         | -                    |
|                     | L&T FinCorp Limited                                    | -           | -           | -           | -         | 300.00               |
|                     | Metro Tunneling Group                                  | -           | 3,000.00    | -           | -         | -                    |
| <b>3</b>            | <b>Interest expense on inter corporate deposits</b>    |             |             |             |           |                      |
|                     | L&T Finance Holdings Limited                           | 3,129.05    | 2,149.46    | 438.00      | 63.00     | 121.00               |
|                     | L&T Finance Limited                                    | -           | -           | 22.00       | 87.00     | 70.00                |
|                     | L&T Infrastructure Finance Company Limited             | 211.50      | 78.34       | -           | -         | -                    |
|                     | L&T Capital Company Limited                            | 63.72       | 56.51       | -           | -         | -                    |
|                     | L&T Housing Finance Limited                            | 50.86       | 80.70       | -           | 10.00     | -                    |
|                     | L&T Investment Management Limited                      | 197.04      | 2.03        | -           | -         | -                    |
|                     | L&T Capital Market Limited                             | 37.60       | -           | -           | -         | -                    |
|                     | L&T Infra Investment Partners Advisory Private Limited | 75.30       | -           | -           | -         | -                    |
|                     | L&T FinCorp Limited                                    | -           | -           | -           | -         | 0.43                 |
|                     | Metro Tunneling Group                                  | -           | 20.83       | -           | -         | -                    |
| <b>4</b>            | <b>Inter corporate deposits given</b>                  |             |             |             |           |                      |
|                     | L&T Infrastructure Finance Company Limited             | 10,000.00   | 67,752.00   | 1,000.00    | 200.00    | -                    |
|                     | L&T Housing Finance Limited                            | 565.00      | 33,800.00   | 19,900.00   | 16,150.00 | -                    |
|                     | L&T Finance Limited                                    | -           | -           | 3,700.00    | 23,900.00 | 11,369.00            |
|                     | L&T FinCorp Limited                                    | -           | -           | 3,100.00    | 28,400.00 | 9,300.00             |
| <b>5</b>            | <b>Inter corporate deposits received back</b>          |             |             |             |           |                      |
|                     | L&T Infrastructure Finance Company Limited             | 10,000.00   | 67,752.00   | 1,000.00    | 200.00    | -                    |
|                     | L&T Housing Finance Limited                            | 565.00      | 33,800.00   | 19,900.00   | 16,150.00 | -                    |
|                     | L&T Finance Limited                                    | -           | -           | 3,700.00    | 23,900.00 | 12,893.00            |
|                     | L&T FinCorp Limited                                    | -           | -           | 3,100.00    | 28,400.00 | 9,300.00             |
| <b>6</b>            | <b>Interest received on inter corporate deposits</b>   |             |             |             |           |                      |
|                     | L&T Infrastructure Finance Company Limited             | 2.41        | 34.32       | 0.65        | 0.05      | -                    |
|                     | L&T Housing Finance Limited                            | 0.68        | 29.98       | 23.00       | 22.00     | -                    |
|                     | L&T Finance Limited                                    | -           | -           | 3.00        | 18.00     | 20.00                |
|                     | L&T FinCorp Limited                                    | -           | -           | 2.00        | 28.00     | 34.00                |
| <b>7</b>            | <b>Interest paid on NCD</b>                            |             |             |             |           |                      |
|                     | L&T Finance Holdings Limited                           | -           | -           | 378.00      | 972.00    | 31.00                |
|                     | <b>Interest received on loan given</b>                 |             |             |             |           |                      |
|                     | Maglorq Private Limited                                | -           | 2.06        | -           | -         | -                    |
|                     | JSK Electricals Private Limited                        | -           | 10.29       | -           | -         | -                    |
|                     | Feedback Infra Private Limited                         | -           | 850.83      | -           | -         | -                    |



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**

|           |   |  |   |   |   |   |
|-----------|---|--|---|---|---|---|
| <b>8</b>  | <b>Arrangers fees paid to</b><br>L&T Capital Market Limited   | -  | -   | -   | -   | 1.11  |
| <b>9</b>  | <b>Advisory Fees received</b><br>Larsen & Toubro Limited  | 12.50  | -   | -   | -   | -   |
| <b>10</b> | <b>Portfolio related transaction</b>  |  |   |   |   |   |
|           | Portfolio management cost paid to L&T Housing Finance Limited   | 57.57  | 62.89   | 86.00   | 86.00   | -   |
|           | Purchase of loan portfolio from L&T Finance   | -  | -   | 46,736.00   | -   | 46,192.00   |
|           | Collection amount received from L&T Finance   | -  | -   | -   | 31,188.00   | 21,265.00   |
|           | Collection charges paid to L&T Finance  | -  | -   | 25.00   | 36.00   | 27.00   |
| <b>11</b> | <b>Investment in Equity Shares</b><br>L&T Infra Debt Fund Limited   | 1,980.44   | -   | 1,890.00  | -   | 2,300.00  |
| <b>12</b> | <b>Issue of redeemable non-convertible debentures</b>   |  |   |   |   |   |
|           | L&T Finance Holdings Limited  | -  | -   | -   | 4,000.00  | 7,000.00  |
|           | L&T Limited   | -  | -   | -   | -   | 2,000.00  |
|           | L&T Finance Limited   | -  | -   | -   | -   | 5,900.00  |
| <b>13</b> | <b>Purchase of assets</b><br>L&T Capital Company Limited  | 0.02   | -   | -   | -   | -   |
| <b>14</b> | <b>Corporate support charges paid</b><br>L&T Finance Holdings Limited<br>L&T Finance Limited  | 262.00<br>-  | 497.00<br>-   | 6.00<br>500.00                                    | -<br>374.00                                       | -<br>235.00                                       |
| <b>15</b> | <b>Branch sharing cost paid to</b><br>Larsen & Toubro Limited<br>L&T Finance Holdings Limited<br>L&T Financial Consultants Limited (erstwhile<br>L&T Vrindavan Properties Limited)<br>L&T Finance Limited<br>L&T Housing Finance Limited  | 11.40<br>-<br>2,308.54<br>-<br>-<br>-                          | -<br>-<br>1,789.97<br>-<br>-<br>-                                 | -<br>-<br>16.00<br>-<br>224.00<br>13.00           | -<br>-<br>14.00<br>-<br>184.00<br>9.00            | -<br>-<br>-<br>-<br>64.00<br>12.00                |
| <b>16</b> | <b>Branch sharing cost recovered from</b><br>L&T Infrastructure Finance Company Limited<br>L&T Electricals and Automation Limited<br>L&T Finance Holdings Limited<br>L&T Infra Investment Partners Advisory Private<br>Limited<br>L&T Investment Management Limited<br>L&T Capital Market Limited<br>L&T Housing Finance Limited<br>L&T Finance Limited | 17.28<br>5.08<br>-<br>-<br>-<br>176.75<br>63.82<br>303.75<br>- | 23.60<br>-<br>7.53<br>3.43<br>-<br>183.85<br>70.84<br>294.72<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>30.00<br>80.00 | -<br>-<br>-<br>-<br>-<br>-<br>-<br>31.00<br>75.00 | -<br>-<br>-<br>-<br>-<br>-<br>-<br>24.00<br>33.00 |
| <b>17</b> | <b>Managerial Remuneration**</b><br>Vamsidhar Chevendra<br>Muralidharan Rajamani<br>Sunil Prabhune  | -<br>-<br>812.99   | 4.63<br>87.70<br>16.87  | 72.00<br>-<br>-                                   | 1.70<br>-<br>-                                    | -<br>-<br>-                                       |
| <b>18</b> | <b>IT/Professional fees</b><br>Larsen & Toubro Limited<br>Larsen & Toubro Infotech Limited<br>L&T Finance Holdings Limited  | 612.67<br>215.10<br>8.43                                       | 602.35<br>71.34<br>-  | 120.00<br>33.00<br>-                              | 33.00<br>-<br>-                                   | 7.00<br>-<br>-                                    |
| <b>19</b> | <b>Sale/Assignment of Loan Portfolio</b><br>L&T Infra Debt Fund Limited<br>L&T Infrastructure Finance Company Limited<br>L&T Housing Finance Limited  | 41,820.96<br>66,211.70<br>73,585.32                            | 27,474.29<br>-<br>-   | -<br>-<br>-                                       | -<br>-<br>-                                       | -<br>-<br>-                                       |
| <b>20</b> | <b>Rent Deposit paid</b><br>L&T Vrindavan Properties Limited  | -  | -   | -   | 2.00  | -   |
| <b>21</b> | <b>Purchase of Loan Portfolio</b><br>L&T Infrastructure Finance Company Limited   | 96,300.00  | -   | -   | -   | -   |
| <b>22</b> | <b>Purchase of Loan Portfolio</b><br>L&T Infrastructure Finance Company Limited   | 33,000.00  | -   | -   | -   | -   |
| <b>23</b> | <b>Brand License Fees</b><br>Larsen & Toubro Limited  | 1,473.18   | 96.31   | -   | -   | -   |
| <b>24</b> | <b>ESOP Cost</b><br>L&T Finance Holdings Limited  | 427.22   | 8.29  | 0.02  | 0.15  | 1.59  |
| <b>25</b> | <b>Equity Capital Infused (including share premium)</b><br>L&T Finance Holdings Limited   | 1,40,000.00  | 6,42,460.02   | -   | -   | 10,000.00   |



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Notes forming part of the Reformatted Standalone Financial Information**

| Sr. No.         | Nature of transactions  | As at March<br>31,2018 | As at March<br>31,2017 | As at March<br>31,2016 | As at March<br>31,2015 | ₹ in lakh<br>As at March<br>31,2014 |
|-----------------|---|------------------------|------------------------|------------------------|------------------------|-------------------------------------|
| <b>Balances</b> |   |                        |                        |                        |                        |                                     |
| 1               | <b>Non Convertible Debenture</b>  |                        |                        |                        |                        |                                     |
|                 | L&T Finance Holdings Limited  | -                      | -                      | -                      | 7,500.00               | 7,000.00                            |
| 2               | <b>Interest accrued but not due on non-convertible debentures</b>                 |                        |                        |                        |                        |                                     |
|                 | L&T Finance Holdings Limited  | -                      | -                      | -                      | 319.00                 | 31.00                               |
| 3               | <b>Inter Corporate Borrowings</b>   |                        |                        |                        |                        |                                     |
|                 | L&T Finance Holdings Limited  | 65,934.00              | 20,091.00              | -                      | -                      | -                                   |
|                 | L&T Infrastructure Finance Company Limited  | -                      | 3,500.00               | -                      | -                      | -                                   |
|                 | L&T Capital Company Limited   | 637.00                 | 750.00                 | -                      | -                      | -                                   |
| 4               | <b>Interest accrued but not due on Inter Corporate Borrowings</b>                 |                        |                        |                        |                        |                                     |
|                 | L&T Finance Holdings Limited  | 119.89                 | 27.43                  | -                      | -                      | -                                   |
|                 | L&T Infrastructure Finance Company Limited  | -                      | 0.78                   | -                      | -                      | -                                   |
|                 | L&T Capital Company Limited   | 22.35                  | 0.02                   | -                      | -                      | -                                   |
| 5               | <b>Investment in equity share</b>   |                        |                        |                        |                        |                                     |
|                 | L&T Infra Debt Fund Limited   | 17,650.44              | 15,670.00              | 4,190.00               | 2,300.00               | 2,300.00                            |
| 6               | <b>Rent Deposit</b>   |                        |                        |                        |                        |                                     |
|                 | L&T Financial Consultants Limited (erstwhile<br>L&T Vrindavan Properties Limited) | 381.44                 | 381.44                 | 2.00                   | 2.00                   | -                                   |
| 7               | <b>Account payable</b>  |                        |                        |                        |                        |                                     |
|                 | Larsen & Toubro Limited   | -                      | -                      | 38.00                  | 19.00                  | 21.00                               |
|                 | L&T Finance Holdings Limited  | 198.70                 | 24.94                  | -                      | 0.15                   | -                                   |
|                 | L&T Infrastructure Finance Company Limited  | 19.58                  | -                      | -                      | -                      | -                                   |
|                 | L&T Investment Management Limited   | 3.48                   | -                      | 0.10                   | 0.10                   | -                                   |
|                 | Larsen & Toubro Infotech Limited  | -                      | -                      | 5.00                   | -                      | -                                   |
|                 | L&T Capital Company Limited   | 0.02                   | -                      | -                      | -                      | -                                   |
|                 | L&T Capital Market Limited  | 7.52                   | 69.61                  | -                      | -                      | -                                   |
|                 | L&T Housing Finance Limited   | 18.98                  | -                      | 38.00                  | -                      | -                                   |
|                 | L&T Finance Limited   | -                      | -                      | 362.00                 | -                      | 3.00                                |
|                 | L&T Financial Consultants Limited (erstwhile<br>L&T Vrindavan Properties Limited) | 11.74                  | -                      | -                      | -                      | -                                   |
| 8               | <b>Account receivable</b>   |                        |                        |                        |                        |                                     |
|                 | Larsen & Toubro Limited   | 223.10                 | 27.83                  | -                      | -                      | 8.00                                |
|                 | L&T Infrastructure Finance Company Limited  | 68.99                  | 44.38                  | -                      | -                      | -                                   |
|                 | L&T Investment Management Limited   | 55.17                  | 9.71                   | -                      | -                      | -                                   |
|                 | L&T Capital Market Limited  | 15.72                  | -                      | -                      | -                      | -                                   |
|                 | L&T Housing Finance Limited   | 83.15                  | 24.27                  | 15.00                  | -                      | -                                   |
|                 | L&T Electricals and Automation Limited  | 5.42                   | -                      | -                      | -                      | -                                   |
|                 | L&T Financial Consultants Limited (erstwhile<br>L&T Vrindavan Properties Limited) | 0.40                   | -                      | -                      | -                      | -                                   |
|                 | L&T Finance Limited   | -                      | -                      | -                      | 4.00                   | -                                   |
| 9               | <b>Security Deposit Payable</b>   |                        |                        |                        |                        |                                     |
|                 | L&T Investment Management Limited   | 22.06                  | 22.06                  | -                      | -                      | -                                   |
| 10              | <b>Reimbursement of expenses</b>  |                        |                        |                        |                        |                                     |
|                 | Larsen & Toubro Limited   | -                      | 292.43                 | 123.00                 | -                      | -                                   |
| 11              | <b>Portfolio</b>  |                        |                        |                        |                        |                                     |
|                 | Collection amount receivable from L&T Finance                                     | -                      | -                      | 2,681.00               | 655.00                 | 3,063.00                            |
| 12              | <b>Outstanding Balance of Term Loan Given</b>                                     |                        |                        |                        |                        |                                     |
|                 | Feedback Infra Private Limited  | -                      | 7,500.00               | -                      | -                      | -                                   |
|                 | Maglor Private Limited  | -                      | 35.87                  | -                      | -                      | -                                   |
| 13              | <b>Brand License Fees Payable</b>   |                        |                        |                        |                        |                                     |
|                 | Larsen & Toubro Limited   | 1,605.77               | -                      | -                      | -                      | -                                   |
| 14              | <b>Other Receivables</b>  |                        |                        |                        |                        |                                     |
|                 | L&T Access Distribution Services Ltd  | -                      | -                      | 0.07                   | -                      | -                                   |

Transactions shown above are excluding of Service Tax and GST, if any.

Managerial Remuneration excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the company as a whole.



29.4 Finance Lease:

In accordance with Accounting Standard 19 on 'Leases' as notified under Rule 7 of the Companies (Accounts) Rules, 2014, the following disclosures in respect of Finance Leases are made:

Assets given on lease:

The Company has given assets on finance lease to its customers with respective underlying assets as security. The details of gross investments, unearned finance income and present value of rentals in respect of these assets are as under:

| Particulars   | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
|---|-----------|-----------|-----------|-----------|-----------|
| Gross Investments:                                  |           |           |           |           |           |
| - Within one year                                   | 2,588.01  | 2,627.26  | -         | -         | -         |
| - Later than one year and not later than five years | 8,727.65  | 5,039.97  | -         | -         | -         |
| - Later than five years                             | 0.50      | -         | -         | -         | -         |
| Total   | 11,316.16 | 7,667.23  | -         | -         | -         |
| Unearned Finance Income:                            |           |           |           |           |           |
| - Within one year                                   | 745.16    | 849.75    | -         | -         | -         |
| - Later than one year and not later than five years | 1,309.77  | 864.96    | -         | -         | -         |
| - Later than five years                             | 0.02      | -         | -         | -         | -         |
| Total   | 2,054.95  | 1,714.71  | -         | -         | -         |
| Present Value of Rentals:                           |           |           |           |           |           |
| - Within one year                                   | 1,843.95  | 2,171.27  | -         | -         | -         |
| - Later than one year and not later than five years | 7,217.68  | 4,176.32  | -         | -         | -         |
| - Later than five years                             | 0.46      | -         | -         | -         | -         |
| Total   | 9,062.22  | 6,352.89  | -         | -         | -         |

29.5 Operating Lease:

(i) FY 2017-2018

The Company has taken vehicles under operating leases. Gross rental expenses of ₹ 155.22 lakh recognised in the Statement of Profit and Loss.

FY 2016-2017

The Company has taken vehicles under operating leases. Gross rental expenses of ₹ 31.56 lakh recognised in the Statement of Profit and Loss.

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

| Particulars   | 2017-2018 | 2016-2017 |
|---|-----------|-----------|
| - Within one year                                   | 27.03     | 26.15     |
| - Later than one year and not later than five years | 36.19     | 37.23     |
| - Later than five years                             | -         | -         |
| Total   | 63.22     | 63.38     |

(ii) FY 2017-2018

The Company has taken IT assets under operating lease. Lease Payments includes ₹ 200.45 lakhs recognised in the Statement of Profit and Loss.

FY 2016-2017

The Company has taken IT assets under operating lease. Lease Payments includes ₹ 582.53 lakhs recognised in the Statement of Profit and Loss.

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

| Particulars   | 2017-2018 | 2016-2017 |
|---|-----------|-----------|
| - Within one year                                   | 22.66     | 108.98    |
| - Later than one year and not later than five years | 31.31     | -         |
| - Later than five years                             | -         | -         |
| Total   | 53.97     | 108.98    |

(iii) FY 2017-2018

The Company has taken premises under operating lease. Lease Payments includes ₹ 1,255.81 lakhs recognised in the Statement of Profit and Loss.

FY 2016-2017

The Company has taken premises under operating lease. Lease Payments includes ₹ 1,208.35 lakhs recognised in the Statement of Profit and Loss.

FY 2015-2016

The Company has taken premises under operating lease. Lease Payments includes ₹ 506.00 lakhs recognised in the Statement of Profit and Loss.

FY 2014-2015

The Company has taken premises under operating lease. Lease Payments includes ₹ 570.00 lakhs recognised in the Statement of Profit and Loss.

FY 2013-2014

The Company has taken premises under operating lease. Lease Payments includes ₹ 877.00 lakhs recognised in the Statement of Profit and Loss.

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

| Particulars   | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
|---|-----------|-----------|-----------|-----------|-----------|
| - Within one year                                   | 2,275.74  | 2,025.48  | 406.00    | 456.00    | 684.00    |
| - Later than one year and not later than five years | 7,410.00  | 1,407.54  | 1,305.00  | 1,265.00  | 945.00    |
| - Later than five years                             | -         | -         | 200.00    | -         | -         |
| Total   | 9,685.74  | 3,433.02  | 1,911.00  | 1,721.00  | 1,629.00  |

Assets given on lease:

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

| Particulars   | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
|---|-----------|-----------|-----------|-----------|-----------|
| - Within one year                                   | 1,244.02  | 3,404.30  | -         | -         | -         |
| - Later than one year and not later than five years | 1,886.45  | 4,006.48  | -         | -         | -         |
| - Later than five years                             | 145.10    | 145.43    | -         | -         | -         |
| Total   | 3,275.57  | 7,556.21  | -         | -         | -         |

29.6 Earnings Per Share:

| Particulars   | 2017-2018 | 2016-2017      | 2015-2016    | 2014-2015    | 2013-2014    |
|---|-----------|----------------|--------------|--------------|--------------|
| Basic   |           |                |              |              |              |
| Profit after tax as per statement of profit and loss (₹ in Lakh)            | A         | 1,604.17       | 8,739.51     | 7,286.03     | 7,635.47     |
| Weighted average number of equity shares outstanding during the year (Nos.) | B         | 1,44,92,08,469 | 20,43,09,610 | 20,43,09,610 | 17,82,13,720 |
| Basic Earning Per Share (₹)   | A/B       | 2.00           | 4.28         | 3.57         | 4.28         |
| Diluted   |           |                |              |              |              |
| Profit after tax as per statement of profit and loss (₹ in Lakh)            | A         | 1,604.17       | 8,739.51     | 7,286.03     | 7,635.47     |
| Weighted average number of equity shares outstanding (Nos.)                 | B         | 1,44,96,47,394 | 20,43,09,610 | 20,43,09,610 | 17,82,13,720 |
| Diluted Earning Per Share (₹)   | A/B       | 2.00           | 4.28         | 3.57         | 4.28         |
| Nominal value of shares (₹)   |           | 10.00          | 10.00        | 10.00        | 10.00        |





| Particulars   | As at<br>March 31, 2016 | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Contingent Liabilities:</b>  |                         |                         |                         |                         |                         |
| a) Claim against the Company not acknowledged as debt   |                         |                         |                         |                         |                         |
| - Income Tax matter in dispute*   | 71.49                   | 71.49                   | -                       | -                       | -                       |
| - Sales tax/VAT / Service Tax matter in dispute*  | 8,541.29                | 2,360.46                | -                       | -                       | -                       |
| - Legal matter in dispute*  | 131.34                  | 106.00                  | 167.55                  | 30.35                   | -                       |
| b) Bank Guarantee   | 3,951.78                | 2,120.90                | 0.26                    | 0.26                    | 0.26                    |
| c) Other money for which the Company is contingently liable<br>Liability towards Letter of Credit/net of margin money | 92,247.90               | 5,258.89                | -                       | -                       | -                       |
| <b>Commitments</b>  |                         |                         |                         |                         |                         |
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for                     | 16,161.14               | 698.67                  | 115.00                  | 81.00                   | 19.00                   |
| b) Undebursed Commitment  | -                       | 4,100.00                | -                       | -                       | -                       |

\*For FY 2017-18 and FY 2016-17

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

For FY 2015-16, FY 2014-15 and FY 2013-14

The Company's pending litigations, having an impact on the financial position, comprise certain proceedings pending with Income Tax and VAT authorities. The Company has reviewed all such pending litigations and proceedings and has adequately provided wherever considered necessary in the financial statements. Refer Note 29.21 for details on VAT matters. In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

- 29.8 Pursuant to the Employees Stock Options Scheme established by the holding company (i.e. L&T Finance Holdings Limited), stock options have been granted to the employees of the Company. Total cost incurred by the holding company in respect of options granted to employees of the company amounts, recovery of the same and future period expense details are following

| Financial Year | Total cost incurred by holding company<br>(i.e. L&T Finance Holdings Limited) | Expense recovered by holding<br>company till end of financial year | Expenses<br>charged/(Reversed) to<br>statement of profit and<br>loss for the year | Remaining expenses to be<br>recovered in future year / period |
|----------------|---|--|---|---|
| (A)            | (B)   | (C)  | (D)   | (E = B-C)   |
| 2017-18        | 1,890.40  | 425.51   | 427.22  | 1,454.89  |
| 2016-17        | 66.36   | 8.29   | 8.29  | 78.07   |
| 2015-16        | 1.77  | 1.77   | 0.02  | 0.02  |
| 2014-15        | 1.77  | 1.75   | 0.16  | 0.16  |
| 2013-14        | 1.77  | 1.6  | 1.60  | 0.17  |

- 29.9 Expenditure in foreign currency:

| Particulars       | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
|-------------------|-----------|-----------|-----------|-----------|-----------|
| Professional Fees | 36.66     | 15.02     | 3.00      | -         | -         |
| License Fees      | 154.72    | 1.08      | 1.00      | 1.90      | -         |
| Subscription Fees | -         | -         | -         | -         | 1.00      |

- 29.10 Frauds committed against the company:

| Particulars  | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
|--|-----------|-----------|-----------|-----------|-----------|
| No. of cases of fraud which occurred during the year | 12        | 20        | 7         | 13        | 15        |
| Amount involved                                      | 62.52     | 58.21     | 24.84     | 55.45     | 19.20     |
| Amount recovered                                     | 2.09      | 11.23     | 6.48      | 1.12      | 13.10     |
| Amount provided/loss                                 | 60.43     | 46.98     | 18.36     | 54.33     | 6.10      |

- 29.11 The Company has entered into currency swap transactions with a view to hedge the currency risk of its USD borrowings. Accordingly the company has revalued the foreign currency borrowing and currency swap at the balance sheet date.

| Particulars                                | As at March 31,<br>2018 | As at March 31, 2017 | As at March 31,<br>2016 | As at March 31,<br>2015 | As at March 31,<br>2014 |
|--|-------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Liability - External Commercial Borrowings | USD 1,55,06,284         | USD 2,00,00,000      | -                       | -                       | -                       |
| Assets - Currency Swap Contracts           | USD 1,55,06,284         | USD 2,00,00,000      | -                       | -                       | -                       |



29.12 FY 2017-18 and FY 2016-17

- (i) Appropriations to the Special Reserve under Section 35(1)(iii) of Income Tax Act, 1961 are arrived out of the distributable profits of the company.
- (ii) Appropriation to the Debenture Redemption Reserve has been created in terms of Section 71(4) of the Companies Act, 2013 is arrived out of distributable profits of the Company.
- (iii) FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15 and FY 2013-14  
During the year, the Company has charged off debenture issue expenses net of tax ₹ 17.359 lakh (FY 2016-17 ₹ 124.39 lakh, FY 2015-16 ₹ 95.87 lakh, FY 2014-15 ₹ 196.9 lakh, FY 2013-14 ₹ 7.99 lakh) to the Securities Premium Account in accordance with Section 52 of the Companies Act, 2013.
- (iv) Appropriations to the Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 are arrived out of the distributable profits of the company.

29.13 Corporate Social Responsibility (CSR)

FY 2017-18, FY 2016-17, FY 2015-16, FY 2014-15

Amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 176.41 lakh (FY 2016-17 ₹ 208.39 lakh, FY 2015-16 ₹ 166.18 lakh, FY 2014-15 ₹ 1.11 lakh).

(a) The amount recognised as expense in the Statement of Profit and Loss on CSR related activities during the years, which comprises of

| Particulars                                | 2017-18 |                        |        | 2016-17 |                        |        | 2015-16 |                        |        | 2014-2015 |                        |       |
|--|---------|------------------------|--------|---------|------------------------|--------|---------|------------------------|--------|-----------|------------------------|-------|
|  | In cash | Yet to be paid in cash | Total  | In cash | Yet to be paid in cash | Total  | In cash | Yet to be paid in cash | Total  | In cash   | Yet to be paid in cash | Total |
| (a) Amount spent during the year on        |         |                        |        |         |                        |        |         |                        |        |           |                        |       |
| (i) Construction/ acquisition of any asset |         |                        |        |         |                        |        |         |                        |        |           |                        |       |
| (ii) On purposes other than (i) above      | 181.28  | -                      | 181.28 | 212.57  | -                      | 212.57 | 166.18  | -                      | 166.18 | 1.11      | -                      | 1.11  |

FY 2013-14

CSR not applicable for FY 2013-14

29.14 Change in accounting estimates:

FY 2015-16

a. Provisioning and income recognition on loan portfolio

(i) During FY 2015-16, the Company has started reversal of unrealised income at 120 days past due as against 150 days past due in respect of retail loans. As a result, interest income recognized is lower by Rs. 10 crores.

(ii) During FY 2015-16, the Company has realigned its provisioning policy for standard assets to 0.35% in respect of all loan portfolio. As a result, the provision for standard assets and charge to statement of profit and loss is lower by Rs. 8.21 crores.

(iii) During FY 2015-16, the Company has revised its NPA provisioning policy. As a result of this, the charge to Profit & Loss A/c statement is lower by 7.69 crores.

FY 2014-15

a. Provisioning and income recognition on loan portfolio

i. During FY 2014-15, the Company has revised its estimate of the useful life of the new vehicle hypothecated towards vehicle loans given by the Company from 5 years to 10 years in determining the security value of the underlying vehicle. Had the Company continued to use earlier estimate, the charge to the statement of profit and loss would have been higher by Rs. 103.72 lacs.

ii. During FY 2014-15, the Company has started reversal of unrealised income at 150 days past due as against 180 days past due in respect of retail loans. As a result, interest income recognized is lower by Rs. 370.11 lacs.

iii. During FY 2014-15, the Company has increased the provisioning for standard assets from 0.25% to 0.30% in respect of auto loans, loan against shares and term loan portfolio. As a result, the provision for standard assets and charge to statement of profit and loss is higher by Rs. 85.51 lacs.

b. Depreciation of tangible and intangible assets

In accordance with the requirements of Schedule II to the Companies Act, 2013, the Company has re-assessed the useful lives and residual value of its fixed assets as at April 1, 2014. As a result of this change, the depreciation charge for the year is lower by Rs. 10.91 lacs.

FY 2013-14

a. During FY 2013-14, the Company has changed its estimate of provision for loss on automobile loan to align the provisioning policy followed by the other retail entities of L & T Finance Holdings Limited (the Holding Company). Had the Company continued to use earlier estimate, the write back to the statement of profit and loss would have been lower by Rs. 2228 lacs.



23.15 (f) Details of accounts restructured during the year ended March 31, 2018

| Type of Restructuring  | Under CDR Mechanism                           |             |          |      |          |            |             |            |      |            | Others     |             |            |      | Total      |  |  |  |
|--|---|-------------|----------|------|----------|------------|-------------|------------|------|------------|------------|-------------|------------|------|------------|--|--|--|
| Asset Classification   | Standard                                      | SubStandard | Doubtful | Loss | Total    | Standard   | SubStandard | Doubtful   | Loss | Total      | Standard   | SubStandard | Doubtful   | Loss | Total      |  |  |  |
| 1 Restructured Accounts as on April 1, 2017  | No. of borrowers                              | -           | 1.00     | -    | 1.00     | 3,890.00   | -           | 3.00       | -    | 3,893.00   | 3,890.00   | -           | 4.00       | -    | 3,894.00   |  |  |  |
|  | Amount outstanding Restructured facility only | -           | 1,501.35 | -    | 1,501.35 | 26,508.25  | -           | 4,661.14   | -    | 31,169.39  | 26,508.25  | -           | 6,162.49   | -    | 32,870.74  |  |  |  |
|  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Provision thereon                             | -           | -        | -    | -        | -          | -           | 2,904.67   | -    | 7,019.93   | 4,115.26   | -           | 4,519.02   | -    | 8,634.28   |  |  |  |
|  | No. of borrowers                              | -           | 1,514.35 | 1.00 | -        | 1,515.35   | 3,890.00    | 3.00       | -    | 3,893.00   | 3,890.00   | -           | 4.00       | -    | 3,894.00   |  |  |  |
| 2 Movement in balance for accounts appearing under opening balance   | Amount outstanding Restructured facility only | -           | (13.17)  | -    | (13.17)  | (5,344.91) | -           | (1,535.87) | -    | (6,880.78) | (5,344.91) | -           | (1,549.04) | -    | (6,893.95) |  |  |  |
|  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Provision thereon                             | -           | (16.50)  | -    | -        | (16.50)    | 639.97      | (398.62)   | -    | 441.35     | 639.97     | -           | (415.13)   | -    | 424.84     |  |  |  |
|  | No. of borrowers                              | -           | -        | -    | -        | -          | 1.00        | -          | -    | 1.00       | -          | -           | -          | -    | 1.00       |  |  |  |
|  | Amount outstanding Restructured facility only | -           | -        | -    | -        | -          | 1,082.38    | -          | -    | 1,082.38   | -          | -           | -          | -    | 1,082.38   |  |  |  |
| 3 Fresh restructuring during the year  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Provision thereon                             | -           | -        | -    | -        | -          | 229.38      | -          | -    | 229.38     | -          | -           | -          | -    | 229.38     |  |  |  |
|  | No. of borrowers                              | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Amount outstanding Restructured facility only | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
| 4 Upgrades to restructured standard category during the FY   | Provision thereon                             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | No. of borrowers                              | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Amount outstanding Restructured facility only | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Provision thereon                             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
| 5 Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY | No. of borrowers                              | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Amount outstanding Restructured facility only | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Provision thereon                             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | -   | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
| 6 Downgradations of restructured accounts during the FY  | No. of borrowers                              | -           | -        | -    | -        | (811.00)   | 775.00      | 38.00      | -    | -          | (811.00)   | 775.00      | 36.00      | -    | -          |  |  |  |
|  | Amount outstanding Restructured facility only | -           | -        | -    | -        | (9,617.99) | 4,484.28    | 133.71     | -    | -          | (9,617.99) | 4,484.28    | 133.71     | -    | 0.00       |  |  |  |
|  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Provision thereon                             | -           | -        | -    | -        | (3,557.80) | 4,494.33    | 63.47      | -    | -          | (3,557.80) | 4,494.33    | 63.47      | -    | (0.00)     |  |  |  |
|  | -   | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
| 7 Write-offs of restructured accounts during the FY  | No. of borrowers                              | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Amount outstanding Restructured facility only | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Provision thereon                             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | -   | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
| 8 Restructured Accounts as on March 31, 2018   | No. of borrowers                              | -           | 1.00     | -    | 1.00     | 2,385.00   | 776.00      | 38.00      | -    | 3,199.00   | 2,385.00   | 776.00      | 39.00      | -    | 3,200.00   |  |  |  |
|  | Amount outstanding Restructured facility only | -           | 1,488.18 | -    | 1,488.18 | 11,545.35  | 10,566.87   | 3,268.87   | -    | 25,379.99  | 11,545.35  | 10,566.87   | 4,747.18   | -    | 26,859.18  |  |  |  |
|  | Amount outstanding other facility             | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |
|  | Provision thereon                             | -           | 1,597.85 | -    | 1,597.85 | 1,397.43   | 3,723.71    | 2,569.51   | -    | 7,690.65   | 1,397.43   | 3,723.71    | 4,167.36   | -    | 9,268.50   |  |  |  |
|  | -   | -           | -        | -    | -        | -          | -           | -          | -    | -          | -          | -           | -          | -    | -          |  |  |  |





| S.No | Type of Restructuring  | Under CDR Mechanism |              |          |      | Others |          |              |          | Total |       |          |              |
|------|--|---------------------|--------------|----------|------|--------|----------|--------------|----------|-------|-------|----------|--------------|
|      |  | Standard            | Sub Standard | Doubtful | Loss | Total  | Standard | Sub Standard | Doubtful | Loss  | Total | Standard | Sub Standard |
| 1    | Restructured Accounts as on April 1, 2016  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |
| 2    | Restructured Accounts transfer on account of amalgamation  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |
| 3    | Movement in balance for accounts appearing under opening balance   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |
| 4    | Fresh restructuring during the year  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |
| 5    | Upgradations to restructured standard category during the FY   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |
| 6    | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |
| 7    | Degradations of restructured accounts during the FY  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |
| 8    | Write-offs of restructured accounts during the FY  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |
| 9    | Restructured Accounts as on March 31, 2017   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | No. of borrowers   |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding Restructured facility only  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Amount outstanding other facility  |                     |              |          |      |        |          |              |          |       |       |          |              |
|      | Provision thereon  |                     |              |          |      |        |          |              |          |       |       |          |              |



**L&T Finance Limited (erstwhile Family Credit Limited)**

**Notes forming part of the Reformatted Standalone Financial Information**

**29.15 (iii) Details of accounts restructured during the year ended March 31, 2016**

| Type of Restructuring |  | Others   |                |          | Total |          |          | Total          |          |      | ₹ in lakh |
|-----------------------|--|----------|----------------|----------|-------|----------|----------|----------------|----------|------|-----------|
| Asset Classification  |  | Standard | Sub - Standard | Doubtful | Loss  | Total    | Standard | Sub - Standard | Doubtful | Loss |           |
| 1                     | Restructured Accounts as on April 1, 2015  |          |                |          |       |          |          |                |          |      |           |
|                       | No. of borrowers   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Amount outstanding   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Provision thereon  | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
| 2                     | Fresh restructuring during the year  |          |                |          |       |          |          |                |          |      |           |
|                       | No. of borrowers   | -        | 1.00           | -        | -     | 1.00     | -        | 1.00           | -        | -    | 1.00      |
|                       | Amount outstanding <sup>1</sup>  | -        | 1,443.58       | -        | -     | 1,443.58 | -        | 1,443.58       | -        | -    | 1,443.58  |
|                       | Provision thereon <sup>2</sup>   | -        | 214.97         | -        | -     | 214.97   | -        | 214.97         | -        | -    | 214.97    |
| 3                     | Upgradations to restructured standard category during the FY   |          |                |          |       |          |          |                |          |      |           |
|                       | No. of borrowers   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Amount outstanding   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Provision thereon  | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
| 4                     | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY |          |                |          |       |          |          |                |          |      |           |
|                       | No. of borrowers   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Amount outstanding   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Provision thereon  | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
| 5                     | Downgradations of restructured accounts during the FY  |          |                |          |       |          |          |                |          |      |           |
|                       | No. of borrowers   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Amount outstanding   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Provision thereon  | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
| 6                     | Write-offs of restructured accounts during the FY (refer foot note 2 below)  |          |                |          |       |          |          |                |          |      |           |
|                       | No. of borrowers   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Amount outstanding   | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
|                       | Provision thereon  | -        | -              | -        | -     | -        | -        | -              | -        | -    | -         |
| 8                     | Restructured Accounts as on March 31, 2016   |          |                |          |       |          |          |                |          |      |           |
|                       | No. of borrowers   | -        | 1.00           | -        | -     | 1.00     | -        | 1.00           | -        | -    | 1.00      |
|                       | Amount outstanding   | -        | 1,443.58       | -        | -     | 1,443.58 | -        | 1,443.58       | -        | -    | 1,443.58  |
|                       | Provision thereon  | -        | 214.97         | -        | -     | 214.97   | -        | 214.97         | -        | -    | 214.97    |

**Foot note:**

1. Amount outstanding includes FITL.
2. Provision includes NPA Provision and Specific Loss Provision
3. There are no restructuring under Corporate Debt Restructuring Forum and SME Debt Restructuring Mechanism

**29.15: (iv) Details of accounts restructured during the year ended March 31, 2015**

Nil

**29.16: (v) Details of accounts restructured during the year ended March 31, 2014**



29.16 The Company has invoked pledge of equity shares in the following companies, pledged with the Company as collateral by the borrowers and these shares are being held by the Company as bailee. As and when the shares are sold, the proceeds would be adjusted against the overdue portion of the loan then remaining outstanding.

| 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 | As at March 31, 2014 |
| i) Saumya Mining Limited                                    | 5,13,012                     | 5,13,012             | -                    | -                    | -                    |
| ii) Sew Vizag Coal Terminal Private Limited*                | 7,03,833                     | 7,03,833             | -                    | -                    | -                    |
| iii) Bhushan Steel Limited                                  | 71,89,089                    | 71,89,089            | 30,22,354            | -                    | -                    |
| iv) Sterling International Enterprises Limited              | 2,17,308                     | 2,17,308             | -                    | -                    | -                    |
| v) Tello Telecom Limited                                    | 14,01,762                    | 14,01,762            | -                    | -                    | -                    |
| vi) Punjab Lloyed Limited                                   | 5                            | 5                    | -                    | -                    | -                    |
| vii) Golden Tobacco Limited                                 | 10,000                       | 10,000               | -                    | -                    | -                    |
| viii) Gajural Highway Corporation Limited                   | 70,000                       | 70,000               | -                    | -                    | -                    |
| ix) Vakrangee Limited                                       | 61,524                       | -                    | -                    | -                    | -                    |
| x) Hindustan National Glass & Industries Ltd                | 38,02,235                    | -                    | -                    | -                    | -                    |
| xi) Brij Bhushan Singhani (Shares of Bhushan Steel Limited) | -                            | -                    | -                    | 10,22,500            | -                    |
| xii) Neeraj Singhani (Shares of Bhushan Steel Limited)      | -                            | -                    | -                    | 19,90,854            | -                    |

\*Shares held on behalf of L&T Infrastructure Finance Company Limited.

29.17 FY 2017-18 & FY 2016-17  
The following additional information (other than what is already disclosed elsewhere) is disclosed in the terms of Master Direction DNBR, PD, 008/03, 10.119/2016-17 dated September 01, 2016 as amended.

FY 2015-16 : FY 2014-15 & FY 2013-14  
Additional disclosure required by RBI/2014-15/299 DNBR (PD) CC.No.002/03, 10.001/2014-15

1. Capital :

| Particulars   | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| i) CRAR (%)   | 17.92%               | 16.42%               | 16.36%               | 17.08%               | 16.49%               |
| ii) CRAR - Tier I Capital (%)   | 15.84%               | 13.36%               | 11.96%               | 13.44%               | 13.84%               |
| iii) CRAR - Tier II Capital (%)   | 2.28%                | 3.06%                | 4.41%                | 3.64%                | 2.65%                |
| iv) Amount of subordinated debt raised during the year as Tier-II capital | -                    | -                    | 10,000.00            | 4,000.00             | 7,500.00             |
| v) Amount raised during the year by issue of Perpetual Debt Instruments   | -                    | -                    | 5,000.00             | -                    | -                    |

2. Investments :

| Particulars  | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| (1) Value of Investments   |                      |                      |                      |                      |                      |
| (i) Gross Value of Investments   |                      |                      |                      |                      |                      |
| (a) In India   | 2,47,781.35          | 3,14,090.01          | 4,514.99             | 17,629.72            | 20,800.00            |
| (b) Outside India  | -                    | -                    | -                    | -                    | -                    |
| (ii) Provisions for Depreciation   |                      |                      |                      |                      |                      |
| (a) In India   | 6,467.51             | 4,393.03             | 153.94               | 15.20                | -                    |
| (b) Outside India  | -                    | -                    | -                    | -                    | -                    |
| (iii) Net Value of Investments   |                      |                      |                      |                      |                      |
| (a) In India   | 2,41,293.84          | 3,09,696.98          | 4,361.05             | 17,614.52            | 20,800.00            |
| (b) Outside India  | -                    | -                    | -                    | -                    | -                    |
| (2) Movement of provisions held towards depreciation on investments                                      |                      |                      |                      |                      |                      |
| (i) Opening balance  | 4,393.03             | 153.94               | 15.20                | -                    | -                    |
| (ii) Add: Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation | -                    | 1,550.91             | -                    | -                    | -                    |
| (iii) Add: Provisions made during the year*  | 3,562.08             | 2,827.01             | 136.74               | 15.20                | -                    |
| (iv) Less: Write-off / write-back of excess provisions during the year                                   | 1,517.61             | 238.63               | -                    | -                    | -                    |
| (v) Closing balance  | 6,467.50             | 4,393.03             | 153.94               | 15.20                | -                    |

3. Derivatives :

i) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

| Particulars  | 2017-18   | 2016-17   | 2015-2016 | 2014-2015 | 2013-2014 |
|--|-----------|-----------|-----------|-----------|-----------|
| (i) The notional principal of swap agreements  | 10,000.00 | 12,970.00 | -         | -         | -         |
| (ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements | 10.06     | 266.00    | -         | -         | -         |
| (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  | 10.06     | 266.00    | -         | -         | -         |

Exchange Traded Interest Rate (ER) 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 & March 31, 2014.

Disclosures on Risk Exposure in Derivatives (For FY 2017-18 and FY 2016-17)

#### Qualitative Disclosure

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI.



i) The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

| Particulars  | ₹ in Lakh            |                      |                                   |                      |                      |
|--|----------------------|----------------------|-----------------------------------|----------------------|----------------------|
|  | As at March 31, 2018 | As at March 31, 2017 | No. / Amount As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
| 1. No of SPVs sponsored by the NBFC for securitization transactions *                                | 2                    | 1                    | -                                 | -                    | -                    |
| 2. Total amount of securitised assets as per books of the SPVs sponsored                             | 50,805.18            | 20,476.51            | -                                 | -                    | -                    |
| 3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet |                      |                      |                                   |                      |                      |
| a) Off-balance sheet exposures   |                      |                      |                                   |                      |                      |
| First loss   | -                    | -                    | -                                 | -                    | -                    |
| Others   | -                    | -                    | -                                 | -                    | -                    |
| b) On-balance sheet exposures  |                      |                      |                                   |                      |                      |
| First loss   | 6,473.74             | 2,252.47             | -                                 | -                    | -                    |
| Others   | -                    | -                    | -                                 | -                    | -                    |
| 4. Amount of exposures to securitisation transactions other than MRR                                 |                      |                      |                                   |                      |                      |
| a) Off-balance sheet exposures   |                      |                      |                                   |                      |                      |
| i) Exposure to own securitizations   |                      |                      |                                   |                      |                      |
| First loss   | -                    | -                    | -                                 | -                    | -                    |
| Loss   | -                    | -                    | -                                 | -                    | -                    |
| ii) Exposure to third party securitizations  |                      |                      |                                   |                      |                      |
| First loss   | -                    | -                    | -                                 | -                    | -                    |
| Others   | -                    | -                    | -                                 | -                    | -                    |
| b) On-balance sheet exposures  |                      |                      |                                   |                      |                      |
| i) Exposure to own securitizations   |                      |                      |                                   |                      |                      |
| First loss   | -                    | -                    | -                                 | -                    | -                    |
| Others   | -                    | -                    | -                                 | -                    | -                    |
| ii) Exposure to third party securitizations  |                      |                      |                                   |                      |                      |
| First loss   | -                    | -                    | -                                 | -                    | -                    |
| Others   | -                    | -                    | -                                 | -                    | -                    |

Details of securitisation transactions undertaken by applicable NBFCs:

| Particulars  | 2017-18   | 2016-17   | 2015-16 | 2014-15 | 2013-14 |
|--|-----------|-----------|---------|---------|---------|
| (i) No. of accounts  | 1,61,572  | 12,037    | -       | -       | -       |
| (ii) Aggregate value (net of provisions) of accounts securitised                           | 30,128.87 | 20,476.51 | -       | -       | -       |
| (iii) Aggregate consideration  | 30,128.87 | 20,476.51 | -       | -       | -       |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | -         | -         | -       | -       | -       |
| (v) Aggregate gain / (loss) over net book value  | -         | -         | -       | -       | -       |

ii) Details of Assignment transactions undertaken by applicable NBFCs:

| Particulars  | 2017-18 | 2016-17   | 2015-16 | 2014-15 | 2013-14 |
|--|---------|-----------|---------|---------|---------|
| (i) No. of accounts  | -       | 7,388     | -       | -       | -       |
| (ii) Aggregate value (net of provisions) of accounts sold                                  | -       | 12,252.14 | -       | -       | -       |
| (iii) Aggregate consideration  | -       | 12,720.36 | -       | -       | -       |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | -       | -         | -       | -       | -       |
| (v) Aggregate gain / (loss) over net book value*   | -       | 468.24    | -       | -       | -       |

iii) Details of non-performing financial assets purchased:

| Particulars   | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---|---------|---------|---------|---------|---------|
| (a) No. of accounts purchased during the year                 | -       | -       | -       | -       | 7.00    |
| (b) Aggregate outstanding                                     | -       | -       | -       | -       | 8.36    |
| (c) Of these, number of accounts restructured during the year | -       | -       | -       | -       | -       |
| (d) Aggregate outstanding                                     | -       | -       | -       | -       | -       |

iv) Financial asset sold to Securitisation/Reconstruction company for Asset reconstruction

| Particulars   | 2017-18    | 2016-17    | 2015-16 | 2014-15 | 2013-14 |
|---|------------|------------|---------|---------|---------|
| 1. No. of accounts sold   | 5          | 2          | -       | -       | -       |
| 2. Aggregate value (net of provision) of accounts sold to SCRC (₹ lakh)                           | 19,489.97  | 10,863.04  | -       | -       | -       |
| 3. Aggregate consideration (₹ lakh)   | 18,397.05  | 7,667.00   | -       | -       | -       |
| 4. Additional consideration realized in respect of accounts transferred in earlier years (₹ lakh) | -          | -          | -       | -       | -       |
| 5. Aggregate Gain/(Loss) over net book Value (₹ lakh)   | (1,072.82) | (2,996.04) | -       | -       | -       |

FY 2016-17

During the year the Company sold certain Non Performing Assets (NPA) to Reconstruction Company. In term of notification RBI/2015-16/423/DBR.No.BP.BC.102/21.04.048/2015-16 dated June 13, 2016, the effect of sale value over the net book value has been spread over period of four quarters.



5. Exposures

(i) Exposure to Real Estate Sector

| ₹ in Lakh  |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Particulars  | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
| <b>Direct Exposure</b>   |                      |                      |                      |                      |                      |
| (i) Residential Mortgages -<br>Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented  | 14,553.41            | 3,04,486.38          | 8,544.90             | 8,695.00             | 11,487.00            |
| (ii) Commercial Real Estate -<br>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-hand based links | 8,29,100.48          | 1,38,021.14          | 21,271.00            | 10,908.00            | 11,562.00            |
| (iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -  |                      |                      |                      |                      |                      |
| a. Residential   | -                    | -                    | -                    | -                    | -                    |
| b. Commercial Real Estate  | -                    | -                    | -                    | -                    | -                    |
| <b>Total Exposure to Real Estate Sector</b>  | <b>6,43,653.87</b>   | <b>4,40,507.52</b>   | <b>27,815.90</b>     | <b>19,603.00</b>     | <b>23,029.00</b>     |

(ii) Exposure to Capital Market

| ₹ in Lakh   |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Particulars   | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
| (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;  | 29,144.85            | 20,047.87            | 325.00               | 2,300.00             | 2,309.00             |
| (ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/SOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;  | -                    | -                    | -                    | -                    | -                    |
| (iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;   | 3,05,132.55          | 2,55,450.11          | 19,540.00            | 18,700.97            | 19,808.46            |
| (iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances; | -                    | -                    | -                    | -                    | -                    |
| (v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;   | -                    | -                    | -                    | -                    | -                    |
| (vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;  | -                    | -                    | 8,000.00             | 8,000.00             | -                    |
| (vii) bridge loans to companies against expected equity flows / issues;   | -                    | -                    | -                    | -                    | -                    |
| (viii) all exposures to Venture Capital Funds (both registered and unregistered)  | 12,211.17            | 10,532.49            | -                    | -                    | -                    |
| <b>Total Exposure to Capital Market</b>   | <b>3,46,468.57</b>   | <b>2,94,030.47</b>   | <b>45,865.00</b>     | <b>27,000.97</b>     | <b>22,108.46</b>     |

(iii) Details of financing of parent company products: FY 2017-18 : NIL, FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL, FY 2013-14 : NIL

(iv) The company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as defined in RBI

(v) Unsecured Advances (net off provision):

| ₹ in Lakh      |                      |                      |                      |                      |                      |
|----------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Particulars    | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
| Term loans     | 10,64,012.41         | 7,02,483.03          | 28,140.94            | 18,332.01            | -                    |
| Debentures     | 23,300.00            | 54,130.00            | 14,000.00            | -                    | -                    |
| Personal Loans | -                    | -                    | 52,641.91            | 8,349.03             | -                    |
| <b>Total</b>   | <b>10,87,612.41</b>  | <b>7,56,613.03</b>   | <b>92,782.85</b>     | <b>26,681.04</b>     | <b>-</b>             |





(i) Registration obtained from other financial sector regulators : No registration has been obtained from other financial sector regulators.

(ii) Penalties imposed by RBI and other regulators : No penalties have been imposed by RBI or other regulators during the year. (FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL, FY 2013-14 : NIL.)

(iii) Ratings assigned by credit rating agencies and migration of ratings during the year

| Particular                                    | 2017-2018            |                      | 2016-2017            |                      | 2015-2016 |                      | 2014-2015    |                         | 2013-2014 |                      |
|---|----------------------|----------------------|----------------------|----------------------|-----------|----------------------|--------------|-------------------------|-----------|----------------------|
|   | CARE                 | ICRA                 | CARE                 | ICRA                 | CARE      | ICRA                 | CARE         | ICRA                    | CARE      | ICRA                 |
| (i) Commercial Paper                          | CARE A1+             | ICRA A1+             | CARE A1+             | Not Rated            | CARE A1+  | Not rated            | CARE A1+     | Not rated               | CARE A1+  | Not rated            |
| (ii) Non-Convertible Debentures               | CARE AAA<br>(Stable) | ICRA AA+<br>(Stable) | CARE AA+<br>(Stable) | ICRA AA+<br>(Stable) | CARE AA+  | ICRA AA+<br>(Stable) | CARE AA+ *   | ICRA AA+<br>(Stable)*   | CARE AA   | ICRA AA+<br>(Stable) |
| (iii) Bank Loans                              |                      |                      |                      |                      |           |                      |              |                         |           |                      |
| Long Term                                     | CARE AAA<br>(Stable) | Not Rated            | CARE AA+<br>(Stable) | Not Rated            | CARE AA+  | Not rated            | CARE AA+ **  | Not rated               | CARE AA   | Not rated            |
| Short Term                                    | CARE AAA<br>(Stable) | Not Rated            | CARE AA+<br>(Stable) | Not Rated            | CARE AA+  | Not rated            | CARE AA+ **  | Not rated               | CARE AA   | Not rated            |
| (iv) Subordinate Debts                        | CARE AAA<br>(Stable) | ICRA AA+<br>(Stable) | CARE AA+<br>(Stable) | ICRA AA+<br>(Stable) | CARE AA+  | ICRA AA+<br>(Stable) | CARE AA+ *** | ICRA AA+<br>(Stable)*** | CARE AA   | ICRA AA<br>(Stable)  |
| (v) Perpetual Debt                            | CARE AA+<br>(Stable) | ICRA AA<br>(Stable)  | CARE AA<br>(Stable)  | ICRA AA<br>(Stable)  | CARE AA   | ICRA AA<br>(Stable)  | Not rated    | Not rated               | Not rated | Not rated            |
| (vi) Non-Convertible Debentures(Public Issue) | CARE AAA<br>(Stable) | ICRA AA+<br>(Stable) | CARE AA+<br>(Stable) | ICRA AA+<br>(Stable) | Not rated | Not rated            | Not rated    | Not rated               | Not rated | Not rated            |

FY 2014-15

\* The Company has migrated from CARE AA to CARE AA+ on 11th August, 2014 and from ICRA AA to ICRA AA+ on 12th September, 2014.

\*\*The Company has migrated from CARE AA to CARE AA+ on 11th August 2014.

\*\*\*The Company has migrated from CARE AA to CARE AA+ on 11th August 2014 and from ICRA AA to ICRA AA+ on 12th September, 2014.

(iv) Postponements of revenue recognition: FY 2017-18 : NIL, FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL, 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.

## 7. Provisions and Contingencies :

(i) 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  | 2013-2014  |
|--|-------------|-------------|-----------|------------|------------|
| Provision for depreciation on Investments        | 1,824.36    | 2,588.18    | 138.74    | 15.20      | -          |
| Provision towards Non Performing Assets          | 53,135.12   | 35,900.85   | 2,945.29  | 601.79     | (3,516.95) |
| Provision made towards Income tax                |             |             |           |            |            |
| - Current Tax                                    | 29,702.14   | 13,783.40   | 5,542.01  | 4,522.00   | 0.40       |
| - Deferred Tax                                   | (15,240.83) | (12,548.83) | (849.95)  | (1,619.21) | (1,100.00) |
| Other Provision and Contingencies (with details) |             |             |           |            |            |
| Provision for Standard Assets                    | (13,061.74) | 16,408.22   | (347.39)  | 1,047.77   | 245.00     |
| Provision of Restructured Assets                 | (886.90)    | 180.23      | -         | -          | -          |

(ii) Drawn down from reserves: No draw down from reserves during the FY 2017-18 : NIL, FY 2016-17 : NIL, FY 2015-16 : NIL, FY 2014-15 : NIL, FY 2013-14 : NIL

## 8. Concentration of Advances, Exposures and NPAs

(i) Concentration of Advances

| Particulars   | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014* |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Total Advances to twenty largest borrowers  | 7,30,176.19          | 5,82,747.03          | 1,18,535.56          | 59,467.00            | Not Applicable        |
| Percentage of Advances to twenty largest borrowers to Total Advances of the Company | 18.85%               | 20.10%               | 23.01%               | 16.80%               | Not Applicable        |
| * Not Applicable for FY 2013-14   |                      |                      |                      |                      |                       |

(ii) Concentration of Exposures

| Particulars  | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014** |
|--|----------------------|----------------------|----------------------|----------------------|------------------------|
| Total Exposure to twenty largest borrowers / customers*  | 7,79,757.08          | 6,83,746.03          | 1,18,625.00          | 59,776.00            | Not Applicable         |
| Percentage of Total Exposure to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers * | 18.81%               | 20.05%               | 22.96%               | 18.87%               | Not Applicable         |
| * Undisbursed commitments are considered as Nil on account of conditions precedent to disbursements.                             |                      |                      |                      |                      |                        |
| ** Not Applicable for FY 2013-14   |                      |                      |                      |                      |                        |

(iii) Concentration of NPAs

| Particulars                             | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014* |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Total Exposure to top four NPA accounts | 37,898.88            | 23,212.41            | 5,449.00             | 81.90                | Not Applicable        |
| * Not Applicable for FY 2013-14         |                      |                      |                      |                      |                       |

(iv) Sector-wise NPAs

| Particulars                       | Percentage to Total Advances in that Sector |                      |                      |                      |                       |
|-----------------------------------|---|----------------------|----------------------|----------------------|-----------------------|
|                                   | As at March 31, 2018                        | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014* |
| 1 Agriculture & allied activities | 9.88%                                       | 13.35%               | 0.00%                | 0.00%                | Not Applicable        |
| 2 MSME                            | 7.97%                                       | 4.61%                | 0.00%                | 0.00%                | Not Applicable        |
| 3 Corporate borrowers             | 4.11%                                       | 3.85%                | 3.68%                | 0.00%                | Not Applicable        |
| 4 Services                        | 4.44%                                       | 3.30%                | 0.00%                | 0.00%                | Not Applicable        |
| 5 Unsecured personal loans        | 4.74%                                       | 0.59%                | 0.72%                | 2.83%                | Not Applicable        |
| 6 Auto loans                      | 12.34%                                      | 17.68%               | 7.58%                | 3.73%                | Not Applicable        |
| 7 Other personal loans            | 7.09%                                       | 8.32%                | 1.72%                | 1.42%                | Not Applicable        |
| * Not Applicable for FY 2013-14   |   |                      |                      |                      |                       |



| Particulars  | 2017-18     | 2016-17     | 2015-16   | 2014-15   | 2013-14* |
|--|-------------|-------------|-----------|-----------|----------|
| (i) Net NPAs to Net Advances (%)   | 2.81%       | 3.98%       | 3.36%     | 1.14%     | 0.74%    |
| (ii) Movement of NPAs (Gross)  |             |             |           |           |          |
| (a) Opening balance  | 1,90,521.56 | 26,735.95   | 10,548.57 | 8,185.41  | 9,590.90 |
| (b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation | -           | 91,162.88   | -         | -         | -        |
| (c) Additions during the year  | 2,23,187.50 | 2,13,534.35 | 23,824.89 | 7,499.20  | 4,130.87 |
| (d) Reductions during the year   | 1,78,045.25 | 1,40,911.42 | 7,637.48  | 5,138.04  | 5,842.38 |
| (e) Closing balance  | 2,37,663.81 | 1,90,521.56 | 26,735.95 | 10,548.57 | 8,185.41 |
| (iii) Movement of Net NPAs   |             |             |           |           |          |
| (a) Opening balance  | 1,13,764.97 | 18,919.18   | 3,927.75  | 2,166.52  | 480.85   |
| (b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation | -           | 60,453.12   | 0.00      | 0.00      | 0.00     |
| (c) Additions during the year  | 1,17,375.14 | 1,48,599.02 | 15,327.62 | 2,800.05  | 1,871.59 |
| (d) Reductions during the year   | 1,24,663.95 | 1,10,208.35 | 2,336.20  | 1,038.92  | 183.82   |
| (e) Closing balance  | 1,06,478.13 | 1,13,764.97 | 16,919.17 | 3,927.75  | 2,166.82 |
| (iv) Movement of provisions for NPAs (excluding provisions on standard assets)                     |             |             |           |           |          |
| (a) Opening balance  | 76,758.59   | 9,816.77    | 6,620.82  | 6,018.79  | 9,538.05 |
| (b) Transferred of erstwhile L&T Fincorp Limited and erstwhile L&T Finance Limited on Amalgamation | -           | 30,709.96   | 0.00      | 0.00      | 0.00     |
| (c) Provisions made during the year  | 1,05,812.36 | 66,935.33   | 8,497.24  | 4,699.15  | 2,256.28 |
| (d) Write-off / write-back of excess provisions  | 51,381.27   | 30,705.07   | 5,301.28  | 4,097.12  | 5,778.54 |
| (e) Closing balance  | 1,31,187.68 | 76,758.59   | 9,816.78  | 6,620.82  | 9,518.79 |

Note: FY 2017-18

Loan assets identified as NPA and upgraded to standard assets during the same quarter have been excluded in above disclosure except for NPA identified and sold to Securitisation/Reconstruction company for Asset reconstruction.

18. Disclosure of Customer Complaints

| Particulars  | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14*       |
|--|---------|---------|---------|---------|----------------|
| (i) No. of complaints pending at the beginning of the year | -       | -       | 3       | 5       | Not Applicable |
| (ii) No. of complaints transferred from Transferor company | -       | 1       | -       | -       | Not Applicable |
| (iii) No. of complaints received during the year           | 2,105   | 3,954   | 1,788   | 891     | Not Applicable |
| (iv) No. of complaints redressed during the year           | 2,105   | 3,965   | 1,791   | 963     | Not Applicable |
| (v) No. of complaints pending at the end of the year       | -       | -       | -       | 3       | Not Applicable |

\* Not Applicable for FY 2013-14





29.18

Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2018 is disclosed in terms of RBI circular DBR.No.BP.BC.33/21.04.132/2016-17 dated November 10, 2016.

₹ in Lakh

| No. of accounts where S4A has been applied | Aggregate amount outstanding | Amount outstanding |           | Provision Held |
|--|------------------------------|--------------------|-----------|----------------|
|  |                              | In Part A          | In Part B |                |
| <b>Classified as</b>                       |                              |                    |           |                |
| 1.00                                       | 1,455.23                     | -                  | 1,455.23  | 915.50         |
| <b>Classified as NPA</b>                   |                              |                    |           |                |
| -  | -                            | -                  | -         | -              |

Note: As on March 31, 2017; March 31, 2016; March 31, 2015 and March 31, 2014 : Not applicable



29.19 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

| March 31, 2018                | 1 day to 30/31 days (1 month) | Over 1 month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total        | ₹ in Lakh |
|-------------------------------|-------------------------------|--------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------|--------------|--------------|-----------|
| Deposits                      | -                             | -                        | -                         | -                         | -                       | -                      | -                       | -            | -            | -         |
| Advances (Gross)              | 1,38,631.17                   | 1,71,528.21              | 1,36,094.98               | 2,87,325.11               | 5,08,391.79             | 12,17,524.22           | 4,88,184.11             | 9,66,881.15  | 39,14,560.74 |           |
| Investments (Net)             | 740.57                        | 2,232.87                 | -                         | 1,43,690.00               | 3,695.23                | 38,449.40              | 68.20                   | 52,417.57    | 2,41,293.84  |           |
| Borrowings*                   | 1,04,250.00                   | 1,16,025.00              | 3,36,515.33               | 4,16,853.33               | 3,98,274.25             | 16,14,940.96           | 4,32,633.33             | 74,000.00    | 34,93,492.20 |           |
| Foreign Currency assets       | -                             | -                        | -                         | -                         | -                       | -                      | -                       | -            | -            |           |
| Foreign Currency liabilities* | -                             | -                        | -                         | -                         | -                       | 10,116.28              | -                       | -            | 10,116.28    |           |
| * Including ECB loan          |                               |                          |                           |                           |                         |                        |                         |              |              |           |

|                              | March 31, 2017 | 1 day to 30/31 days (1 month) | Over 1 month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total     | ₹ in Lakh |
|------------------------------|----------------|-------------------------------|--------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------|--------------|-----------|-----------|
| Deposits                     |                |                               |                          |                           |                           |                         |                        |                         |              |           |           |
| Advances (Gross)             | 1,22,097.51    | 1,66,272.90                   | 1,29,050.04              | 2,22,023.10               | 4,07,396.80               | 9,73,266.35             | 3,85,499.45            | 5,18,838.97             | 29,24,445.12 |           |           |
| Investments (Net)            | 46,557.01      | -                             | -                        | -                         | 1,89,515.16               | 34,878.24               | 3,994.85               | 34,751.72               | 3,09,696.98  |           |           |
| Borrowings*                  | 80,925.00      | 3,11,150.00                   | 3,33,853.67              | 2,61,072.67               | 2,77,144.67               | 12,79,340.21            | 1,63,600.00            | 89,000.00               | 27,96,086.22 |           |           |
| Foreign Currency assets      | -              | -                             | -                        | -                         | -                         | -                       | -                      | -                       | -            |           |           |
| Foreign Currency liabilities | -              | -                             | -                        | -                         | -                         | -                       | -                      | -                       | -            |           |           |
| * Including ECB loan         |                |                               |                          |                           | 13,635.97                 |                         |                        |                         |              | 13,635.97 |           |

|                              | March 31, 2016 | 1 day to 30/31 days (1 month) | Over 1 month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 years to 5 years | Over 5 years | Total       |
|------------------------------|----------------|-------------------------------|--------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------------|--------------|-------------|
| Deposits                     |                | -                             | -                        | -                         | -                         | -                       | -                      | -                       | -            | -           |
| Advances (Gross)             | 21,312.00      | 18,697.00                     | 21,218.00                | 67,443.00                 | 1,06,969.00               | 2,07,424.00             | 58,078.00              | 3,974.00                | 4,361.00     | 5,05,115.00 |
| Investments (Net)            | -              | -                             | -                        | -                         | 171.00                    | -                       | -                      | -                       | -            | -           |
| Borrowings*                  | 3,000.00       | 48,337.00                     | 1,00,333.00              | 5,833.00                  | 4,567.00                  | 2,62,159.00             | -                      | 26,500.00               | -            | 4,50,729.00 |
| Foreign Currency assets      | -              | -                             | -                        | -                         | -                         | -                       | -                      | -                       | -            | -           |
| Foreign Currency liabilities | -              | -                             | -                        | -                         | -                         | -                       | -                      | -                       | -            | -           |
| * Including ECB loan         |                |                               |                          |                           |                           |                         |                        |                         |              |             |







20.20 FY 2017-18; FY 2016-17

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company - Systemically 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, 2018 |                | As at March 31, 2017 |                |
|---|----------------------|----------------|----------------------|----------------|
|   | Amount Outstanding   | Amount Overdue | Amount Outstanding   | Amount Overdue |
| (a) Debentures  |                      |                |                      |                |
| - Secured   | 10,46,013.75         | -              | 7,47,823.06          | -              |
| - Unsecured   | 1,12,434.88          | -              | 1,19,042.34          | -              |
| (Other than falling within the meaning of Public Deposits)*   | -                    | -              | -                    | -              |
| (b) Deferred Credits  | -                    | -              | -                    | -              |
| (c) Term Loans  | 8,86,370.48          | -              | 9,58,967.94          | 36.52          |
| (d) Inter-Corporate Loans and borrowings                      | 66,713.24            | -              | 24,379.23            | -              |
| (e) Commercial Paper (Net off unexpired discounting charges)  | 6,52,581.68          | -              | 9,65,042.18          | -              |
| (f) Public Deposits   | -                    | -              | -                    | -              |
| (g) Other Loans   | -                    | -              | -                    | -              |
| i) Foreign Currency Loan                                      | 10,115.58            | -              | 12,973.26            | -              |
| ii) Bank Overdraft, Cash credit & Working Capital Demand Loan | 7,72,146.91          | -              | 9,658.42             | -              |
| (h) Accrued Interest on above borrowings (a to g)             | -                    | -              | -                    | -              |

\* Refer footnote 1 below

**2 Break-up of 1(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**

| Particulars  | As at March 31, 2018 |                | As at March 31, 2017 |                |
|--|----------------------|----------------|----------------------|----------------|
|  | Amount Outstanding   | Amount Overdue | Amount Outstanding   | Amount Overdue |
| (a) In the form of Unsecured debentures  | -                    | -              | -                    | -              |
| (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | -                    | -              | -                    | -              |
| (c) Other public deposits  | -                    | -              | -                    | -              |

\* Refer footnote 1 below

**Assets Side:**

**3. Break-up of Loans and Advances including bills receivables [Other than those included in (4) below]:**

| Particulars                      | Amount Outstanding   |                      |
|----------------------------------|----------------------|----------------------|
|                                  | As at March 31, 2018 | As at March 31, 2017 |
| (a) Secured (net of provision)   | 26,94,811.48         | 20,72,080.81         |
| (b) Unsecured (net of provision) | 10,87,512.41         | 7,58,613.03          |

**4. Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities**

| Particulars  | Amount Outstanding   |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2018 | As at March 31, 2017 |
| (i) Lease assets including lease rentals under sundry debtors  |                      |                      |
| (a) Financial Lease  | -                    | -                    |
| (b) Operating Lease (net of provision)                         | 9.49                 | 318.69               |
| (ii) Stock on hire including hire charges under sundry debtors |                      |                      |
| (a) Assets on Hire   | -                    | -                    |
| (b) Repossessed Assets   | -                    | -                    |
| (iii) Other loans counting towards AFC activities              |                      |                      |
| (a) Loans where assets have been repossessed                   | -                    | -                    |
| (b) Loans other than (a) above                                 | -                    | -                    |

**5. Break-up of Investments (net off diminution):**

| Particulars                                       | Amount Outstanding   |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2018 | As at March 31, 2017 |
| <b>Current Investments</b>                        |                      |                      |
| <b>1 Quoted</b>                                   |                      |                      |
| (i) Shares  |                      |                      |
| (a) Equity  | 740.57               | 2,262.18             |
| (b) Preference                                    | -                    | -                    |
| (ii) Debentures and Bonds                         | -                    | -                    |
| (iii) Units of Mutual Funds                       | -                    | -                    |
| (iv) Government Securities                        | -                    | -                    |
| <b>2 Unquoted</b>                                 |                      |                      |
| (i) Shares  |                      |                      |
| (a) Equity  | -                    | 294.83               |
| (b) Preference                                    | 142.83               | 407.51               |
| (ii) Debentures and Bonds                         | 1,44,228.73          | 1,48,466.34          |
| (iii) Units of Mutual Funds                       | -                    | 44,000.00            |
| (iv) Government Securities                        | -                    | 24,535.38            |
| (v) Others (Pass Through Certificates)            | 5,245.74             | 16,105.93            |
| <b>Long Term Investments</b>                      |                      |                      |
| <b>1 Quoted</b>                                   |                      |                      |
| (i) Shares  |                      |                      |
| (a) Equity  | -                    | 397.45               |
| (b) Preference                                    | -                    | -                    |
| (ii) Debentures and Bonds                         | -                    | -                    |
| (iii) Units of Mutual Funds                       | -                    | -                    |
| (iv) Government Securities                        | -                    | -                    |
| <b>2 Unquoted</b>                                 |                      |                      |
| (i) Shares  |                      |                      |
| (a) Equity  | 17,863.04            | 16,989.23            |
| (b) Preference                                    | 455.60               | 582.25               |
| (ii) Debentures and Bonds                         | 37,766.81            | 37,766.82            |
| (iii) Units of Mutual Funds                       | -                    | -                    |
| (iv) Government Securities                        | 0.05                 | 0.05                 |
| (v) Others  | -                    | -                    |
| (a) Security receipts                             | 22,638.39            | 7,375.42             |
| (b) Investment in Units/Pass Through Certificates | 12,211.17            | 10,532.49            |



6. 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             |                                    |
|---------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
|                                 | Secured<br>(net of<br>provision) | Unsecured<br>(net of<br>provision) | Secured<br>(net of<br>provision) | Unsecured<br>(net of<br>provision) |
| 1 Related Parties **            |                                  |                                    |                                  |                                    |
| (a) Subsidiaries                | -                                | -                                  | -                                | -                                  |
| (b) Companies in the same group | -                                | -                                  | -                                | -                                  |
| (c) Other related parties       | -                                | -                                  | 7,500.00                         | 35.67                              |
| 2 Other than related parties    | 26,94,811.48                     | 10,87,512.41                       | 20,64,560.81                     | 7,56,577.36                        |
| Total                           | 26,94,811.48                     | 10,87,512.41                       | 20,72,060.81                     | 7,56,613.03                        |

\*\* 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, 2018                                  |                                     | As at March 31, 2017                                  |                                     |
|---------------------------------|---|-------------------------------------|---|-------------------------------------|
|                                 | Market<br>value/Breakup<br>Value/ Fair<br>Value / NAV | Book Value<br>(Net of<br>Provision) | Market<br>value/Breakup<br>Value/ Fair<br>Value / NAV | Book Value<br>(Net of<br>Provision) |
| 1 Related Parties**             |   |                                     |   |                                     |
| (a) Subsidiaries                | -   | -                                   | -   | -                                   |
| (b) Companies in the same group | -   | -                                   | -   | -                                   |
| (c) Other related parties       | 18,250.44   | 18,250.44                           | 16,270.00   | 16,270.00                           |
| 2 Other than related parties    | 2,29,510.91   | 2,23,043.40                         | 2,97,820.01   | 2,93,426.98                         |
| Total                           | 2,47,761.35   | 2,41,293.84                         | 3,14,090.01   | 3,09,696.98                         |

\*\* 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, 2018 |  | As at March 31, 2017 |  |
|---|----------------------|--|----------------------|--|
|   |                      |  |                      |  |
| (i) Gross Non-Performing Assets                       | 2,37,863.81          |  | 1,90,521.56          |  |
| (a) Related parties                                   | -                    |  | -                    |  |
| (b) Other than related parties                        | 2,37,863.81          |  | 1,90,521.56          |  |
| (ii) Net Non-Performing Assets                        | 1,00,476.12          |  | 1,13,764.96          |  |
| (a) Related parties                                   | -                    |  | -                    |  |
| (b) Other than related parties                        | 1,00,476.12          |  | 1,13,764.96          |  |
| (iii) Assets acquired in satisfaction of debt (Gross) | 10,042.56            |  | 8,435.51             |  |

Footnotes:

FY 2017-18; FY 2016-17

1 As defined in point (xix) of paragraph 3 of chapter-2 of these Directions.

2 Provisioning norms shall be applicable as prescribed in these Directions.

3 All Accounting Standards represents to Companies Act 2013 and Companies Rules and Guidance Notes issued by the Institute of Chartered Accountants of India are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up fair value/Net Asset Value in respect of unquoted investments have been disclosed irrespective of whether they are classified as long term or current in (5) above.

For FY 2015-16 ; FY 2014-15 and FY 2013-14

The disclosures, as required in terms of para 13 of the Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and the Systemically Important Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, have not been provided in the reformatted financial statements since this information had not been included as a part of the audited financial statements as at and for the years ended March 31, 2014, March 31, 2015 and March 31, 2016.



#### 28.21 Value Added Tax

The Company received an order from West Bengal Taxation Tribunal (WBTT) for payment of VAT on sale of repossessed assets. In its decision dated April 18, 2010, WBTT concluded that Non-banking financial companies are 'dealers' within the meaning of definition of dealer under Section 2(11)(d) of West Bengal VAT Act, 2003 and accordingly liable for payment of VAT. The Company being one of the petitioners to the Tribunal on the above matter has provided for VAT liability of Rs. 168.40. However the Company has paid VAT under protest amounting to Rs. 103.30 out of the above liability on the sale value of repossessed vehicles after claiming benefit of Rule 28K of West Bengal VAT Rules, 2005. The Company had filed a petition before the Calcutta High Court against the order of the WBTT. However the Calcutta High Court has dismissed the petition in favour of WBTT. The Company along with other petitioners has filed petition before the Supreme Court against the order of the Calcutta High Court.

Further, the Company has received an order from VAT authorities in the state of Orissa in December 2012 having an amount of Rs. 17 lakh on sale of repossessed assets in Orissa. The Company has made an appeal against the order of the Deputy Commissioner of Sales Tax and made a provision of Rs. 17 lakh as at March 31, 2015 out of which Rs. 8.27 lakh has been paid. Apart from the above proceedings, there are no other proceedings against the Company for payment of VAT on sale of repossessed assets.

#### 28.22 FY 2016-17:

Disclosure required by notification dated 30th March, 2017 issued by Ministry of Company Affairs.

| ₹ in Lakh                                    |             |                          |             |
|--|-------------|--------------------------|-------------|
| Particulars                                  | SBNs        | Other denomination notes | Total       |
| Closing cash in hand as on November 9, 2016  | 6,014.23    | 17.86                    | 6,032.09    |
| (+) Permitted receipts                       | 4,171.75    | 36,494.48                | 40,666.23   |
| (-) Permitted payments                       | -           | -                        | -           |
| (-) Amount deposited in Banks                | (10,185.98) | (35,882.83)              | (46,068.81) |
| Closing cash in hand as on December 30, 2016 | -           | 629.39                   | 629.39      |

Includes amounts directly deposited by the borrowers into the bank accounts.

L & T Finance Ltd is a Non-Banking Finance Company ('NBFC'). The Company offers a wide range of products such as micro finance, tractor loans, two-wheeler loans and other rural lending products to a large number of customers. The operations are geographically wide-spread with significant volume of transactions including cash collections. The above information covers cash received at the Company's offices and is based on details available in the pay-in-slip but excludes direct deposits in the Company's bank accounts by the borrowers. As the Company took steps not to accept Specified Bank Notes at its offices after November 9, 2016 and on the basis of information compiled, all collections from November 9, 2016 to December 30, 2016 have been shown as 'Other denomination notes'.

#### 28.23 Dues to Micro and Small Enterprises

The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

| Particulars   | ₹ in Lakh |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
|   | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
| i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.   | -         | -         | -         | 0.79      | -         |
| ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.              | -         | -         | -         | -         | -         |
| iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006. | -         | -         | -         | -         | -         |
| iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.   | -         | -         | -         | -         | -         |



**29.24 Amalgamation of L&T Finance Ltd and L&T Fincorp Ltd with Family Credit Limited (FY 2016-17)**

1 The Board of Directors of L&T Fincorp Limited (LTFC) on July 19, 2016 and the Board of Directors of erstwhile L&T Finance Limited (LTF) and Family Credit Limited (FCL) on July 21, 2016 had approved the Scheme of Amalgamation (Scheme) of erstwhile L&T Finance Limited and L&T Fincorp Limited (together referred as Transferor Companies) with Family Credit Limited (Transferee Company) effective from April 01, 2016 (Appointed date). The Honourable High Court of Calcutta at his hearing held on November 28, 2016 and the National Company Law Tribunal, Mumbai Bench ("NCLT") at its hearing held on January 24, 2017, have sanctioned the Scheme of Amalgamation of L&T Finance Ltd and L&T Fincorp Limited with Family Credit Limited. The certified copies of the Orders of the Court and NCLT, sanctioning the Scheme were filed with the Registrar of Companies, Kolkata on February 13, 2017 (the "Effective Date").

The purchase consideration of ₹ 6,42,460.02 lakh for acquisition of Transferor Company was settled by issue of 1,23,57,37,684 equity shares of ₹ 10/- each at a price of ₹ 51.99/- per share to the shareholder of L&T Finance Limited and L&T Fincorp Limited as per following share exchange ratio

- a) 350 equity shares of face value of ₹ 10 each for every 100 equity shares of face value of ₹ 10 each held in L&T Finance pre merger  
b) 147 equity shares of face value of ₹ 10 each for every 100 equity shares of face value of ₹ 10 each held in L&T Fincorp pre merger

The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements and all assets and liabilities and income and expenditure of the Transferor Company stand transferred to and vested in the Transferee Company. Accordingly, the financial statements have been recast for the year ended on March 31, 2017.

- 2 Consequent to the Scheme becoming effective, net assets of Transferor Company aggregate to ₹ 3,15,728.92 lakh as at Appointed Date have been transferred to the Transferee Company at their respective fair values and the fair value of Distribution and Customer Network Rights ("DCNR") as determined by an independent Valuer, have been recognised as an intangible asset at a valuation of ₹ 43,880.00 lakh. The balance amount of ₹ 2,82,651.10 lakh has been recorded as goodwill on amalgamation. These intangible assets, i.e. the DCNR and goodwill on amalgamation, are being amortised on a straight line basis over a period of 5 years with effect from April 01, 2016.

| Particulars   | LTF                 | LTFC               | Total               |
|---|---------------------|--------------------|---------------------|
| <b>I. Consideration paid for acquisition</b>                                    | <b>4,33,845.07</b>  | <b>2,08,614.96</b> | <b>6,42,460.02</b>  |
| <b>II. Assets acquired on appointed date</b>                                    |                     |                    |                     |
| Tangible assets   | 22,817.12           | 559.07             | 23,376.19           |
| Intangible assets (including DCNR)  | 44,301.31           | -                  | 44,301.31           |
| Non-current investments   | 14,050.49           | 12,966.01          | 27,016.50           |
| Deferred tax assets (net)   | 14,829.50           | 4,708.47           | 19,538.97           |
| Long-term loans and advances  | 9,758.62            | 5,170.16           | 14,928.78           |
| Long-term loans and advances towards financing activities                       | 7,86,245.11         | 4,69,840.11        | 12,55,885.22        |
| Other non-current assets  | 7,337.49            | 8,215.84           | 15,553.33           |
| Current investments   | 256.75              | 19,559.55          | 19,816.30           |
| Trade receivables   | 743.84              | 88.35              | 832.19              |
| Cash and bank balances  | 15,562.22           | 80.06              | 15,642.28           |
| Short-term loans and advances   | 7,316.08            | -                  | 7,316.08            |
| Current maturities of long-term loans and advances towards financing activities | 3,68,747.75         | 1,23,303.87        | 4,92,051.62         |
| Short-term Loans and advances towards financing activities                      | 2,33,882.83         | 77,453.52          | 3,11,336.35         |
| Other current assets  | 42,501.17           | 19,795.02          | 62,296.19           |
| <b>Total (A)</b>  | <b>15,68,350.28</b> | <b>7,41,541.03</b> | <b>23,09,891.31</b> |
| Long-term borrowings  | 8,30,438.29         | 4,30,327.67        | 10,60,765.96        |
| Other long term liabilities   | 10,265.10           | 11,576.96          | 21,842.06           |
| Long-term provisions  | 3,225.23            | 2,077.25           | 5,302.48            |
| Short-term borrowings   | 2,35,709.69         | 1,30,596.17        | 3,66,305.86         |
| Current maturities of long term borrowings                                      | 3,29,290.10         | 53,844.33          | 3,83,134.43         |
| Trade payables  | 12,727.68           | 1,028.70           | 13,756.38           |
| Other current liabilities   | 82,962.98           | 8,511.12           | 91,474.10           |
| Short-term provisions   | 6,101.12            | 1,600.00           | 7,701.12            |
| <b>Total (B)</b>  | <b>13,10,720.19</b> | <b>6,39,562.20</b> | <b>19,50,282.39</b> |
| <b>Net Assets (A - B)</b>   | <b>2,57,630.09</b>  | <b>1,01,978.83</b> | <b>3,59,608.92</b>  |
| <b>III. Goodwill (I - II)</b>   | <b>1,76,214.98</b>  | <b>1,06,636.12</b> | <b>2,82,651.10</b>  |





Notes forming part of the Reformatted Standalone Financial Information

29.24 Amalgamation of L&T Finance Ltd and L&T Fincorp Ltd with Family Credit Limited

- 3 Statutory reserves which have been created by Transferor Company pursuant to the requirements of applicable statute and are required to be preserved for specified period, are transferred to Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company so long as their identity is required to be maintained to comply with the relevant statute. The statutory reserves are recorded in the financial statements of the transferee company by a corresponding debit to "Amalgamation Adjustment Account" which is disclosed as a part of 'Reserve and Surplus' in the balance

Details of Statutory Reserves of Transferor Company recorded in Transferee Company is as under:

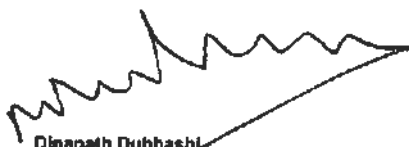
| Particulars   | ₹ in Lakh        |                 |                  |
|---|------------------|-----------------|------------------|
|   | LTF              | LTFC            | Total            |
| Debenture redemption reserve under Section 71(4) of the Companies Act | 10,212.16        | -               | 10,212.16        |
| Reserve under section 45-IC of Reserve Bank of India Act              | 37,133.87        | 8,314.93        | 45,448.80        |
| Reserve under section 36(1)(viii) of Income Tax Act                   | 20.45            | 881.00          | 881.45           |
| <b>Total</b>  | <b>47,366.48</b> | <b>9,176.93</b> | <b>56,542.41</b> |

- 4 Due to the amalgamation of Transferor Company with the Transferee Company from appointed date of April 01, 2018, the figures of the current year will not be comparable to the corresponding figures of the previous years.
- 5 L&T Fincorp Limited, one of the amalgamating company had declared and paid an interim dividend of ₹ 14,003.20 lakhs prior to the effective date of amalgamation and the Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2017.

29.25 Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

For and on behalf of the board of directors of  
L&T Finance Limited



Dinanath Dubhashi  
Chairperson  
(DIN : 03545900)

Place : Mumbai  
Date : January 15, 2019



Manish Jethwa  
Head Accounts  
(Chief Financial Officer)



**L&T Finance Limited (erstwhile Family Credit Limited)**  
**Statement of dividend paid / proposed:**

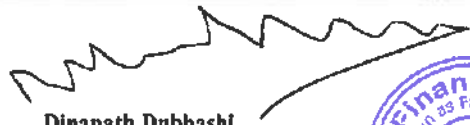
Annexure V

| Particulars                                    |         | For the<br>year ended<br>March 31,<br>2018 | For the<br>year ended<br>March 31,<br>2017 | For the<br>year ended<br>March 31,<br>2016 | For the<br>year ended<br>March 31,<br>2015 | For the<br>year ended<br>March 31,<br>2014 |
|--|---------|--|--|--|--|--|
| Equity Share Capital (₹ in lakh)               |         | 15,991.38                                  | 14,400.47                                  | 2,043.10                                   | 2,043.10                                   | 2,043.10                                   |
| Face Value Per Equity Share (₹)                | (a)     | 10.00                                      | 10.00                                      | 10.00                                      | 10.00                                      | 10.00                                      |
| Dividend on Equity Shares (₹ per Equity Share) | (b)     | -  | -  | -  | -  | -  |
| Total dividend on Equity Shares (₹ in lakh)    |         | -  | -*   | -  | -  | -  |
| Dividend Declared Rate (In %)                  | (c=b/a) | 0.00%                                      | 0.00%                                      | 0.00%                                      | 0.00%                                      | 0.00%                                      |
| Dividend tax (gross) on dividend (₹ in lakh)   |         |  |  |  |  |  |

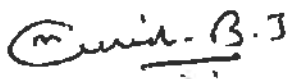
\*L&T Fincorp Ltd, one of the amalgamating company had declared and paid an interim dividend of ₹ 14,003.20 lakhs prior to the effective date of amalgamation and the Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2018.

For and on behalf of the board of directors of  
**L&T Finance Limited (Erstwhile Family Credit Limited)**

*full*

  
**Dinanath Dubhashi**  
Chairperson  
(DIN : 03545900)



  
**Manish Jethwa**  
Head Accounts  
(Chief Financial Officer)

Place: Mumbai  
Date : January 15, 2019



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
L&T FINANCE LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **L&T Finance Limited** ("the Company"), for six months ended September 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by CIR/IMD/DF1/69/2016 dated August 10, 2016 in continuation to Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by CIR/IMD/DF1/69/2016 dated August 10, 2016 in continuation to Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar  
Partner  
(Membership No. 39826)

MUMBAI, October 24, 2018

**L&T FINANCE LIMITED (Erstwhile Family Credit Limited)**

(A wholly owned subsidiary of L&amp;T Finance Holdings Limited)

CIN. U65910WB1993FLC060810

Regd. Office : Technopolis, 7th Floor, Plot No.4, Block-BP, Sector-V, Salt Lake, Kolkata-700091

Website: www.ltfs.com Email: investorgrievances@ltfs.com Phone: +91 33 3988 3000 Fax: +91 33 3984 5500

(₹ in lakh)

| STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 |  |                    |                    |
|--|--|--------------------|--------------------|
| Sr. No.  | Particulars  | Six months ended   |                    |
|  |  | September 30,      | September 30,      |
|  |  | 2018               | 2017               |
| (I)  | <b>Revenue from operations</b>   |                    |                    |
|  | (a) Interest income  | 3,21,669.80        | 2,22,617.10        |
|  | (b) Rental income  | 1,119.69           | 2,012.66           |
|  | (c) Fees and commission income   | 5,362.93           | 5,721.43           |
|  | <b>Total revenue from operations</b>   | <b>3,28,152.42</b> | <b>2,30,351.19</b> |
| (II)   | <b>Other income</b>  | <b>8,624.78</b>    | <b>2.21</b>        |
| (III)  | <b>Total income (I+II)</b>   | <b>3,36,777.20</b> | <b>2,30,353.40</b> |
| (IV)   | <b>Expenses</b>  |                    |                    |
|  | (a) Finance costs  | 1,48,951.18        | 1,16,000.15        |
|  | (b) Net loss on fair value changes   | 333.27             | 292.56             |
|  | (c) Net loss on derecognition of financial instruments under amortised cost category | 20,124.72          | 21,539.97          |
|  | (d) Impairment on financial instruments  | 15,647.18          | 38,546.19          |
|  | (e) Employee benefits expenses   | 23,201.83          | 8,501.69           |
|  | (f) Depreciation, amortization and impairment  | 34,446.02          | 34,662.78          |
|  | (g) Others expenses  | 24,222.00          | 16,706.54          |
|  | <b>Total expenses</b>  | <b>2,66,926.20</b> | <b>2,36,249.88</b> |
| (V)  | <b>Profit/(loss) before tax (III - IV)</b>   | <b>69,851.00</b>   | <b>(5,896.48)</b>  |
| (VI)   | <b>Tax expense:</b>  |                    |                    |
|  | a) Current tax   | 14,256.03          | 9,562.26           |
|  | b) Deferred tax  | 10,834.00          | (12,800.00)        |
|  | <b>Total tax expense (a+b)</b>   | <b>25,090.03</b>   | <b>(3,237.74)</b>  |
| (VII)  | <b>Profit/(loss) for the period (V-VI)</b>   | <b>44,760.97</b>   | <b>(2,658.74)</b>  |
| (VIII)   | <b>Other comprehensive income</b>  |                    |                    |
| A  | (i) Items that will not be reclassified to profit or loss                            |                    |                    |
|  | a) Remeasurement of defined benefit liabilities /(assets)                            | (10.81)            | (8.85)             |
|  | (ii) Income tax relating to items that will not be reclassified to profit or loss    | -                  | -                  |
|  | <b>Subtotal (A)</b>  | <b>(10.81)</b>     | <b>(8.85)</b>      |
| B  | (i) Items that will be reclassified to profit or loss                                |                    |                    |
|  | a) Debt instruments through other comprehensive income                               | (2,930.81)         | -                  |
|  | (ii) Income tax relating to items that will be reclassified to profit or loss        | -                  | -                  |
|  | <b>Subtotal (B)</b>  | <b>(2,930.81)</b>  | <b>-</b>           |
|  | <b>Other comprehensive income (A+B)</b>  | <b>(2,941.62)</b>  | <b>(8.85)</b>      |
| (IX)   | <b>Total comprehensive income for the period (VII+VIII)</b>                          | <b>41,819.35</b>   | <b>(2,667.59)</b>  |
| (X)  | <b>Earnings per equity share (not annualised):</b>                                   |                    |                    |
|  | (a) Basic (₹)  | 2.80               | (0.18)             |
|  | (b) Diluted (₹)  | 2.80               | (0.18)             |

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Website: www.ltfs.com Email: investor grievances@ltfs.com Phone: +91 33 3988 3000 Fax: +91 33 3984 5500

**Notes:****1 Statement of assets and liabilities**

(₹ in lakh)

| Sr. No.  | Particulars  | As at               |
|----------|--|---------------------|
|          |  | September 30,       |
|          |  | 2018                |
|          |  | (Unaudited)         |
| <b>A</b> | <b>ASSETS</b>  |                     |
| 1        | <b>Financial assets</b>  |                     |
|          | (a) Cash and cash equivalents  | 1,41,999.59         |
|          | (b) Derivative financial instruments   | 1,212.64            |
|          | (c) Receivables  |                     |
|          | Trade receivables  | 2,617.38            |
|          | (d) Loans  | 42,15,993.50        |
|          | (e) Investments  | 4,53,474.31         |
|          | (f) Other financial assets   | 1,52,476.71         |
| 2        | <b>Non-financial assets</b>  |                     |
|          | (a) Current tax assets (net)   | 27,620.98           |
|          | (b) Deferred tax assets (net)  | 58,607.92           |
|          | (c) Property, plant and equipment  | 6,154.41            |
|          | (d) Intangible assets under development  | 1,892.50            |
|          | (e) Goodwill   | 1,41,425.53         |
|          | (f) Other intangible assets  | 23,318.99           |
|          | (g) Other non-financial assets   | 12,021.45           |
|          | <b>TOTAL - ASSETS</b>  | <b>52,38,815.91</b> |
| <b>B</b> | <b>LIABILITIES AND EQUITY</b>  |                     |
| 1        | <b>Financial liabilities</b>   |                     |
|          | (a) Trade payables   |                     |
|          | Total outstanding dues of micro enterprises and small enterprises                      | -                   |
|          | Total outstanding dues of creditors other than micro enterprises and small enterprises | 21,710.99           |
|          | (b) Debt securities  | 11,32,477.64        |
|          | (c) Borrowings (Other than debt securities)  | 30,49,872.19        |
|          | (d) Subordinated Liabilities   | 1,15,632.78         |
|          | (e) Other financial liabilities  | 34,129.14           |
| 2        | <b>Non financial liabilities</b>   |                     |
|          | (a) Current tax liabilities (net)  | 2,050.01            |
|          | (b) Provisions   | 1,196.27            |
|          | (c) Other non-financial liabilities  | 11,287.82           |
| 3        | <b>Equity</b>  |                     |
|          | (a) Equity share capital   | 1,59,913.73         |
|          | (b) Other equity   | 7,10,545.34         |
|          | <b>TOTAL - LIABILITIES AND EQUITY</b>  | <b>52,38,815.91</b> |

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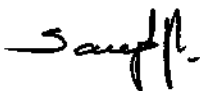
- 2 The Company has adopted Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2018 and the effective date of such transition is April 1, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI") (collectively referred to as the "Previous GAAP"). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022 (E) dated 11<sup>th</sup> October, 2018, issued by the Ministry of Corporate Affairs, Government of India.
- 3 These financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 read with CIR/IMD/DF1/69/2016 dated August 10, 2016.
- 4 Reconciliation on net profit after tax between Previous GAAP and Ind AS for the six months ended September 30, 2017

(₹ in lakh)

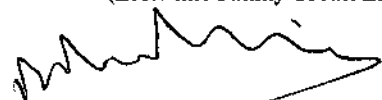
| Sr. No. | Particulars  | Six months ended<br>September 30, 2017 |
|---------|--|--|
|         |  | (Unaudited)                            |
|         | <b>Net profit after tax under Previous GAAP</b>  | <b>7,235.18</b>                        |
| (a)     | Amortisation of processing fee on corporate loans based on effective interest income which was previously recognised as revenue in the period of accrual.              | (1,475.81)                             |
| (b)     | Incremental cost on fair valuation of employee stock options plan previously recognised on the basis of intrinsic value  | (507.62)                               |
| (c)     | Changes in fair valuation of investments/financial instruments previously recorded at cost less other than temporary diminution  | 1,835.40                               |
| (d)     | Incremental provision on application of expected credit loss model   | (12,377.31)                            |
| (e)     | Increase in borrowing cost pursuant to the application of effective interest rate method as issue expenses were previously adjusted against Securities Premium Account | (269.37)                               |
| (f)     | Reversal of amortised loss on sale of loan assets now being charged in year of sale. The past losses were adjusted against retained earnings                           | 1,006.07                               |
| (g)     | Interest income recognition on stage 3 loans   | 1,899.47                               |
| (h)     | Others   | (4.75)                                 |
|         | <b>Net profit after tax under Ind AS</b>   | <b>(2,658.74)</b>                      |
|         | Other comprehensive income   | (8.85)                                 |
|         | <b>Total comprehensive income under Ind AS</b>   | <b>(2,667.59)</b>                      |

- 5 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 24, 2018. The Statutory Auditors of the Company have carried out limited review of the aforesaid results.

In terms of our report attached.  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

  
**Sanjiv V. Pilgaonkar**  
 Partner

For and on behalf of the Board of Directors  
**L&T Finance Limited**  
 (Erstwhile Family Credit Limited)

  
**Dinanath Dubhashi**  
 Chairperson  
 (DIN :03545900)

Place : Mumbai  
 Date : October 24, 2018

Place : Mumbai  
 Date : October 24, 2018

## MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Draft Shelf Prospectus and hereinafter below, there have been no material developments since September 30, 2018 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.

- (a) Our wholesale business initially comprised of infrastructure finance, supply chain finance and structured corporate finance. Earlier this financial year, our Company, by way of a slump sale, had agreed to transfer its supply chain financing business to Centrum Financial Services Ltd (“**Centrum**”) by way of a Business Transfer Agreement dated September 4, 2018. The supply chain financing business was effectively transferred to Centrum through a Deed of Assignment dated December 31, 2018. However, to support the transfer of a large portfolio, our Company in terms of the Transition Services Agreement has agreed to provide certain transition support services to Centrum till March 31, 2019, where our Company would assist them with certain portfolio maintenance activities regarding the supply chain financing business transferred to Centrum. This Transition Services Agreement was effective from December 31, 2018.



## SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

| Sr. No. | Ind AS No. | Particulars                          | Indian GAAP  | Ind AS   |
|---------|------------|--------------------------------------|--|--|
| 1       | Ind AS 1   | Presentation of Financial Statements | <p><b><u>Other Comprehensive Income:</u></b><br/>There is no concept of 'Other Comprehensive Income' under Indian GAAP.</p>  | <p><b><u>Other Comprehensive Income:</u></b><br/>Ind AS 1 introduces the concept of Other Comprehensive Income ("OCI"). Other comprehensive income comprises items of income and expenses (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.</p>   |
|         |            |                                      | <p><b><u>Extraordinary items:</u></b> Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.</p> <p>Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.</p>   | <p><b><u>Extraordinary items:</u></b> Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.</p>   |
|         |            |                                      | <p><b><u>Change in Accounting Policies:</u></b><br/>Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.</p> <p>If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.</p> | <p><b><u>Change in Accounting Policies:</u></b><br/>Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.</p> |
| 2       | Ind AS 12  | Deferred Taxes                       | Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered   | As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base.  |

| Sr. No. | Ind AS No.          | Particulars   | Indian GAAP  | Ind AS   |
|---------|---------------------|---|--|--|
|         |                     |   | for income taxes and profit as per the financial statements.   | Using the balance sheet approach, there could be additional deferred tax charge/income on account of all Ind AS opening balance sheet adjustments  |
| 3       | Ind AS 19           | Accounting for Employee benefits  | Currently, under Indian GAAP the Company recognizes all short term and long term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability.               | Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements.<br><br>Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in OCI. |
| 4       | Ind AS 24           | Related parties   | Under Indian GAAP, the scope of related parties is limited   | Under Ind AS, the scope of related parties is extensive.   |
| 5       | Ind AS 27           | Separate Financial Statements   | Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term   | Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109   |
| 6       | Ind AS 37           | Provisions, contingent liabilities and contingent assets                            | Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted  | Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material   |
| 7       | Ind AS 102          | Share based payments  | Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a proforma disclosure for the fair valuation.   | Under Ind AS, the share based Payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings  |
| 8       | Ind AS 32/ 107/ 109 | Presentation and classification of Financial Instruments and subsequent measurement | Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent | Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are   |

| Sr. No. | Ind AS No.         | Particulars  | Indian GAAP   | Ind AS  |
|---------|--------------------|--|---|---|
|         |                    |  | <p>diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value.</p> <p>Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.</p> <p>Currently, the de-recognition of financial assets under securitization/assignment transactions are governed by RBI guidelines for NBFCs</p> | <p>either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method.</p> <p>Interest subsidy and loan processing fees and/or fees of similar nature would be measured and recognized using the Effective Interest Rate (EIR) method over the period of loan.</p> <p>There are two measurement categories for financial liabilities – FVTPL and amortized cost.</p> <p>Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.</p> <p>Ind AS 109 prescribes transfer of risk and rewards of ownership for de-recognition of financial assets</p> |
| 9       | Ind AS 32/107/ 109 | Financial Instruments Impairment                         | Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.  | The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of Ind AS 15 (currently deferred) and certain written loan commitments and financial guarantee contracts.   |
| 10.     | Ind AS 32/107/ 109 | Presentation and classification of Financial liabilities | <p>Financial instruments are classified based on legal form-redeemable preference shares will be classified as equity.</p> <p>Preference dividends are always recognised similar to equity dividend and are never treated as interest expense.</p>  | <p>Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments.</p> <p>Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of profit or loss</p>   |

| Sr. No. | Ind AS No. | Particulars | Indian GAAP | Ind AS  |
|---------|------------|-------------|-------------|---|
|         |            |             |             | and other comprehensive income. Hence if preference shares meet the definition of financial liability, the preference dividend shall be treated as an interest expense. |

## FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on December 31, 2018 are as follows:

| Sr. No.                 | Nature of Borrowing  | Amount (₹ in lakhs) | %             |
|-------------------------|----------------------|---------------------|---------------|
| 1.                      | Secured Borrowings   | 2,669,168.37        | 61.18         |
| 2.                      | Unsecured Borrowings | 1,693,725.24        | 38.82         |
| <b>Total borrowings</b> |                      | <b>4,362,893.61</b> | <b>100.00</b> |

Set forth below, is a summary of the borrowings by our Company as at December 31, 2018 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 ₹ 774.59 lakhs and a gross premium of ₹ 31.44 lakhs) as on December 31, 2018 amount to ₹ 2,620,997.89 lakhs (excluding IND AS adjustments) on an unconsolidated basis. The details of the borrowings are set out below:

#### **Term Loans from Banks:**

(₹ in lakhs)

| Sr. No. | Lender's Name        | Date of disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Maturity date      | Repayment schedule and pre-payment penalty, if any   |
|---------|----------------------|----------------------|-------------------|--|--------------------|--|
| 1       | Bank of Baroda       | December 28, 2017    | 30,000.00         | 6,250.00                                   | December 28, 2019  | To be repaid annually in 4 equal instalments after an initial moratorium of 1 year from the date of first disbursement.<br><br>Prepayment penalty is waived if prepaid at any time with 15 days prior notice.  |
|         |                      |                      |                   | 6,250.00                                   | December 28, 2020  |  |
|         |                      |                      |                   | 6,250.00                                   | December 28, 2021  |  |
|         |                      |                      |                   | 6,250.00                                   | December 28, 2022  |  |
| 2       | Dena Bank            | October 6, 2017      | 30,000.00         | 30,000.00                                  | October 5, 2020    | Tenor is 36 months from the date of each disbursement.<br>Repayment has to be done in bullet payments and interest to be serviced as and when charged<br>An option to prepay the full or partial amount without any prepayment charges but need to give 15 days advance notice   |
| 3       | Deutsche Bank        | March 1, 2018        | 75,000.00         | 50,000.00                                  | March 1, 2019      | Bullet Repayment with a right to prepay.<br>At the time of every date of rate revision, borrower shall have a right to prepay the entire outstanding amount without any prepayment penalty/charges.  |
|         |                      | June 6, 2018         |                   | 14,000.00                                  | June 6, 2019       |  |
|         |                      | June 13, 2018        |                   | 11,000.00                                  | June 13, 2019      |  |
| 4       | Federal Bank Limited | December 30, 2017    | 10,000.00         | 10,000.00                                  | November 30, 2020  | Bullet repayment at maturity.<br>The facility cannot be prepaid during the tenor of the non-convertible debentures subscribed by the Bank along with the loan. However, in the event that the NCDs are sold in the secondary market, our Company may prepay the loan without incurring any prepayment penalty by giving a notice of 15 days. |
| 5       | HDFC Bank Limited    | March 27, 2017       | 58,300.00         | 19,433.33                                  | March 27, 2019     | Repayment to be made in 3 equal half yearly instalments at the end of the 24 <sup>th</sup> , 30 <sup>th</sup> and 36 <sup>th</sup> months from the date of first disbursement.   |
|         |                      |                      |                   | 19,433.33                                  | September 27, 2019 |  |

| Sr. No. | Lender's Name | Date of disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Maturity date      | Repayment schedule and pre-payment penalty, if any  |
|---------|---------------|----------------------|-------------------|--|--------------------|---|
|         |               |                      |                   | 19,433.34                                  | March 27, 2020     | An initial moratorium period of 18 months is applicable.  |
|         |               | April 27, 2018       | 15,000.00         | 3,750.00                                   | March 31, 2020     | Repayment to be made in 4 equal half yearly instalments at the end of the 24 <sup>th</sup> , 30 <sup>th</sup> and 36 <sup>th</sup> and 42 <sup>nd</sup> months from the date of first disbursement. An initial moratorium period of 18 months is applicable.  |
|         |               |                      |                   | 3,750.00                                   | September 30, 2020 |   |
|         |               |                      |                   | 3,750.00                                   | March 31, 2021     |   |
|         |               |                      |                   | 3,750.00                                   | September 30, 2021 |   |
|         |               | June 28, 2018        | 5,000.00          | 1,250.00                                   | June 28, 2020      | Repayment to be made in 4 equal half yearly instalments at the end of the 24 <sup>th</sup> , 30 <sup>th</sup> , 36 <sup>th</sup> and 42 <sup>nd</sup> months from the date of first disbursement. An initial moratorium period of 18 months is applicable.  |
|         |               |                      |                   | 1,250.00                                   | December 28, 2020  |   |
|         |               |                      |                   | 1,250.00                                   | June 28, 2021      |   |
|         |               |                      |                   | 1,250.00                                   | December 28, 2021  |   |
|         |               | March 31, 2018       | 15,000.00         | 3,750.00                                   | March 31, 2020     | Repayment to be made in 4 equal half yearly instalments at the end of the 24 <sup>th</sup> , 30 <sup>th</sup> and 36 <sup>th</sup> and 42 <sup>nd</sup> months from the date of first disbursement. An initial moratorium period of 18 months is applicable.  |
|         |               |                      |                   | 3,750.00                                   | September 30, 2020 |   |
|         |               |                      |                   | 3,750.00                                   | March 31, 2021     |   |
|         |               |                      |                   | 3,750.00                                   | September 30, 2021 |   |
|         |               | March 15, 2016       | 57,500.00         | 3,125.00                                   | January 31, 2019   | Repayment to be made in 4 equal half yearly instalments at the end of the 24 <sup>th</sup> , 30 <sup>th</sup> and 36 <sup>th</sup> and 42 <sup>nd</sup> months from the date of first disbursement. An initial moratorium period of 18 months is applicable.  |
|         |               | July 29, 2016        |                   | 3,125.00                                   | January 29, 2020   |   |
|         |               | March 4, 2016        |                   | 1,875.00                                   | March 4, 2019      |   |
|         |               |                      |                   | 1,875.00                                   | September 4, 2019  |   |
|         |               | March 9, 2016        |                   | 2,500.00                                   | March 4, 2019      |   |
|         |               |                      |                   | 2,500.00                                   | September 4, 2019  |   |
|         |               | July 29, 2016        |                   | 3,125.00                                   | March 4, 2019      |   |
|         |               |                      |                   | 3,125.00                                   | September 4, 2019  |   |
|         |               | March 4, 2016        |                   | 1,875.00                                   | March 4, 2019      |   |
|         |               |                      |                   | 1,875.00                                   | September 4, 2019  |   |
|         |               | July 31, 2018        | 38,200.00         | 9,550.00                                   | July 31, 2020      | Repayment to be made in 4 equal half yearly instalments at the end of the 24 <sup>th</sup> , 30 <sup>th</sup> and 36 <sup>th</sup> and 42 <sup>nd</sup> months from the date of first disbursement. An initial moratorium period of 18 months is applicable.  |
|         |               |                      |                   | 9,550.00                                   | January 31, 2021   |   |
|         |               |                      |                   | 9,550.00                                   | July 31, 2021      |   |
|         |               |                      |                   | 9,550.00                                   | January 31, 2022   |   |
| 6       | Indian Bank   | March 27, 2018       | 25,000.00         | 5,000.00                                   | March 27, 2021     | Bullet Repayment at the end of 3 years from the date of first disbursement with an option to prepay the full amount without any prepayment charges but need to give 15 days advance notice otherwise pre-payment penalty on outstanding amount / drawing limit (whichever is higher) shall be levied. |
|         |               | December 30, 2017    |                   | 5,000.00                                   | December 30, 2020  |   |
|         |               | December 28 2017     |                   | 10,000.00                                  | December 28, 2020  |   |
|         |               | June 28, 2018        |                   | 5,000.00                                   | June 28, 2021      |   |
| 7       | Mudra Bank    | March 28, 2018       | 27,000.00         | 3,900.00                                   | September 10, 2019 |   |

| Sr. No. | Lender's Name             | Date of disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Maturity date      | Repayment schedule and prepayment penalty, if any  |
|---------|---------------------------|----------------------|-------------------|--|--------------------|--|
|         |                           |                      |                   | 3,900.00                                   | March 10, 2020     | Repayable in 7 half yearly installments from 18 months of first date of disbursement.<br>Prepayment cannot be made without the prior written permission of the Bank and the Bank may levy a prepayment penalty as it deems fit. However, prepayment can happen without the any prepayment penalty at the time of interest rate reset with prior notice of atleast 30 days. |
|         |                           |                      |                   | 3,900.00                                   | September 10, 2020 |  |
|         |                           |                      |                   | 3,900.00                                   | March 10, 2021     |  |
|         |                           |                      |                   | 3,900.00                                   | September 10, 2021 |  |
|         |                           |                      |                   | 3,900.00                                   | March 10, 2022     |  |
|         |                           |                      |                   | 3,600.00                                   | September 10, 2022 |  |
| 8       | Oriental Bank of Commerce | March 27, 2018       | 25,000.00         | 25,000.00                                  | September 27, 2019 | Bullet repayment at the end of the 36 <sup>th</sup> month from the date of drawdown of each tranche.<br>Our Company has the option to prepay the entire outstanding amount at any time after 30 days from the date of the first disbursement.  |
|         |                           |                      | 10,000.00         |  |                    | Bullet repayment at the end of the 36 <sup>th</sup> month from the date of drawdown of each tranche.   |
|         |                           | March 4, 2016        |                   | 2,500.00                                   | March 3, 2019      | Our Company has an option to prepay the entire outstanding amount without incurring any prepayment charges by giving a notice of 15 days' time.  |
|         |                           | March 30, 2016       |                   | 2,500.00                                   | March 29, 2019     |  |
|         |                           | March 4, 2016        |                   | 2,500.00                                   | March 3, 2019      |  |
|         |                           | August 8, 2018       | 50,000.00         | 16,666.67                                  | August 8, 2021     | Repayment to be made in three annual instalments upon completion of a moratorium period of 2 years.<br>Our Company has an option to prepay the entire outstanding amount in part or in full without incurring any prepayment charges by giving an advance notice of 15 days' time.   |
|         |                           |                      |                   | 16,666.67                                  | August 8, 2022     |  |
|         |                           |                      |                   | 16,666.66                                  | August 8, 2023     |  |
| 9       | Punjab & Sind Bank        | June 30, 2018        | 19,000.00         | 10,000.00                                  | June 30, 2023      | Bullet repayment at the end of maturity i.e., at the end of 60 months from the date of first disbursement.<br>Our Company has an option to prepay the entire outstanding amount in part or full without incurring any prepayment charges by giving advance notice of 15 days. In all other cases, 1% to be charged.  |
|         |                           | July 23, 2018        |                   | 9,000.00                                   | July 23, 2023      |  |
| 10      | Punjab National Bank      | December 29, 2017    | 25,000.00         | 4,166.67                                   | August 31, 2020    | Repayment to be made in six equal instalments, where the first instalment is made immediately upon the completion of the moratorium period, the rest are made half yearly, subject to the last instalment is made 4 months earlier, so that repayment is within the five year tenor.   |
|         |                           |                      |                   | 4,166.67                                   | February 28, 2021  |  |
|         |                           |                      |                   | 4,166.67                                   | August 31, 2021    |  |
|         |                           |                      |                   | 4,166.67                                   | February 28, 2022  |  |
|         |                           |                      |                   | 4,166.67                                   | August 31, 2022    |  |
|         |                           |                      |                   | 4,166.65                                   | December 31, 2022  |  |
|         |                           | December 30, 2017    | 25,000.00         | 4,166.67                                   | August 31, 2020    | Any waiver for prepayment charges may be considered subject to advance notice of 15 days' time.  |
|         |                           |                      |                   | 4,166.67                                   | February 28, 2021  |  |
|         |                           |                      |                   | 4,166.67                                   | August 31, 2021    |  |



| Sr. No. | Lender's Name  | Date of disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Maturity date      | Repayment schedule and pre-payment penalty, if any  |
|---------|--|----------------------|-------------------|--|--------------------|---|
|         |  |                      |                   | 4,166.67                                   | February 28, 2022  |   |
|         |  |                      |                   | 4,166.67                                   | August 31, 2022    |   |
|         |  |                      |                   | 4,166.65                                   | December 31, 2022  |   |
|         |  | September 17, 2018   | 60,000.00         | 10,000.00                                  | May 31, 2021       | Repayment to be made in six equal instalments, where the first instalment is made immediately upon the completion of the moratorium period, the rest are made half yearly, subject to the last instalment is made 4 months earlier, so that repayment is within the five year tenor.<br><br>Any waiver for prepayment charges may be considered subject to advance notice of 15 days' time.   |
|         |  |                      |                   | 10,000.00                                  | November 30, 2021  |   |
|         |  |                      |                   | 10,000.00                                  | May 31, 2022       |   |
|         |  |                      |                   | 10,000.00                                  | November 30, 2022  |   |
|         |  |                      |                   | 10,000.00                                  | May 31, 2023       |   |
|         |  |                      |                   | 10,000.00                                  | November 30, 2023  |   |
|         |  | September 24, 2018   | 40,000.00         | 6,666.67                                   | May 31, 2021       | Repayment to be made in six equal instalments, where the first instalment is made immediately upon the completion of the moratorium period, the rest are made half yearly, subject to the last instalment is made 4 months earlier, so that repayment is within the five year tenor.<br><br>Any waiver for prepayment charges may be considered subject to advance notice of 15 days' time.   |
|         |  |                      |                   | 6,666.67                                   | November 30, 2021  |   |
|         |  |                      |                   | 6,666.67                                   | May 31, 2022       |   |
|         |  |                      |                   | 6,666.67                                   | November 30, 2022  |   |
|         |  |                      |                   | 6,666.67                                   | May 31, 2023       |   |
|         |  |                      |                   | 6,666.65                                   | November 30, 2023  |   |
| 11      | SIDBI (Small and Industries Development Bank of India) | December 29, 2017    | 1,20,000.00       | 12,500.00                                  | March 29, 2021     | Repayment to be made in 11 quarterly instalments where the first 8 instalments shall be of ₹12,500 lakhs each; the next two instalments shall be of ₹7,500 lakhs each and the last instalment shall be ₹5,000 lakhs commencing after a moratorium of 36 months from the date of first disbursement.<br><br>Prepayment may be made only with prior written approval of SIDBI. However, our Company may prepay the loan without incurring any prepayment charges/penalty provided it has given advance notice of 30 days' time. |
|         |  |                      |                   | 12,500.00                                  | June 29, 2021      |   |
|         |  |                      |                   | 12,500.00                                  | September 29, 2021 |   |
|         |  |                      |                   | 12,500.00                                  | December 29, 2021  |   |
|         |  |                      |                   | 12,500.00                                  | March 29, 2022     |   |
|         |  |                      |                   | 5,000.00                                   | June 29, 2022      |   |
|         |  |                      |                   | 12,500.00                                  | December 29, 2022  |   |
|         |  | January 30, 2018     |                   | 7,500.00                                   | June 29, 2022      |   |
|         |  |                      |                   | 12,500.00                                  | September 29, 2022 |   |
|         |  |                      |                   | 7,500.00                                   | March 29, 2023     |   |
|         |  |                      |                   | 7,500.00                                   | June 29, 2023      |   |
|         |  |                      |                   | 5,000.00                                   | September 29, 2023 |   |
| 12      | South Indian Bank Limited                              | December 30, 2018    | 20,000.00         | 1,500.00                                   | March 31, 2019     | Repayable in five annual instalments beginning from 31 March 2019. Our Company may repay the entire outstanding amount in part or in full without incurring any prepayment charges by giving a notice of at least 15 days' time.  |
|         |  |                      |                   | 1,500.00                                   | March 31, 2020     |   |
|         |  |                      |                   | 1,500.00                                   | March 31, 2021     |   |
|         |  |                      |                   | 1500.00                                    | March 31, 2022     |   |
|         |  |                      |                   | 4000.00                                    | March 31, 2023     |   |

| Sr. No. | Lender's Name       | Date of disbursement | Amount Sanctioned   | Amount outstanding as on December 31, 2018 | Maturity date     | Repayment schedule and prepayment penalty, if any  |
|---------|---------------------|----------------------|---------------------|--|-------------------|--|
|         |                     | June 29, 2018        |                     | 1,500.00                                   | June 30, 2019     | Repayable in five annual instalments beginning from June 30, 2019. Our Company may repay the entire outstanding amount in part or in full without incurring any prepayment charges by giving an advance notice of at least 15 days' time.  |
|         |                     |                      |                     | 1,500.00                                   | June 30, 2020     |  |
|         |                     |                      |                     | 1,500.00                                   | June 30, 2021     |  |
|         |                     |                      |                     | 1,500.00                                   | June 30, 2022     |  |
|         |                     |                      |                     | 4,000.00                                   | June 30, 2023     |  |
| 13      | State Bank of India | November 30, 2016    | 1,00,000.00         | 30,000.00                                  | November 29, 2021 | Bullet repayment at the end of 5 years from the date of the first drawdown. Prepayment may be allowed by the Bank subject to a penalty fee of 2%. However, no prepayment penalty is applicable in case such prepayment is made from our Company's own sources, the facility is repaid within 30 days' from the interest reset date (in case revised pricing is not acceptable) and if the facility is prepaid due to the occurrence of a re-pricing event and re-pricing is not acceptable to our Company. |
|         |                     | December 30, 2016    |                     | 20,000.00                                  | December 30, 2021 |  |
|         |                     | March 10, 2017       |                     | 50,000.00                                  | March 10, 2022    |  |
|         |                     | Undrawn <sup>#</sup> | 3,20,000.00         | -  | -                 | To be repaid in 8 half yearly instalments of ₹ 40,000 lakhs starting from the date of first disbursement, upon the expiration of a period of moratorium of 1 year.   |
| 14      | Syndicate Bank      | September 7, 2018    | 25,000.00           | 6,250.00                                   | March 7, 2022     | To be repaid in 4 half yearly instalments. Interest is payable monthly irrespective of the change in MCLR. No prepayment may be made until the first reset date. Our Company may prepay the facility without incurring any prepayment charges if such prepayment is made within 30 days from any reset date. In all other cases, however, prepayment may be made after providing a notice of 30 days' time along with payment of prepayment penalty.   |
|         |                     |                      |                     | 6,250.00                                   | September 7, 2022 |  |
|         |                     |                      |                     | 6,250.00                                   | March 7, 2023     |  |
|         |                     |                      |                     | 6,250.00                                   | September 7, 2023 |  |
| 15      | Union Bank of India | September 29, 2017   | 1,00,000.00         | 30,000.00                                  | March 29, 2019    | Bullet repayment at the end of 18 months from the date of each disbursement. Our Company may repay the entire outstanding facility any time after 45 days from the date of the first disbursement without incurring any prepayment penalty.  |
| 16      | DBS Bank Limited    | June 28, 2017        | 10,000.00           | 10,819.51*                                 | June 28, 2019     | Bullet repayment at the end of the tenor.  |
|         |                     | <b>TOTAL</b>         | <b>13,35,000.00</b> | <b>9,05,819.51</b>                         |                   |  |

\*Note: Amount outstanding is calculated considering exchange rate of ₹69.775 per 1 USD.

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹9,07,689.83 lakhs.

**#Note:** This is a sanctioned facility that remains undrawn and therefore, there is no outstanding payable by our Company as on December 31, 2018.

|  |
|--|
| <b>Security</b>  |
| <b>Bank of Baroda</b><br><i>Exclusive charge over specific book debts and future receivables of our Company cover will be 1.10 times of the outstanding loan amount.</i>   |
| <b>Dena Bank</b><br><i>Exclusive charge over specific book debts and future receivables of our Company. Security cover will be minimum 1.10 times of the outstanding loan amount.</i>  |
| <b>Deutsche Bank</b><br><i>Exclusive charge by way of hypothecation over book debts or receivables of our Company value equivalent to atleast 1.10 times of the outstanding facility amount.</i>   |
| <b>Federal Bank</b><br><i>Exclusive charge over specific book debts and future receivables of our Company. Security cover will be 1.1. times of outstanding facility amount.</i>   |
| <b>HDFC Bank Limited</b><br><i>Exclusive charge over specific receivables. The receivables hypothecated should not be overdue beyond 60 days.</i>  |
| <b>Indian Bank</b><br><i>Exclusive charge over specific book debts and future receivables (standard assets only) to the extent of 1.10 times of the outstanding amount.</i>  |
| <b>Mudra Bank</b><br><i>The loan together with the interest, cost, expenses, penal interest and all other monies dues and payable by the borrower under the financial assistance shall be secured by exclusive first charge by way of hypothecation of book debts and specific receivables arising out of loans granted to micro/small business enterprises/SRTOs with a minimum margin of 10% i.e. 1.10 times.</i>  |
| <b>Oriental Bank of Commerce</b><br><i>Exclusive charge over specific book debts and future receivables of our Company, so as to cover 1.10 times of the outstanding term loan.</i>  |
| <b>Punjab and Sindh Bank</b><br><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 National Bank</b><br><i>Exclusive charge on specific book debts and future receivables of our Company (both present and future) in the shape of documents entered into between our Company and the borrower as well as other type of accruals arising from Hypothecation loans/ Hypothecation agreements (both present and future) entered into by our Company towards loans/finance undertaken by our Company. Our Company shall maintain exclusive charge covering minimum 1.10 times of the facility outstanding throughout the tenor of the facility. The receivables pertaining to the accounts which are irregular and installments are remaining unpaid for 3 months shall be excluded from the security.</i> |
| <b>SIDBI</b><br><i>Exclusive first charge by way of hypothecation over book debts and receivables of our Company, so as to cover 1.10 times of the outstanding facility amount.</i>  |
| <b>South Indian Bank</b><br><i>Exclusive charge over specific book debts and future receivables of our Company. Security cover will be 1.10 times of the outstanding facility amount.</i>  |

|   |
|---|
| <b>State Bank of India</b><br><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><br><i>Exclusive charge by way of hypothecation over specific book debts and receivables of our Company, so as to cover 1.10 times of the outstanding loan amount.</i>   |
| <b>Union of Bank of India</b><br><i>Exclusive charge over future book debts, outstanding monies, specific hire purchase, leased and other loan assets along with receivables arising there from.</i>  |
| <b>DBS</b><br><i>First exclusive charge on specific receivables as identified from time to time forming part of current assets which are due and owing or payable or belonging to the borrower or which may at any time hereafter during the continuance of this security become due and owing or payable or belonging to the borrower in the course of its business by any person, firm, company or body corporate or by the central or state government department or any government department or any local municipal body or semi-government body or any undertaking, company, body corporate in the public sector.</i> |

Line of Credit Loans from Banks:

(₹ in lakhs)

| Sr. No.      | Lender's Name                               | Date of disbursement | Amount Sanctioned  | Amount outstanding as on December 31, 2018 | Maturity date    | Repayment schedule and pre-payment penalty, if any   |
|--------------|---|----------------------|--------------------|--|------------------|--|
| 1.           | Canara Bank (Overdraft against book debts)* | December 5, 2018     | 50,000.00          | 10,000.00                                  | March 5, 2020    | Bullet repayment at the end of 15 months from the date of each disbursement.   |
|              |   | December 6, 2018     |                    | 40,000.00                                  | March 6, 2020    | Our Company may prepay the outstanding facility at any time without incurring any prepayment charges.  |
| 2.           | Punjab & Sind Bank**                        | September 3, 2018    | 80,000.00          | 79,900.00                                  | December 3, 2019 | Bullet repayment at the end of 15 months.  |
| 3.           | Federal Bank Limited***#                    | -                    | 15,000.00          | -  | -                | Bullet repayment at the end of 18 months from the date of first drawdown.<br><br>Our Company has the option to prepay any time upon completion of 45 days from the date of first drawdown. |
| <b>Total</b> |   |                      | <b>1,45,000.00</b> | <b>1,29,900.00</b>                         |                  |  |

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 1,29,906.58 lakhs.

**\*Security:** Exclusive charge by way of hypothecation over specific standard receivables of our Company to the extent of 111% of the exposure under ODBD limit.

**\*\*Security:** Exclusive charge by way of hypothecation over specific book debts and future receivables of our Company that represents a security cover of 1.0 times the facility amount at all times.

**\*\*\*Security:** Exclusive charge by way of hypothecation over specific book debts and future receivables of our Company that represents a minimum security cover of 1.10 times the facility amount at all times.

**#Note:** This is a sanctioned facility that remains undrawn and therefore, there is no outstanding payable by the Company as on December 31, 2018.

**Working Capital Demand Loans from Banks:**
*(₹ in lakhs)*

| Sr. No. | Lender's Name                  | Date of disbursement | Amount Sanctioned  | Amount outstanding as on December 31, 2018 | Maturity date     | Repayment schedule   |
|---------|--------------------------------|----------------------|--------------------|--|-------------------|--|
| 1.      | DBS Bank Limited****           | September 25, 2018   | 65,000.00          | 15,000.00                                  | January 25, 2019  | Bullet Repayment at the end of tenor.  |
|         |                                | October 19, 2018     |                    | 20,000.00                                  | January 18, 2019  | Bullet Repayment at the end of tenor.  |
|         |                                | December 21, 2018    |                    | 25,000.00                                  | November 28, 2019 | Bullet Repayment at the end of tenor.  |
| 2.      | South Indian Bank Limited***** | December 19, 2018    | 10,000.00          | 10,000.00                                  | March 19, 2019    | Bullet repayment at the end of the tenor.  |
| 3.      | Bank of America*****           | October 12, 2018     | 20,000.00          | 20,000.00                                  | April 12, 2019    | Bullet repayment at the end of the tenor.  |
| 4.      | Union Bank of India*           | August 6, 2018       | 18,000.00          | 17,700.00                                  | August 6, 2019    | Bullet repayment at the end of 12 months from the date of first disbursement.  |
| 5.      | Bank of Nova Scotia**#         | --                   | 24,000.00          | 0.00                                       | 0.00              | Repayment on demand. Our Company has no right to prepay.   |
| 6.      | Axis Bank Limited ***          | December 31, 2018    | 25,000.00          | 25,000.00                                  | June 30, 2019     | Repayable on demand. Our Company may prepay in part or in full at any time subject to payment of prepayment penalty at 2% of the amount prepaid. |
|         | <b>Total</b>                   |                      | <b>1,62,000.00</b> | <b>1,32,700</b>                            |                   |  |

**\*\*\*\*Security :** First exclusive charge on specific receivables as identified from time to time forming part of current assets which are due and owing or payable or belonging to the borrower or which may at any time hereafter during the continuance of this security become due and owing or payable or belonging to the borrower in the course of its business by any person, firm, company or body corporate or by the central or state government department or any government department or any local municipal body or semi-government body or any undertaking, company, body corporate in the public sector.

**\*Security:** Exclusive charge over future book debts, outstanding monies, specific hire purchase, leased and other loan assets along with receivables arising therefrom

**\*\*Security:** The security for this facility is a first charge by way of hypothecation over receivables from specific loan assets of our Company which have been availed to finance purchase of construction equipment, commercial vehicles, tractors, machinery, etc. so as to cover 1.10 times of the outstanding facility amount.

**\*\*\*Security:** Exclusive charge on specified standard assets receivables with a minimum security cover of 1.10 times of the outstanding facility amount.

**\*\*\*\*Exclusive charge on book debts and future receivables with 1.1x coverage on loan outstanding.**

**\*\*\*\*\*The facility shall be secured at all points in time by a first ranking exclusive charge of receivables of 1.1 times of the drawn facility amount.**

**#This is a sanctioned facility that remains undrawn and therefore, there is no outstanding payable by our Company as on December 31, 2018**

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 1,32,700.00 lakhs.

Cash Credit from Banks (Utilised):

(₹ in lakhs)

| Sr. No. | Particulars            | Date of Disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Repayment schedule   |
|---------|------------------------|----------------------|-------------------|--|----------------------|
| 1.      | Bank of America        | October 12, 2018     | 10,000.00         | 9,913.88                                   | Repayable on demand. |
| 2.      | Federal Bank Limited** | September 30, 2018   | 5,000.00          | 4,715.75                                   | Repayable on demand. |
| 3.      | HDFC Bank Limited ***  | December 31, 2018    | 8,000.00          | 8,000.00                                   | Repayable on demand. |
| 4.      | Axis Bank Limited*     | December 31, 2018    | 10,000.00         | 341.05                                     | Repayable on demand. |
|         | <b>Total</b>           |                      | <b>33,000.00</b>  | <b>22,970.68</b>                           |                      |

**\*Security:** Exclusive charge on specific standard assets receivables of our Company with a minimum security cover of 1.10 times.

**\*\*Security:** Exclusive charge on specific receivables of our Company with a minimum security cover of 1.1 times the facility amount.

**\*\*\*Security:** Exclusive charge over unencumbered receivables with a margin of 10% on the receivables.

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 23,048.56 lakhs

Cash Credit from Banks (Unutilised):

(₹ in lakhs)

| Sr. No. | Particulars                | Date of Sanction | Amount Sanctioned | Repayment Terms                 |
|---------|----------------------------|------------------|-------------------|---------------------------------|
| 1.      | United Bank of India*****  | March 26, 2015   | 5,000.00          | Repayment to be made on demand  |
| 2.      | Central Bank of India**    | March 23, 2016   | 10,000.00         | Repayment to be made on demand  |
| 3.      | Union Bank of India *****  | July 25, 2011    | 4,500.00          | Repayment to be made on demand  |
| 4.      | Standard Chartered Bank*** | April 24, 2008   | 3,000.00          | Repayment to be made on demand. |
|         | <b>Total</b>               |                  | <b>22,500.00</b>  |                                 |

**\*\*Security:** Exclusive charge over specific receivables of our Company with a minimum security cover of 1.11 times.

**\*\*\*Security:** First and exclusive charge over secured assets of our Company with an asset cover of not less than 1.1 times (excluding the Associated Rights)

**\*\*\*\*Security:** Exclusive charge over specific receivables of our Company with a minimum security cover of 1.1 times of the outstanding amount.

**\*\*\*\*\*Security:** Exclusive charge by way of hypothecation over future book debts, outstanding monies, specific hire purchase, leased and other loan assets along with receivables arising there from payable to our Company.

**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 ₹ 11,83,500 lakhs (excluding IND AS adjustments), gross of unamortised discount of ₹ 774.59 lakhs and gross premium of ₹ 31.44 lakhs is outstanding as on December 31, 2018, 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 lakhs)*

| Sr. No. | Description (Debenture series) | Tenor/ Period of Maturity (Days) | Latest Credit Rating  | Coupon | Date of Allotment | Amount Outstanding as on December 31, 2018 | Redemption /Maturity Date |
|---------|--------------------------------|----------------------------------|-----------------------|--------|-------------------|--|---------------------------|
| 1       | LTF/2015-16/C - Opt 5          | 1827                             | [ICRA] AAA & CARE AAA | 8.87%  | May 20, 2015      | 2,600.00                                   | May 20, 2020              |
| 2       | LTF/2015-16/D - Opt 3          | 1461                             | CARE AAA              | 8.88%  | May 27, 2015      | 4,050.00                                   | May 27, 2019              |
| 3       | LTF/2015-16/E - Opt 7          | 1461                             | CARE AAA              | 8.88%  | June 04, 2015     | 2,500.00                                   | June 04, 2019             |
| 4       | Series E 15-16 Opt III         | 1294                             | CARE AAA              | 8.95%  | June 23, 2015     | 500.00                                     | January 07, 2019          |
| 5       | LTF/2015-16/N                  | 1126                             | [ICRA] AAA & CARE AAA | 8.90%  | March 29, 2016    | 18,500.00                                  | April 29, 2019            |
| 6       | LTF/2016-17/A Opt 2            | 1063                             | [ICRA] AAA & CARE AAA | 8.69%  | April 13, 2016    | 17,000.00                                  | March 12, 2019            |
| 7       | LTF/2016-17/A Opt 3            | 1094                             | [ICRA] AAA & CARE AAA | 8.70%  | April 13, 2016    | 1,000.00                                   | April 12, 2019            |
| 8       | LTF/2016-17/A Opt 4            | 1143                             | [ICRA] AAA & CARE AAA | 8.69%  | April 13, 2016    | 2,500.00                                   | May 31, 2019              |
| 9       | LTF/2016-17/A Opt 5            | 1156                             | [ICRA] AAA & CARE AAA | 8.69%  | April 13, 2016    | 27,500.00                                  | June 13, 2019             |
| 10      | LTF/2016-17/A Opt 6            | 1247                             | [ICRA] AAA & CARE AAA | 8.68%  | April 13, 2016    | 7,500.00                                   | September 12, 2019        |
| 11      | LTF/2016-17/A Opt 7            | 1265                             | [ICRA] AAA & CARE AAA | 8.68%  | April 13, 2016    | 400.00                                     | September 30, 2019        |
| 12      | Series A FY 16 - 17            | 1094                             | CARE AAA              | 8.80%  | April 20, 2016    | 1,000.00                                   | April 19, 2019            |
| 13      | LTF/2016-17/B                  | 1217                             | CARE AAA              | 8.65%  | April 20, 2016    | 30,000.00                                  | August 20, 2019           |
| 14      | Series B FY 16 - 17 Op II      | 1095                             | CARE AAA              | 8.80%  | May 20, 2016      | 2,000.00                                   | May 20, 2019              |
| 15      | LTF/2016-17/C Opt 1            | 1095                             | CARE AAA              | 8.65%  | May 24, 2016      | 5,000.00                                   | May 24, 2019              |
| 16      | LTF/2016-17/C Opt 2            | 1130                             | CARE AAA              | 8.64%  | May 24, 2016      | 300.00                                     | June 28, 2019             |
| 17      | Series C FY 16 - 17 Op I       | 1095                             | [ICRA] AAA & CARE AAA | 8.80%  | June 13, 2016     | 1,000.00                                   | June 13, 2019             |
| 18      | Series C FY 16 - 17 Op II      | 1824                             | [ICRA] AAA & CARE AAA | 8.80%  | June 13, 2016     | 1,000.00                                   | June 11, 2021             |



| Sr. No. | Description (Debtenture series) | Tenor/ Period of Maturity (Days) | Latest Credit Rating  | Coupon                                       | Date of Allotment  | Amount Outstanding as on December 31, 2018 | Redemption /Maturity Date |
|---------|---------------------------------|----------------------------------|-----------------------|--|--------------------|--|---------------------------|
| 19      | LTF/2016-17/D                   | 1095                             | [ICRA] AAA & CARE AAA | 8.72%  | June 14, 2016      | 5,000.00                                   | June 14, 2019             |
| 20      | LTF/2016-17/E Opt 1             | 1094                             | [ICRA] AAA & CARE AAA | 8.72%  | June 29, 2016      | 13,000.00                                  | June 28, 2019             |
| 21      | LTF/2016-17/E Opt 2             | 1118                             | [ICRA] AAA & CARE AAA | 8.71%  | June 29, 2016      | 250.00                                     | July 22, 2019             |
| 22      | LTF/2016-17/G Opt 2             | 1094                             | CARE AAA              | 8.45%  | August 03, 2016    | 7,500.00                                   | August 02, 2019           |
| 23      | Series B of FY 16-17 - Opt II   | 1095                             | [ICRA] AAA & CARE AAA | 8.65%  | August 05, 2016    | 500.00                                     | August 05, 2019           |
| 24      | LTF/2016-17/H                   | 1095                             | CARE AAA              | Overnight MIBOR (daily compounding) +200 bps | August 05, 2016    | 7,500.00                                   | August 05, 2019           |
| 25      | LTF/2016-17/I                   | 1095                             | CARE AAA              | 8.40%  | August 09, 2016    | 5,000.00                                   | August 09, 2019           |
| 26      | Series F 16-17                  | 1093                             | [ICRA] AAA & CARE AAA | 8.31%  | September 08, 2016 | 5,000.00                                   | September 06, 2019        |
| 27      | Series G 16-17                  | 1095                             | [ICRA] AAA & CARE AAA | 8.31%  | September 12, 2016 | 20,000.00                                  | September 12, 2019        |
| 28      | LTF/2016-17/J Opt 1             | 729                              | [ICRA] AAA            | 7.66%  | January 19, 2017   | 5,000.00                                   | January 18, 2019          |
| 29      | LTF/2016-17/J Opt 2             | 1096                             | [ICRA] AAA            | 7.83%  | January 19, 2017   | 15,000.00                                  | January 20, 2020          |
| 30      | NCD LT SERIES P - OPT 4         | 1826                             | CARE AAA              | 9.25%  | February 24, 2015  | 2,500.00                                   | February 24, 2020         |
| 31      | Series D Opt II FY 16-17        | 1096                             | CARE AAA              | 7.90%  | March 27, 2017     | 2,500.00                                   | March 27, 2020            |
| 32      | Series E FY 16-17               | 1127                             | [ICRA] AAA            | 7.90%  | March 29, 2017     | 10,000.00                                  | March 29, 2020            |
| 33      | Series F FY 16-17               | 1155                             | [ICRA] AAA            | 8.07%  | March 31, 2017     | 30,000.00                                  | May 29, 2020              |
| 34      | Series A FY 17-18 Opt I         | 730                              | [ICRA] AAA            | 7.71%  | April 10, 2017     | 15,000.00                                  | April 10, 2019            |
| 35      | Series A FY 17-18 Opt II        | 1124                             | [ICRA] AAA            | 7.80%  | April 10, 2017     | 10,000.00                                  | May 08, 2020              |
| 36      | Series C FY 17-18               | 1096                             | [ICRA] AAA & CARE AAA | 7.85%  | May 25, 2017       | 2,500.00                                   | May 25, 2020              |
| 37      | Series D FY 17-18               | 1096                             | CARE AAA              | 7.85%  | June 09, 2017      | 21,000.00                                  | June 09, 2020             |
| 38      | Series E FY 17-18               | 1096                             | CARE AAA              | 7.75%  | June 16, 2017      | 25,000.00                                  | June 16, 2020             |
| 39      | Series F FY 17-18               | 1096                             | CARE AAA              | 7.85%  | June 19, 2017      | 20,000.00                                  | June 19, 2020             |
| 40      | Series G FY 17-18               | 1095                             | CARE AAA              | 7.85%  | June 20, 2017      | 37,500.00                                  | June 20, 2020             |

| Sr. No. | Description (Debenture series) | Tenor/ Period of Maturity (Days) | Latest Credit Rating  | Coupon | Date of Allotment | Amount Outstanding as on December 31, 2018 | Redemption /Maturity Date |
|---------|--------------------------------|----------------------------------|-----------------------|--------|-------------------|--|---------------------------|
| 41      | Series H FY 17-18 Opt I        | 1146                             | CARE AAA              | 7.76%  | June 21, 2017     | 5,000.00                                   | August 10, 2020           |
| 42      | Series H FY 17-18 Opt II       | 1856                             | CARE AAA              | 7.81%  | June 21, 2017     | 2,500.00                                   | July 21, 2022             |
| 43      | Series I FY 17-18              | 1096                             | CARE AAA              | 7.75%  | June 23, 2017     | 12,500.00                                  | June 33, 2020             |
| 44      | Series J FY 17-18              | 1094                             | CARE AAA              | 7.75%  | June 28, 2017     | 12,500.00                                  | June 26, 2020             |
| 45      | Series K FY 17-18              | 730                              | CARE AAA              | 7.65%  | July 19, 2017     | 40,000.00                                  | July 19, 2019             |
| 46      | Series L FY 17-18              | 1122                             | CARE AAA              | 7.65%  | July 25, 2017     | 29,000.00                                  | August 20, 2020           |
| 47      | Series M FY 17-18              | 1826                             | [ICRA] AAA & CARE AAA | 7.71%  | August 08, 2017   | 46,500.00                                  | August 08, 2022           |
| 48      | Series D FY 16 -17 Opt I       | 1082                             | CARE AAA              | 8.55%  | August 18, 2016   | 250.00                                     | August 05, 2019           |
| 49      | Series E FY 16 -17             | 1133                             | CARE AAA              | 8.54%  | August 23, 2016   | 1,175.00                                   | September 30, 2019        |
| 50      | Series N (2017-18)             | 1826                             | [ICRA] AAA & CARE AAA | 7.70%  | October 06, 2017  | 31,000.00                                  | October 06, 2022          |
| 51      | Series O (2017-18)             | 1127                             | CARE AAA              | 7.65%  | October 13, 2017  | 50,000.00                                  | November 13, 2020         |
| 52      | Series P (2017-18)             | 1158                             | [ICRA] AAA & CARE AAA | 7.68%  | October 17, 2017  | 15,000.00                                  | December 18, 2020         |
| 53      | Series Q (2017-18)             | 1113                             | [ICRA] AAA & CARE AAA | 7.85%  | November 24, 2017 | 30,500.00                                  | December 11, 2020         |
| 54      | Series R (2017-18)             | 1096                             | [ICRA] AAA            | 7.90%  | December 04, 2017 | 75,000.00                                  | December 04, 2020         |
| 55      | Series S (2017-18)             | 1127                             | [ICRA] AAA & CARE AAA | 7.84%  | December 06, 2017 | 21,500.00                                  | January 06, 2021          |
| 56      | Series T (2017-18)             | 1826                             | [ICRA] AAA & CARE AAA | 7.95%  | December 12, 2017 | 8,500.00                                   | December 12, 2022         |
| 57      | Series U (2017-18)             | 1064                             | [ICRA] AAA & CARE AAA | 8.00%  | December 29, 2017 | 10,000.00                                  | November 27, 2020         |
| 58      | Series V (2017-18)             | 1108                             | IND AAA & CARE AAA    | 8.25%  | March 27, 2018    | 8,250.00                                   | April 08, 2021            |
| 59      | Series W (2017-18)             | 1181                             | IND AAA & CARE AAA    | 8.25%  | March 28, 2018    | 9,500.00                                   | June 21, 2021             |
| 60      | Series A FY 2018-19            | 1422                             | IND AAA & CARE AAA    | 8.65%  | June 06, 2018     | 5,500.00                                   | April 28, 2022            |
| 61      | Series B FY 2018-19            | 364                              | IND AAA & CARE AAA    | 8.70%  | June 29, 2018     | 1,00,000.00                                | June 28, 2019#            |
| 62      | Series C FY 2018-19 option 1   | 1435                             | IND AAA & CARE AAA    | 8.95%  | July 06, 2018     | 3,500.00                                   | June 10, 2022             |
| 63      | Series C FY 2018-19 option 2   | 1188                             | IND AAA & CARE AAA    | 8.92%  | July 06, 2018     | 12,700.00                                  | October 06, 2021          |
| 64      | Series D FY 2018-19 Option 1   | 1106                             | IND AAA & CARE AAA    | 8.92%  | July 20, 2018     | 2,500.00                                   | July 30, 2021             |

| Sr. No. | Description (Debenture series)   | Tenor/ Period of Maturity (Days) | Latest Credit Rating | Coupon   | Date of Allotment  | Amount Outstanding as on December 31, 2018 | Redemption /Maturity Date |
|---------|--|----------------------------------|----------------------|----------|--------------------|--|---------------------------|
| 65      | Series D FY 2018-19 Option 2   | 1123                             | IND AAA & CARE AAA   | 8.95%    | July 20,2018       | 36,000.00                                  | August 16, 2021           |
| 66      | Reissuance - Series "W"1-FY 2017-18  | 1060                             | IND AAA & CARE AAA   | 8.25%    | July 27, 2018      | 8,025.00                                   | June 21, 2021             |
| 67      | Series E FY 2018-19  | 1826                             | IND AAA & CARE AAA   | 8.86%    | August 02, 2018    | 3,500.00                                   | August 02, 2023           |
| 68      | Reissuance - Series "W"2-FY 2017-18  | 1047                             | IND AAA & CARE AAA   | 8.25%    | August 09, 2018    | 5,500.00                                   | 21 June, 2021             |
| 69      | Reissuance Series D1 FY 2018-19 Option 1   | 1075                             | IND AAA & CARE AAA   | 8.92%    | August 20, 2018    | 1,080.00                                   | July 30, 2021             |
| 70      | Reissuance Series D1 FY 2018-19 Option 2   | 1092                             | IND AAA & CARE AAA   | 8.95%    | August 20, 2018    | 5,100.00                                   | August 16, 2021           |
| 71      | Series D1 FY 2018-19 Option 3  | 486                              | IND AAA & CARE AAA   | 8.60%    | August 20, 2018    | 2,500.00                                   | December 19, 2019         |
| 72      | Series D1 FY 2018-19 Option 4  | 730                              | IND AAA & CARE AAA   | 8.75%    | August 20, 2018    | 8,000.00                                   | August 19, 2020           |
| 73      | Reissuance Series D2 FY 2018-19 Option 4   | 723                              | IND AAA & CARE AAA   | 8.75%    | August 27, 2018    | 34,000.00                                  | August 19, 2020           |
| 74      | Reissuance Series D3 FY 2018-19 Option 1(Sr D1 18-19 Op 3)                                 | 475                              | IND AAA & CARE AAA   | 8.60%    | August 31, 2018    | 5,000.00                                   | December 19, 2019         |
| 75      | Series D3 FY 2018-19 Option 2  | 517                              | IND AAA & CARE AAA   | 8.62%    | August 31, 2018    | 2,500.00                                   | January 30, 2020          |
| 76      | Reissuance Series D3 FY 2018-19 Option 3(Sr C 18-19)                                       | 1132                             | IND AAA & CARE AAA   | 8.92%    | August 31, 2018    | 5,000.00                                   | October 06, 2021          |
| 77      | Series F FY 2018-19  | 1087                             | IND AAA & CARE AAA   | 8.82%    | September 12, 2018 | 5,900.00                                   | September 03, 2021        |
| 78      | Series G FY 2018-19 Option 1 (reissuance Sr F 18-19)                                       | 1038                             | CARE AAA & IND AAA   | 8.8154 % | October 31, 2018   | 500.00                                     | September 03, 2021        |
| 79      | Series G FY 2018-19 Option 2   | 1230                             | CARE AAA & IND AAA   | 9.48%    | October 31, 2018   | 7,580.00                                   | March 14, 2022            |
| 80      | Series G FY 2018-19 Option 3(reissuance Sr T 17-18)  | 1503                             | CARE AAA & IND AAA   | 7.95%    | October 31, 2018   | 1,650.00                                   | December 12, 2022         |
| 81      | Reissuance Series A1 FY 2018-19  | 1261                             | CARE AAA & IND AAA   | 8.6474 % | November 14, 2018  | 3,000.00                                   | April 28, 2022            |
| 82      | Reissuance-Series "H" FY 2018-19-Option 1(Original Issuance - Series D3 Option 2 FY 18-19) | 436                              | CARE AAA & IND AAA   | 8.6197 % | November 20, 2018  | 5,190.00                                   | January 30, 2020          |

| Sr. No. | Description (Debenture series)   | Tenor/ Period of Maturity (Days) | Latest Credit Rating | Coupon | Date of Allotment | Amount Outstanding as on December 31, 2018 | Redemption /Maturity Date |
|---------|--|----------------------------------|----------------------|--------|-------------------|--|---------------------------|
| 83      | Reissuance-Series "H" FY 2018-19-Option 2(Original Issuance - Series N FY 17-18) | 1416                             | CARE AAA & IND AAA   | 7.70%  | November 20, 2018 | 6,500.00                                   | October 06, 2022          |
| 84      | Series I FY 2018-19  | 380                              | [ICRA] AAA           | 9.36%  | December 05, 2018 | 1,20,000.00                                | December 20, 2019         |
|         | <b>TOTAL</b>   |                                  |                      |        |                   | <b>11,83,500.00</b>                        |                           |

*\*Security: First pari-passu mortgage over the immovable property situated at KGN Towers, 'B' Wing, 6<sup>th</sup> Floor, Commander-in-chief Road, Egmore, Chennai-600015 and an exclusive charge over specific receivables arising from construction equipments, lease and hire purchase, term loans and loans against securities of our Company.*

#Redemption date mentioned is the call option date. In case call option is not exercised, the redemption date is June 29, 2021.

*The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹12,28,662.92 lakhs.*

#### **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 ₹ 45,729.62 lakhs is outstanding as on December 31, 2018 the details of which are set forth below\*:

**Date of Allotment:** September 17, 2009

**Credit Rating:** 'CARE AAA' by CARE and 'AAA' by ICRA

*(₹ in lakhs)*

| Sr. No. | Description            | ISIN         | Tenor/ Period of Maturity | Coupon (per annum) | Amount outstanding as on December 31, 2018 | Redemption/ Maturity Date |
|---------|------------------------|--------------|---------------------------|--------------------|--|---------------------------|
| 1-      | Public Issue Series N4 | INE523E07459 | 3652 days                 | 10.24%             | 45,729.62                                  | September 17, 2019        |
|         | <b>Total</b>           |              |                           |                    | 45,729.62                                  |                           |

*\*Security: First ranking pari-passu mortgage over all rights, title, interest arising from the immovable property situated at Laxmi Finance and Leasing Companies, Commercial Premises Co-operative Society Limited, Bandra Kurla Complex, Bandra (East) Mumbai-400051 and an exclusive charge over receivables arising from rural finance, trade finance, commercial vehicle, construction equipment, infrastructure services for an aggregate amount of ₹ 1100 crores.*

*The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 46,745.83 lakhs.*

As on December 31, 2018 we have outstanding borrowings of ₹ 160,300 lakhs from [Collateralised Borrowing and Lending Obligations ("CBLO")] and ₹ 40,078.08 lakhs by way of Repo in Debt Securities (Corporate Bond Repo).

*The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 160,300 lakhs and ₹ 40,114.65 lakhs of CBLO and Corporate Bond Repo respectively.*

**DETAILS OF UNSECURED BORROWINGS:**

Our Company's unsecured borrowings (gross of unamortized discount of ₹ 17,766.46 lakhs) as on December 31, 2018 amount to ₹ 17,07,070.00 lakhs (excluding IND AS adjustments). The details of the individual borrowings are set out below:

Subordinated Debts: (Face value: ₹ 10,00,000)

Our Company has issued subordinated debts of face value of ₹ 10,00,000 each on a private placement basis of which ₹ 84,000 lakhs (excluding IND AS adjustments) is outstanding as on December 31, 2018, the details of which are set forth below:

(₹ in lakhs)

| Sr. No. | Description (Debenture series) | Tenor/ Period of Maturity (Days) | Latest Credit Rating  | Coupon | Date of Allotment | Amount outstanding as on December 31, 2018 | Repayment / Maturity Date |
|---------|--------------------------------|----------------------------------|-----------------------|--------|-------------------|--|---------------------------|
| 1.      | Series J of FY 2012-13         | 3652                             | [ICRA] AAA & CARE AAA | 9.80%  | December 21, 2012 | 27,500.00                                  | December 21, 2022         |
| 2.      | Series I of FY 2013-14         | 3653                             | [ICRA] AAA & CARE AAA | 10.35% | March 27, 2014    | 5,000.00                                   | March 27, 2024            |
| 3.      | Series G of FY15               | 3653                             | [ICRA] AAA & CARE AAA | 9.35%  | February 9, 2016  | 1,800.00                                   | February 9, 2026          |
| 4.      | Series C of FY14               | 3652                             | CARE AAA              | 10.90% | February 28, 2014 | 2,500.00                                   | February 28, 2024         |
| 5.      | Series H of FY15               | 3652                             | [ICRA] AAA & CARE AAA | 9.48%  | March 4, 2016     | 5,000.00                                   | March 4, 2026             |
| 6.      | Series M 15-16                 | 3652                             | [ICRA] AAA & CARE AAA | 9.30%  | March 23, 2016    | 10,000.00                                  | March 23, 2026            |
| 7.      | Series F of FY14               | 3653                             | [ICRA] AAA & CARE AAA | 10.90% | March 27, 2014    | 5,000.00                                   | March 27, 2024            |
| 8.      | Series S FY14-15               | 3651                             | [ICRA] AAA & CARE AAA | 9.95%  | March 30, 2015    | 5,000.00                                   | March 28, 2025            |
| 9.      | Series E of FY15               | 3651                             | [ICRA] AAA & CARE AAA | 10.40% | June 30, 2014     | 4,000.00                                   | June 28, 2024             |
| 10.     | Series J 15-16                 | 3653                             | [ICRA] AAA & CARE AAA | 9.25%  | September 9, 2015 | 10,000.00                                  | September 9, 2025         |
| 11.     | Series M FY 14-15              | 3653                             | CARE AAA              | 9.95%  | December 31, 2014 | 5,000.00                                   | December 31, 2024         |
| 12.     | Series F of FY15               | 3652                             | [ICRA] AAA & CARE AAA | 9.35%  | January 30, 2016  | 3,200.00                                   | January 29, 2026          |
|         | <b>Total</b>                   |                                  |                       |        |                   | <b>84,000.00</b>                           |                           |

*The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹87,541.71 lakhs.*

Our Company has not issued any subordinated debts as on December 31, 2018 through public issue of debentures.

**Perpetual Debts: (Face value: ₹ 10,00,000)***(₹ in lakhs)*

| Sr. No. | Description (Debenture series) | Tenor/ Period of Maturity (Days) | Latest Credit Rating  | Coupon | Date of allotment | Amount outstanding as on December 31, 2018 | Repayment / Maturity Date |
|---------|--------------------------------|----------------------------------|-----------------------|--------|-------------------|--|---------------------------|
| 1.      | Series I of FY 2015-16         | 3652                             | [ICRA] AA+ & CARE AA+ | 10.10% | March 30, 2016    | 5,000.00                                   | March 30, 2026            |
| 2.      | Series F of FY 2011-12         | 3653                             | [ICRA] AA+ & CARE AA+ | 11.50% | December 30, 2011 | 20,000.00                                  | December 30, 2021         |
|         | <b>Total</b>                   |                                  |                       |        |                   | <b>25,000.00</b>                           |                           |

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹25,389.55 lakhs.

**Unsecured Line of Credit from Banks:***(₹ in lakhs)*

| Sr. No. | Lender's Name             | Date of disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Maturity Date     | Repayment schedule and pre-payment penalty, if any                                  |
|---------|---------------------------|----------------------|-------------------|--|-------------------|---|
| 1.      | Bank of Baroda            | December 6, 2018     | 1,15,000.00       | 25,000.00                                  | March 6, 2020     | Bullet repayment at the end of the period of each drawdown.                         |
| 2.      | Bank of Baroda            | December 7, 2018     |                   | 29,500.00                                  | March 7, 2020     | Bullet repayment at the end of the period of each drawdown.                         |
| 3.      | Bank of Baroda            | December 12, 2018    |                   | 35,000.00                                  | March 12, 2020    | Bullet repayment at the end of the period of each drawdown.                         |
| 4.      | Bank of Baroda            | December 13, 2018    |                   | 25,000.00                                  | March 13, 2020    | Bullet repayment at the end of the period of each drawdown.                         |
| 5.      | Bank of Baroda            | December 7, 2018     | 50,000.00         | 10,000.00                                  | March 7, 2020     | Bullet repayment at the end of the period of each drawdown.                         |
| 6.      | Bank of Baroda            | December 13, 2018    |                   | 10,000.00                                  | March 13, 2020    | Bullet repayment at the end of the period of each drawdown.                         |
| 7.      | Bank of Baroda            | December 18, 2018    |                   | 20,000.00                                  | March 18, 2020    | Bullet repayment at the end of the period of each drawdown.                         |
| 8.      | Bank of Baroda            | December 21, 2018    |                   | 10,000.00                                  | March 21, 2020    | Bullet repayment at the end of the period of each drawdown.                         |
| 9.      | Bank of Maharashtra       | September 21, 2018   | 45,000.00         | 25,000.00                                  | December 21, 2019 | Bullet repayment at the end of period of each drawdown                              |
| 10.     | Oriental Bank of Commerce | September 24, 2018   | 40,000.00         | 40,000.00                                  | December 24, 2019 | Each drawdown to be for a tenor of 15 months with right to prepayment after 3 days. |

| Sr. No. | Lender's Name        | Date of disbursement | Amount Sanctioned  | Amount outstanding as on December 31, 2018 | Maturity Date      | Repayment schedule and pre-payment penalty, if any          |
|---------|----------------------|----------------------|--------------------|--|--------------------|---|
| 11.     | Punjab National Bank | September 14, 2018   | 50,000.00          | 50,000.00                                  | September 14, 2019 | Bullet repayment at the end of each drawdown.               |
| 12.     | Union Bank of India  | September 17, 2018   | 45,000.00          | 34,500.00                                  | December 17, 2019  | Bullet repayment at the end of the period of each drawdown  |
| 13.     | Union Bank of India  | December 6, 2018     |                    | 10,000.00                                  | March 6, 2020      | Bullet repayment at the end of the period of each drawdown  |
| 14.     | Union Bank of India  | December 6, 2018     |                    | 10,000.00                                  | March 6, 2020      | Bullet repayment at the end of the period of each drawdown  |
| 15.     | Union Bank of India  | August 6, 2018       | 1,00,000.00        | 89,500.00                                  | November 6, 2019   | Bullet repayment at the end of the period of each drawdown. |
|         | <b>Total</b>         |                      | <b>4,45,000.00</b> | <b>4,23,500.00</b>                         |                    |   |

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹4,23,500 lakhs.

**Cash Credit from Banks:**

(₹ in lakhs)

| Sr. No. | Lender's Name | Date of disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Maturity Date | Repayment schedule and pre-payment penalty, if any |
|---------|---------------|----------------------|-------------------|--|---------------|--|
| 1.      | BNP Paribas # | -                    | 2,000.00          | -  | -             | Repayment to be made on demand                     |

#Note: This is a sanctioned facility that remains undrawn and therefore, there is no outstanding payable by our Company as on December 31, 2018.

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is NIL.

**Working Capital Demand Loans from Banks:**

(₹ in lakhs)

| Sr. No. | Lender's Name  | Date of disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Maturity date | Repayment schedule   |
|---------|----------------|----------------------|-------------------|--|---------------|--|
| 1-      | Syndicate Bank | September 4, 2018    | 80,000.00         | 80,000.00                                  | March 4, 2019 | Bullet repayment to be made on the date of maturity. Interest shall be serviced as and when it becomes due. Our Company may prepay the amount after 45 days from the date of first disbursement by giving a notice of 10 days. |
| 2-      | Doha Bank#     | -                    | 2,900.00          | -  |               | Bullet Repayment at the maturity of each drawdown  |



| Sr. No. | Lender's Name                | Date of disbursement | Amount Sanctioned | Amount outstanding as on December 31, 2018 | Maturity date | Repayment schedule  |
|---------|------------------------------|----------------------|-------------------|--|---------------|---|
|         |                              |                      |                   |  |               | Prepayment can only happen with the prior written consent of the Bank |
| 3-      | HSBC Bank India <sup>#</sup> | -                    | 50,000            | -  |               | Bullet Repayment  |
|         | <b>Total</b>                 |                      | <b>132,900</b>    | <b>80,000.00</b>                           |               |   |

*#Note: This is a sanctioned facility that remains undrawn and therefore, there is no outstanding payable by our Company as on December 31, 2018.*

*The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 80,000 lakhs.*

#### Fixed Deposits:

*(₹ in lakhs)*

| Particulars | Amount outstanding as on December 31, 2018 | Maturity Date |
|-------------|--|---------------|
| NA          | NA   | NA            |
| Total       | NA   |               |

#### Corporate Guarantee

Our Company has not issued any corporate guarantee as on December 31, 2018.

#### Commercial Paper:

Our Company has issued unsecured Commercial Paper of face value of ₹ 5,00,000 each on a private placement basis of which ₹ 9,40,500 lakhs (gross of unamortised discount of ₹ 17,766.48 lakhs) is outstanding as on December 31, 2018 the details of which are set forth below:

*(₹ in lakhs)*

| Sr.No. | ISIN         | Amount Sanctioned (Maturity Value) | Amount Outstanding as on December 31, 2018 (Net of Unamortised Discount) | Maturity Date     | Repayment Terms               |
|--------|--------------|------------------------------------|--|-------------------|-------------------------------|
| 1      | INE027E14FP7 | 500.00                             | 490.50   | April 09, 2019    | Bullet Repayment at maturity. |
| 2      | INE027E14FP7 | 500.00                             | 490.50   | April 09, 2019    | Bullet Repayment at maturity. |
| 3      | INE027E14FM4 | 5,000.00                           | 4,915.73   | March 27, 2019    | Bullet Repayment at maturity. |
| 4      | INE027E14FH4 | 5,000.00                           | 4,936.74   | March 06, 2019    | Bullet Repayment at maturity. |
| 5      | INE027E14FJ0 | 5,000.00                           | 4,923.12   | March 20, 2019    | Bullet Repayment at maturity. |
| 6      | INE027E14FH4 | 500.00                             | 493.43   | March 06, 2019    | Bullet Repayment at maturity. |
| 7      | INE027E14FH4 | 2,500.00                           | 2,467.15   | March 06, 2019    | Bullet Repayment at maturity. |
| 8      | INE027E14FH4 | 5,000.00                           | 4,934.29   | March 06, 2019    | Bullet Repayment at maturity. |
| 9      | INE027E14FH4 | 5,000.00                           | 4,934.29   | March 06, 2019    | Bullet Repayment at maturity. |
| 10     | INE027E14FH4 | 25,000.00                          | 24,671.47  | March 06, 2019    | Bullet Repayment at maturity. |
| 11     | INE027E14FF8 | 10,000.00                          | 9,885.01   | February 26, 2019 | Bullet Repayment at maturity. |
| 12     | INE027E14FF8 | 10,000.00                          | 9,885.01   | February 26, 2019 | Bullet Repayment at maturity. |
| 13     | INE027E14FP7 | 10,000.00                          | 9,810.03   | April 09, 2019    | Bullet Repayment at maturity. |
| 14     | INE027E14GB5 | 2,500.00                           | 2,405.57   | June 25, 2019     | Bullet Repayment at maturity. |
| 15     | INE027E14GG4 | 50,000.00                          | 49,690.27  | January 30, 2019  | Bullet Repayment at maturity. |

| Sr.No. | ISIN         | Amount Sanctioned (Maturity Value) | Amount Outstanding as on December 31, 2018 (Net of Unamortised Discount) | Maturity Date      | Repayment Terms               |
|--------|--------------|------------------------------------|--|--------------------|-------------------------------|
| 16     | INE027E14GH2 | 25,000.00                          | 23,939.64  | July 18, 2019      | Bullet Repayment at maturity. |
| 17     | INE027E14GI0 | 500.00                             | 478.23   | July 25, 2019      | Bullet Repayment at maturity. |
| 18     | INE027E14GK6 | 10,000.00                          | 9,819.38   | March 28, 2019     | Bullet Repayment at maturity. |
| 19     | INE027E14GR1 | 20,000.00                          | 18,912.96  | September 09, 2019 | Bullet Repayment at maturity. |
| 20     | INE027E14GX9 | 25,000.00                          | 24,596.72  | March 12, 2019     | Bullet Repayment at maturity. |
| 21     | INE027E14GY7 | 10,000.00                          | 9,936.64   | January 28, 2019   | Bullet Repayment at maturity. |
| 22     | INE027E14GY7 | 20,000.00                          | 19,873.28  | January 28, 2019   | Bullet Repayment at maturity. |
| 23     | INE027E14GY7 | 20,000.00                          | 19,873.28  | January 28, 2019   | Bullet Repayment at maturity. |
| 24     | INE027E14GY7 | 25,000.00                          | 24,841.60  | January 28, 2019   | Bullet Repayment at maturity. |
| 25     | INE027E14GY7 | 25,000.00                          | 24,841.60  | January 28, 2019   | Bullet Repayment at maturity. |
| 26     | INE027E14GZ4 | 10,000.00                          | 9,934.28   | January 29, 2019   | Bullet Repayment at maturity. |
| 27     | INE027E14GZ4 | 10,000.00                          | 9,934.28   | January 29, 2019   | Bullet Repayment at maturity. |
| 28     | INE027E14HA5 | 75,000.00                          | 74,472.14  | January 31, 2019   | Bullet Repayment at maturity. |
| 29     | INE027E14HA5 | 7,500.00                           | 7,447.21   | January 31, 2019   | Bullet Repayment at maturity. |
| 30     | INE027E14HA5 | 67,500.00                          | 67,024.93  | January 31, 2019   | Bullet Repayment at maturity. |
| 31     | INE027E14GG4 | 40,000.00                          | 39,727.73  | January 30, 2019   | Bullet Repayment at maturity. |
| 32     | INE027E14HB3 | 20,000.00                          | 19,854.55  | February 01, 2019  | Bullet Repayment at maturity. |
| 33     | INE027E14HB3 | 10,000.00                          | 9,927.27   | February 01, 2019  | Bullet Repayment at maturity. |
| 34     | INE027E14HB3 | 5,000.00                           | 4,963.64   | February 01, 2019  | Bullet Repayment at maturity. |
| 35     | INE027E14HD9 | 25,000.00                          | 24,634.98  | March 04, 2019     | Bullet Repayment at maturity. |
| 36     | INE027E14HD9 | 25,000.00                          | 24,634.98  | March 04, 2019     | Bullet Repayment at maturity. |
| 37     | INE027E14HD9 | 20,000.00                          | 19,707.98  | March 04, 2019     | Bullet Repayment at maturity. |
| 38     | INE027E14FH4 | 40,000.00                          | 39,397.41  | March 06, 2019     | Bullet Repayment at maturity. |
| 39     | INE027E14FH4 | 10,000.00                          | 9,849.35   | March 06, 2019     | Bullet Repayment at maturity. |
| 40     | INE027E14FH4 | 1,000.00                           | 984.94   | March 06, 2019     | Bullet Repayment at maturity. |
| 41     | INE027E14HD9 | 25,000.00                          | 24,634.63  | March 04, 2019     | Bullet Repayment at maturity. |
| 42     | INE027E14HD9 | 35,000.00                          | 34,488.49  | March 04, 2019     | Bullet Repayment at maturity. |
| 43     | INE027E14HD9 | 30,000.00                          | 29,561.56  | March 04, 2019     | Bullet Repayment at maturity. |
| 44     | INE027E14HD9 | 10,000.00                          | 9,853.85   | March 04, 2019     | Bullet Repayment at maturity. |
| 45     | INE027E14HE7 | 5,000.00                           | 4,874.70   | April 15, 2019     | Bullet Repayment at maturity. |
| 46     | INE027E14HG2 | 9,500.00                           | 9,169.05   | May 27, 2019       | Bullet Repayment at maturity. |
| 47     | INE027E14HG2 | 13,000.00                          | 12,547.13  | May 27, 2019       | Bullet Repayment at maturity. |
| 48     | INE027E14HG2 | 7,500.00                           | 7,238.73   | May 27, 2019       | Bullet Repayment at maturity. |
| 49     | INE027E14GB5 | 10,000.00                          | 9,585.31   | June 25, 2019      | Bullet Repayment at maturity. |
| 50     | INE027E14HH0 | 5,000.00                           | 4,793.79   | June 24, 2019      | Bullet Repayment at maturity. |
| 51     | INE027E14HH0 | 5,000.00                           | 4,793.79   | June 24, 2019      | Bullet Repayment at maturity. |
| 52     | INE027E14HH0 | 1,000.00                           | 958.76   | June 24, 2019      | Bullet Repayment at maturity. |
| 53     | INE027E14HH0 | 1,500.00                           | 1,438.14   | June 24, 2019      | Bullet Repayment at maturity. |
| 54     | INE027E14HF4 | 15,000.00                          | 14,452.40  | June 03, 2019      | Bullet Repayment at maturity. |
| 55     | INE027E14HF4 | 35,000.00                          | 33,722.27  | June 03, 2019      | Bullet Repayment at maturity. |
| 56     | INE027E14HI8 | 50,000.00                          | 46,078.83  | December 05, 2019  | Bullet Repayment at maturity. |
|        | <b>TOTAL</b> | <b>9,40,500</b>                    | <b>9,22,733.54</b>   |                    |                               |

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 922,733.54 lakhs.

#### Letters of Credit /Bank Guarantees

As on December 31, 2018, our Company has been issued letters of credit/bank guarantees as disclosed below:

(₹ in lakhs)

| Sr. No. | Lender's Name       | Date of Sanction/ Acceptance | Amount Sanctioned/ Accepted   | Amount outstanding as on December 31, 2018 |                 | Tenor  |
|---------|---------------------|------------------------------|-------------------------------|--|-----------------|--|
|         |                     |                              |                               | Letter of Credit                           | Bank Guarantee  |  |
| 1       | Axis Bank Limited   | December 15, 2016            | 25,000.00                     | 4,971.52                                   | 4,208.77        | Upto 3 years.  |
| 2       | RBL Bank Limited    | March 16, 2018               | 25,000.00                     |  |                 | 12 months from the date of shipment in case of raw material.<br>3 years from the date of shipment in case of capital goods |
| 3       | IDBI Bank Limited*  | November 24, 2014            | 200.00                        | -  | 200.00          | Repayable on demand  |
| 4       | DBS Bank Limited    | April 21, 2017               | 25,000.00 (LC)<br>500.00 (BG) | -  | 20.00           | 3 years from the date of claim.  |
| 5       | Union Bank of India | July 25, 2011                | 1,000.00                      |  | 250.41          | Repayable on demand.   |
|         | <b>TOTAL</b>        |                              | <b>76,700.00</b>              | <b>4,971.52</b>                            | <b>4,679.18</b> |  |

\*Security: Margin money of 100% against bank guarantee.

As on December 31, 2018, our Company has been issued letters of credit on behalf of its customers amounting to ₹ 4,971.52 lakhs and bank guarantees amounting ₹ 3,976.99 lakhs.

As on December 31, 2018, our Company has issued letters of comfort on behalf of its customers amounting to ₹ 1,55,364.22 lakh.

#### Inter-Corporate Deposits

As on December 31, 2018, our Company has the following inter-corporate deposits as disclosed below:

(₹ in lakhs)

| Sr. No. | Lender's Name                | Outstanding Amount |
|---------|------------------------------|--------------------|
| 1       | L&T Capital Company Limited  | 435.00             |
| 2       | L&T Finance Holdings Limited | 3635.00            |
| 3       | Larsen & Toubro Limited      | 1,50,000.00        |
|         | <b>TOTAL</b>                 | <b>1,54,070.00</b> |

The total outstanding after Ind AS adjustment on account of Effective Interest Rate is ₹ 1,54,560.46 lakhs.

As on the date of this Draft Shelf Prospectus, 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 December 31, 2018 there are no other borrowings including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares.

#### Restrictive Covenants under our Financing Arrangements:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
3. to create or permit any charges or lien on any mortgaged properties;
4. to amend its MOA and AOA or alter its capital structure; and
5. to make any major investments by way of deposits, loans, share capital, etc. in any manner.

**Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.**

As on the date of this Draft Shelf Prospectus, there has been no default/ delay in payment of principal or interest on any existing term loan, debt security or any other financial indebtedness including corporate guarantee issued/ availed by the Issuer in the past five years.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

*Our Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are either initiated by us or by customers, past employees and other parties. These legal proceedings are primarily in the nature of (a) civil suits, actions and applications; (b) consumer complaints and (c) criminal complaints. We believe that the number of proceedings in which we are involved is not unusual for a company of our size in the context of doing business in India.*

*As on the date of the Draft Shelf Prospectus, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits, and arrears on cumulative preference shares, etc., by our Company.*

*For the purpose of disclosures in this Draft Shelf Prospectus, our Company has considered the following litigation as “material” litigation:*

- *all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value exceeding 5% of the consolidated Profit after Tax as on March 31, 2018, i.e. more than ₹ 1,450 lakhs;*
- *all criminal proceedings whether complaints, first information reports (“FIR”), revision applications, bail applications or otherwise wherein our Company is a party; and*
- *any other outstanding legal proceeding which is likely to have a material adverse effect on the financial position, profitability and cash flows of our Company.*

*It is clarified that for the purposes of the above, pre-litigation notices received by our Company, directors, our Promoter or our Group Companies shall, unless otherwise decided by our Board of Directors, not be considered as litigation until such time that our Company, directors, Promoter and/or Group Companies, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.*

*Save as disclosed below, there are no:*

1. *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of the Draft Shelf Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;*
2. *litigation involving our Company, Promoter, Directors, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of our Company;*
3. *pending proceedings initiated against our Company for economic offences and default; and*
4. *inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies’ law, or reservations, qualifications or adverse remarks of the auditors of our Company in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company.*

#### **I. Litigations by and against our Company**

##### ***Criminal Proceedings against our Company***

1. Our Company granted a loan to Satish Kumar Sonkar (“**Borrower**”) to finance the purchase of a vehicle. Upon the Borrower defaulting on certain instalments, the vehicle was repossessed. The Borrower filed a FIR for an offence punishable under Section 379, Indian Penal Code, 1860 and alleged that Rajesh Kumar Singh (“**Applicant**”), acting as the Manager of our Company had taken the vehicle. The Applicant fearing arrest based on the FIR had filed an application numbered M. Cr. C.(A) No.570 of 2009 for anticipatory bail before

the High Court of Chhattisgarh at Bilaspur. The High Court passed an order granting anticipatory bail to the Applicant. The matter is currently pending and has been listed for hearing.

2. Our Company had granted a loan of ₹ 4 lakhs to Mr. Sanjay Bagal (“**Complainant**”) for purchase of a tractor and an engine by entering into a loan cum hypothecation agreement in September 2010. After the Complainant defaulted on the payment of two instalments, Bhagwan Sawargave, acting on behalf of our Company, allegedly seized the tractor. When the Complainant agreed to repay the outstanding amount, our Company refused to accept it and threatened to sell it. Thus, the Complainant filed a complaint No. 141 of 2013 before the President, District Consumer Redressal Forum, Osmanabad (“**Complaint**”). The Consumer Forum Osmanabad rejected the Complaint and held that the Complaint was not maintainable because our Company had already initiated arbitration proceedings regarding the same matter. The Complainant filed a criminal application numbered Cri.M.A. No. 155 of 2016 before the Chief Judicial Magistrate, Osmanabad alleging that there had been no arbitration proceedings and that our Company had fabricated the facts and documents pertaining to it. However, on July 14, 2016 the petition was dismissed due to repeated non-appearance of the Complainant. In 2016, the Complainant, aggrieved by this order, filed a revision application before the Court of the Sessions Judge, Osmanabad. The matter is currently pending and has been listed for hearing.
3. Our Company had granted a loan to Mr. Ranjit Singh (“**Borrower**”) by executing a loan cum hypothecation agreement. The Borrower agreed to repay the loan by giving cheques drawn upon Oriental Bank of Commerce (“**Respondent 3**”), who would then transfer the money to our Company’s account. The Borrower alleges that on each repayment date, despite having sufficient funds in its account, Respondent 3 had wrongfully bounced the cheques of the Borrower and falsely represented the same to our Company. The Borrower alleges that our Company along with Respondent 3 were involved in a criminal conspiracy to defame the Borrower and committed offences under Section 500, 56, 120B and 34 of the Indian Penal Code, 1860. Therefore, the Borrower filed a complaint bearing No. 29 of 2016 before the court of Mrs. Amandeep Kaur, PCS, SDJM, Phillaur. The matter is currently pending and listed for hearing.
4. Our Company granted a loan to Mr. Dongari Raju (“**Borrower**”) for purchase of a vehicle by entering into a loan cum hypothecation on November 26, 2010. Due to the Borrower defaulting on the payment of 4 instalments, our Company seized the hypothecated vehicle on August 8, 2012. The Borrower requested our Company to release the vehicle upon payment of 2 instalments. When our Company did not agree to it, the Borrower filed a case numbered C.C.No. 184 of 2012 before the District Consumer Disputes Redressal Forum, Karimnagar (“**Forum**”). The Forum *vide* an order dated October 18, 2012 directed our Company to release the vehicle on the Borrower repaying 3 instalments. Aggrieved by this order, our Company filed a revision petition R.P.No. 53 of 2012 before the Consumer Disputes Redressal Commission, Andhra Pradesh (“**Commission**”). The Commission disposed of the petition by directing our Company to obey the order dated October 18, 2012. Our Company claimed that it had not received the instalments and so initiated arbitration proceedings against the Borrower and the guarantor. Our Company also filed a case before the Metropolitan Magistrate Fast Track Court No. II, Egmore, Allikullam, Chennai (“**Magistrate**”) for dishonour of a cheque given by the Borrower. Aggrieved by these actions taken by our Company, the Borrower filed a criminal petition under Section 482 of the Indian Penal Code, 1860 bearing no. CrI. 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.
5. Upon non-payment of outstanding amount by Mr. G. Kumar (“**Petitioner**”) to our Company, our Company had taken action against the Borrower. An order passed on April 13, 2017 in E.P. No. 19 of 2012 in Arbitration Case LOS/EFD/ARB/202/2010 before the Principal District Court, Tiruvannamalai, directed the Borrower to the repay of the outstanding amount and allowed the arrest of the Borrower. Aggrieved by this, the Borrower has filed a revision petition numbered C.R.P. (NPD) No. 1878 of 2017 challenging the order dated April 13, 2017 to be illegal and erroneous. The matter is currently pending and listed for hearing.
6. Our Company had granted a loan to Mr. Bhuban Das (“**Borrower**”) on August 24, 2012 to purchase a vehicle. On February 14, 2018, our Company allegedly illegally re-possessed the vehicle. The Borrower offered to pay one instalment for release of the vehicle. However, our Company did not pay heed to this offer. Aggrieved by this, the Borrower has filed an application with Case No. 337 of 2018 under Section 144(2) of the Code of Criminal Procedure, 1973 before the Court of the Sub-Divisional Executive Magistrate at Serampore. The matter is currently pending and listed for appearance.

7. Our Company had granted a loan to Dinesh Prasad Yadav ("**Borrower**") to purchase a truck. The Borrower filed a criminal case bearing number 571/2010 against our Company and its officers before JMFC, Jamshedpur ("**JMFC**") on April 24, 2010 under Sections 323, 379, 34 and 418 of the Indian Penal Code, 1873 alleging that the truck financed to him by our Company was snatched along with ₹ 1.5 lakhs. JMFC issued summons to which our Company filed an application under Section 205, Code of Criminal Procedure, before the JMFC for discharge of appearance of our Company's employees who had been transferred. The application was rejected and a non bailable warrant was issued. Our Company filed an anticipatory bail application bearing number 3864/2011, which was allowed. The matter is currently pending and is at the stage of arguments.
8. A criminal petition bearing reference 41/2010 was filed by Mr. Gopal Chandra Gorai ("**Complainant**") before ACJM, Bishnupur of Bankura District on May 26, 2010 under Section 156(3) of the Code of Criminal Procedure, 1976, and under Section 379 and 427 of the Indian Penal Code, 1860. The Complainant alleged that his vehicle had been forcefully re-possessed as he had defaulted on the repayment of the loan. The Complainant went to the police to file a complaint, but the police did not take any concrete action. Therefore, the Complainant has filed the current criminal petition against our Company. The matter is currently pending and has been listed for evidence.
9. Mr. Nirmal Uttarsini ("**Borrower**") purchased a vehicle by availing a loan from our Company. When, the Borrower defaulted in repaying the loan, Mr. Manoj Kumar and Mr. Mitrabhanu Pattanayak, employees of our Company ("**Employees**") re-possessed the vehicle in accordance with the deed of hypothecation. However, the said vehicle was re-possessed from Mr. SK Nijammuddin ("**Petitioner**") who had no claim over the vehicle. Hence, the Petitioner filed a criminal case before bearing number 2400/2013 before Chief Judicial Magistrate, Paschim Medinipur, wherein a FIR bearing number 411/2013 dated September 13, 2013 was registered by the police against our Company and the Employees. The Sessions Judge has granted anticipatory bail to the Employees. The vehicle of the Borrower has been released. The matter is currently pending and has been listed for hearing.
10. The electricity department of Purnea, Uttar Pradesh ("**Petitioner**") had sent a notice to our Company under Section 135 of the Electricity Act, 2003 alleging that there was theft of energy and that the fine amount had to be paid for the said theft. The Petitioner has filed a criminal case bearing number 595/2013 against our Company before the District Judge, Purnea, with a prayer to impose fine of ₹ 0.96 lakhs on our Company. Our Company's bail application has been granted. The matter is currently pending and listed for order.
11. Mr. Sumith Kumar ("**Borrower**") has filed a criminal petition bearing number 3354/2015 against our Company before the Andhra Pradesh, High Court. The Borrower has filed the case alleging that his asset was re-possessed forcibly by our Company. Our Company has marked its appearance in the court. The matter is currently pending and has been listed for hearing.
12. Rameshwar Lal Dhake ("**Borrower**") had financed a tractor from our Company in partnership with Mr. Hansraj Nayak. On default of repayment of the loan from our Company Mr. Bablu Rajput, employee ("**Employee**") of our Company had re-possessed the vehicle on behalf of our Company. Aggrieved by this, the Borrower filed a criminal case with a FIR bearing No. 0326/2018 dated October 12, 2018 against the Employee. The matter is currently pending and listed for appearance.
13. 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 eye witness 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.
14. Gauri Shankar Nathulal Jangid ("**Petitioner**") filed a civil suit bearing reference number 33/2018 against Vipulbhai Dosa being the finance manager and Nagdev Farm House being the recovery agent ("**Respondents**") before the Additional Civil Judge, Gandhinagar, Gujarat. The Petitioner alleges that his vehicle was illegally repossessed and has prayed that the Court pass an order restricting the sale of his vehicle. The matter is currently pending.



### ***Criminal Proceedings against our Company under Section 420 of the Indian Penal Code, 1860***

Our Company is a party to various criminal cases pending before various courts across India. However, all such criminal cases, while alleging the offences under Section 420, Indian Penal Code, 1860, including, *inter-alia*, cheating, fraud, defamation, illegal repossession and sale of the vehicles.

### ***Civil Proceedings against our Company***

There are various civil proceedings instituted against our Company before various courts across India which mostly arise in the ordinary course of its business. None of the pending civil proceedings against our Company involve an amount more than 5% of the consolidated profit after tax for the Fiscal 2018.

### **Show Cause Notice issued to our Company**

The Director General of GST Investigation (“**DGGI**”) has issued a show cause notice (“**SCN**”) dated October 18, 2018 to our Company, *inter-alia*, alleging that additional interest, penal interest and default interest charged to customers is liable to service tax and goods and services tax (“**GST**”) as applicable. The SCN will be adjudicated in due course before the Principal Commissioner of CGST. The amount of tax involved in the SCN is ₹ 19,729 lakhs for the period starting from April 2013 to June 2017.

Based on the tax opinions, our Company is of the view that such interest is not chargeable to service tax under Section 66D of the Finance, Act 1994.

For adjudication of the SCN, a personal hearing will be granted by the Commissioner of CGST, normally within a year. However, our Company is yet to receive a date. In the interim, our Company has sought time to file its submissions for the SCN and is in the process of finalizing the detailed submissions.

### ***Litigations by our Company***

#### **A. Criminal Proceedings by our Company**

Our Company has initiated various criminal litigations which are pending before various courts across India. However, all criminal cases initiated by our Company before various courts pertain to the offences under Section 420, Indian Penal Code, 1980, which include, *inter-alia*, fraud and cheating against customers on account of loan defaults, cash misappropriation, forgery, dishonest intention, illegal disposal of asset, criminal breach of trust, misrepresentation and wrongful gain.

#### **B. Civil Proceedings by our Company**

1. L&T Finance Limited (“**Transferor 1**”) and L&T Fincorp Limited (“**Transferor 2**”) amalgamated with Family Credit Limited (name subsequently changed to L&T Finance Limited, the “**Transferee**”) by virtue of an order (“**Amalgamation Order**”) passed by the National Company Law Tribunal, Mumbai, approving the scheme of amalgamation (“**Scheme**”). The Transferee had filed a special civil application before the Gujarat High Court against the order of the Collector and Superintendent of Stamps, Gujarat (the “**Collector**”) in relation to adjudication of stamp duty payable pursuant to the Scheme. The Transferee had filed an application before the Collector for adjudication of stamp duty payable on transfer of certain immovable property belonging to Transferor 2 which is situated in Gujarat, to the Transferee, pursuant to the Amalgamation Order. Subsequently, the Collector passed an order dated August 29, 2017 (the “**Collector Order**”) requiring the Transferee to pay a stamp duty amounting to ₹ 123.57 million within a period of 90 days, under the provisions of Gujarat Stamp Act, 1958 computed on the basis of the market value of the equity shares of Transferor 1 and the Transferor 2 which were issued to the shareholders of the Transferee pursuant to the provisions of the Scheme. The Transferee

through its application filed with the Collector sought for recall and/ or modification of the Collector Order since the adjudication was erroneously conducted on the equity shares and not on the immovable property concerned. Accordingly, the Transferee had filed the aforesaid special civil application before the Gujarat High Court seeking quashing of the Collector Order. The Gujarat High Court has passed a stay order against the Collector Order. Subsequently, the Transferee basis the order of the Gujarat High Court approached the Chief Controlling Revenue Authority (“CCRA”) Gandhinagar, Gujarat with a plea to set aside the order of the Additional Collector and Superintendent of Stamps, Gandhinagar dated August 31, 2017. The CCRA *vide* its order dated September 14, 2018 has remanded the matter to the Additional Collector and Superintendent of Stamps, Gandhinagar to reevaluate the properties and to adjudicate and order accordingly. Our Company has received an interim demand notice dated December 10, 2018 from the Collector and Additional Superintendent of Stamps, Gandhinagar demanding ₹ 12,35,73,859 payment, to produce evidence of stamp duties paid in the states of Maharashtra and West Bengal and file our reply by December 18, 2018. Our Company has sought additional time to file such reply. The matter is currently pending and is listed for hearing.

2. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**Regulations**”) framed under the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Castex Technologies Limited (“**Borrower**”). Our Company has filed its claim amounting to ₹ 15,215 lakhs before the interim resolution professional. The resolution professional has filed an application before the National Company Law Tribunal, Chandigarh for withdrawal of the resolution plan as the resolution applicant being the Liberty House Group failed to comply with the requisite terms. The matter is currently pending.
3. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**Regulations**”) framed under the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Bhushan Steel Limited (“**Borrower**”) under the Bankruptcy Code, filed by various creditors of the Borrower. Our Company has filed its claim of ₹ 11,468 lakhs before the interim resolution professional. The Resolution Plan was approved by the National Company Law Tribunal (“**NCLT**”) under which our Company has received an amount of ₹ 7,089 lakhs plus 1,57,836 equity shares valued at ₹ 23.95 per share. The matter is currently pending.
4. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**Regulations**”) framed under the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Reid & Taylor (“**Borrower**”) under the Bankruptcy Code, filed by various creditors of the Borrower. Our Company has filed its claim of ₹ 9,274 lakhs before the interim resolution professional. In the absence of any resolution plan, the committee of creditors have resolved to liquidate the Borrower. However, the employees of the Borrower are insisting on a resolution plan instead of liquidation of the Borrower. NCLT has allowed the employees to bring investors. The employees have brought in CFM ARC as an investor who has to prove its net worth on the next date of the hearing. The matter is currently pending and listed for hearing.
5. Our Company had initiated arbitration proceeding against Saumya Mining Limited (“**Borrower**”), Ajay Jain, Ashok Jain and Pradnya Jain due to default of payment of the Borrower under a facility agreement dated September 26, 2013 and the security documents, deed of hypothecation and deed of guarantee. The sole arbitrator passed an award in favour of our Company directing the Borrower to repay an amount of ₹ 4,548 lakhs to our Company. On October 22, 2018, our Company filed an Execution Application (L) No. 2704 of 2018 before the Bombay High Court. Our Company filed Chamber Summons (L) No. 1593 of 2018 in Execution Application (L) No. 2704 of 2018 for the execution of the Award and payment of ₹ 4,548 lakhs plus interest till date of repayment. The matter is currently pending.
6. Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**Regulations**”) framed under Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Metalyst Forgings Limited

("Borrower"). Our Company has filed its claim of ₹ 6,621 lakhs 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. The matter is currently pending before the Tribunal.

7. Emta Coal Limited ("**Borrower**") entered into a facility agreement with L&T Infrastructure Finance Company ("**LTIF**") on October 17, 2012 for ₹ 10,000 lakhs. LTIF assigned the outstanding term loan principal of ₹ 7,100 lakhs to L&T FinCorp Ltd (which is now L&T Finance) effective from July 31, 2013 which was disbursed in full. However, even after repeated notices, the Borrower consistently failed to fulfil its repayment obligations. Our Company finally agreed to a partial settlement of the hypothecated assets and entered into the partial settlement agreement on June 15, 2016. The Borrower repaid a part of the amount. However, the Borrower again defaulted under the partial settlement agreement with the outstanding amount at ₹ 5,671 lakhs. Our Company filed a plaint numbered C.S. No. 140 of 2018 before the Calcutta High Court praying for the repayment of the outstanding amount coupled with interest. The High Court issued a writ of summons against the defendants on November 13, 2018 which is returnable on January 29, 2019. The matter is currently pending.
8. Our Company initiated arbitration proceedings against Deccan Chronicle Holdings Limited ("**Borrower**") and directors of the Borrower claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of our Company on March 15, 2013 directing the Borrower to realise the mortgage given as security under the loan ("**Award**"). Our Company filed chamber summons (L) No. 1389 of 2015 in Execution Application (L) No. 1434 of 2015, in Arbitration No. 1329 of 2012 before the Bombay High Court ("**Court**") for the execution of the Award. In the meantime, the Court passed an order appointing a court receiver in relation to properties of the Borrower. The Borrower's appeal before the Court challenging the appointment of the receiver was dismissed by an order dated August 8, 2013. The Borrower then filed a Special Leave Petition before the Supreme Court which was dismissed on January 3, 2014.

The Borrower also challenged the Award before the Court. The Court passed an order dated May 5, 2015 dismissing the challenge. Our Company finally filed a suit numbered Suit No.696 of 2015 before the Court for enforcement of the mortgage and repayment of the loan as directed by the arbitrator under the Award. The amount involved in the matter is ₹ 3,606 lakhs. The matter has been simpliciter adjourned pursuant to the corporate insolvency resolution process ("**CIRP**") initiated against the Borrower. The matter is currently pending.

Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("**Regulations**") framed under the Bankruptcy Code in respect of the corporate insolvency resolution process ("**CIRP**") initiated by various creditors against it. Our Company has filed its claim of ₹ 4,801 lakhs. The resolution plan has been approved by the committee of creditors. The matter is currently pending before the national company law tribunal ("**NCLT**").

9. Our Company initiated arbitration proceedings against Apex Encon Project Pvt. Ltd. ("**Borrower**") and Mrs. Padmavati Nekkanti ("**Guarantor**") (collectively referred to as "**Respondents**") claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on March 21, 2013 ("**Award**"). Our Company filed an Execution Application (L) No.1061 of 2013 in Arbitration No. 1356 of 2012 before the Bombay High Court for the appointment of a receiver and execution of the Award. The amount involved in this matter is ₹ 3,647 lakhs. The matter is currently pending and listed for report on the non bailable warrants issued against the Respondents.
10. Our Company initiated arbitration proceedings against PMT Machine Limited ("**Borrower**") and guarantors of the Borrower claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on December 27, 2012 ("**Award**"). Our Company filed an Execution Application No. 365 of 2013 in Arbitration No. 1036 of 2012 before the Bombay High Court ("**Court**") on April 27, 2013 for the execution of the Award. The Court issued a warrant of attachment attaching the movable and immovable properties of the Borrower till January 31, 2014. However, the parties signed consent terms for repayment of the loan on February 13, 2014. The

Borrower repaid part of the outstanding amount but again defaulted on repayment in 2017 according to the consent terms. On January 11, 2018, the registrar of the Court in Chamber Order (L) 50 of 2018 in Execution Application No. 116 of 2014 in Arbitration No. 1036 of 2012 passed a chamber order extending the warrant of attachment of the movable and immovable properties till January 31, 2019. The amount involved in this matter is ₹ 2,614 lakhs. Due to the moratorium under the corporate insolvency resolution process (“**CIRP**”) proceedings, the matter is currently pending and has been stayed.

In addition, our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 framed under Bankruptcy Code in respect of the CIRP initiated by various creditors against the Borrower. Our Company has filed its claim of ₹ 5,128 lakhs. The matter is currently pending.

11. Our Company claimed that Zylog Systems Limited (“**Borrower**”) and guarantors of the Borrower had defaulted in the payment of the loan provided by our Company in May 2012. Our Company sent a winding up notice to the Borrower on February 28, 2013 demanding the Borrower to repay the amount of ₹ 3,156 lakhs. In April 2013, our Company filed a winding up petition numbered C.P. 143 of 2013 before the High Court of Madras praying for the winding up of the Borrower and appointment of an official liquidator. Our Company had also filed a petition under Section 9 of Arbitration Act, 1996 and obtained interim orders. The matter is currently pending.

Our Company then initiated arbitration proceedings against the Borrower. The arbitrator passed an award in favour of Company on December 30, 2014 (“**Award**”). Our Company filed a Chamber Summons (L) No. 1266 of 2015 in Execution Application (L) No.1484 of 2015 in Arbitration No.1294 of 2013 before the Bombay High Court dated July 3, 2015 for the appointment of a receiver, disclosure of the details of the properties of the Borrower and repayment of the loan. The amount involved in this matter is ₹ 4,287 lakhs. The matter is currently pending.

Our Company has submitted proof of its claim by filing Form C as per the requirements of Regulation 8 of the Bankruptcy Code in respect of the corporate insolvency resolution process (“**CIRP**”) initiated by various creditors against Diamond Power Infrastructure Limited (“**Borrower**”). Our Company has filed its claim of ₹ 2,977 lakhs before the interim resolution professional. The matter is currently pending.

12. Our Company initiated arbitration proceedings against the personal guarantors of Suvarna Karnataka Pvt. Ltd. (“**Principal Borrower**”) being Anurag Gupta and Padmesh Gupta, (“**Personal Guarantors**”) claiming default in payment of the loan provided by our Company. As the Principal Borrower is undergoing corporate insolvency resolution process (CIRP), our Company has filed the statement of claims dated November 1, 2018 only against the Personal Guarantors for not fulfilling their obligations under the guarantees. The Personal Guarantors filed their written statement on December 7, 2018. The amount involved in the matter is ₹ 2,899 lakhs plus applicable interest till date of repayment. The matter is currently pending.

13. Our Company sent a winding up notice to Kemrock Industries and Exports Limited (“**Borrower**”) and Mr. Kalpesh Patel (“**Guarantor**”) on March 12, 2013 and filed a winding up petition numbered Company Petition No. 122 of 2013 due to repeated defaults of the Borrower. The High Court of Gujarat (“**Court**”) passed an order dated August 5, 2014 directing the winding up of the Borrower and appointment of an official liquidator. On August 7, 2014, the Borrower filed an application numbered 213 of 2014 for amendment of the original order and request the Court to grant time to the Borrower to repay the outstanding amount. Our Company had filed petition under Section 9 of Arbitration Act and obtained interim orders. The matter is currently pending.

Our Company initiated arbitration proceedings against the Guarantor claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on August 12, 2015 (“**Award**”). Our Company filed a Chamber Summons No. 341 of 2016 in Execution Application No. of 1386 of 2016 in Arbitration No. 336 of 2013 before the Bombay High Court for the appointment of a receiver and execution of the Award. The amount involved in this matter is ₹ 4,308 lakhs plus interest till repayment date. The matter is currently pending.

14. Precision Engineers and Fabricators Pvt. Ltd. (“**Borrower**”) had availed two loans one from our Company to the tune of ₹ 300 lakhs and ₹ 2,650 lakhs. When the Borrower consistently defaulted, our

Company filed a winding up petition numbered C.P. No. 207 of 2016 against the Borrower before the Calcutta High Court (“**Court**”) in February 2016. The Court issued summons in June 2017. In the meantime, one of the operational creditors of the Borrower had filed an application under the Bankruptcy Code which was admitted. Our Company has filed its claim for the sum of ₹ 2,800 lakhs before the Interim Resolution Professional, Mr. S M Gupta, who has been appointed by the National Company Law Tribunal, Kolkata. The Committee of Creditors (“**COC**”) meetings were concluded and the resolution plan was accepted by the COC wherein our Company had to accept a major haircut by accepting a sum of ₹900 lakhs against the total claim. The resolution plan was defaulted upon and the COC had approached the National Company Law Tribunal for orders of liquidation. Currently Mr. Rasik Singhania is appointed as the liquidator in the matter. The claim of our Company before the liquidator was filed for a sum of ₹ 5,112 lakhs, however the liquidator has accepted the claim for a sum of ₹ 4,759 lakhs. The matter is currently pending.

Our Company was then involved in two separate arbitrations. One arbitration involves an amount of ₹ 300 lakhs, wherein the award has been passed in favour of our Company and the other arbitration involves an amount of ₹ 2,650 lakhs, which is currently pending. Our Company has filed the Chamber Summons (L) No. 88 of 2018 in Execution Application (L) No. 153 of 2018 in Arbitration No. 4 of 2016. The matter is currently pending.

15. Our Company initiated arbitration proceedings by filing statement of claims on March 15, 2013 before a sole arbitrator in Delhi against Zillion Infraprojects Private Limited (“**Borrower**”) claiming default in payment of the loan provided by our Company. The amount involved in the matter is ₹ 1,797 lakhs. The matter is currently pending.

Mr. Chandrashekhar Raghuvir Kishore Saxena and Mr. Anant Kishore Saxena have provided a personal guarantee on November 13, 2014 and December 2, 2016 and Vikas Multiplex Developers Private Limited acted as the corporate guarantor to the Borrower vide a deed of guarantee dated November 13, 2014 and December 2, 2016 (collectively referred to as “**Guarantors**”). Our Company initiated another arbitration proceeding against the Guarantors by filing statement of claims on July 24, 2018 before a sole arbitrator in Mumbai, claiming default in payment under the deeds of guarantee entered on November 13, 2014 and December 2, 2016 as security for the loan provided by our Company to the Borrower. The amount involved in the matter is ₹ 2,414 lakhs plus interest at 24% p.a. from July 23, 2018 till realisation of the amount. The matter is currently pending.

Our Company has filed a company petition (IB) 694-(PB)/2018 under Section 7 of the Bankruptcy Code on account of defaults committed by the Borrower. An application numbered Company Petition (IB) 694-(PB)/2018 of 2018 was filed by our Company, as the financial creditor before NCLT, Delhi to amend the petition filed under the Bankruptcy Code. The matter is currently pending.

Our Company served three notices to the Guarantors on January 9, 2018 and January 12, 2018 under Section 13(2) of the SARFAESI informing them of the Borrower’s default under the pre-shipment finance facility, post shipment finance facility and term loan facility and called on them to pay ₹ 1,242 lakhs for the post shipment facility, ₹ 446 lakhs for the pre-shipment facility and ₹ 440 lakhs for the term loan facility, respectively. The notices further restrained them from dealing with or disposing off any of the secured assets.

Our Company thereafter approached the District Magistrate, Dehradun under Section 14 of SARFAESI Act and obtained orders for physical possession. Our Company could not take possession due to the ongoing Section 17, SARFAESI Act proceedings before the Debt Recovery Tribunal (“**Tribunal**”). The proceedings before the Tribunal are currently pending.

16. Our Company initiated arbitration proceedings against Prabal Investrade (P) Limited (“**Borrower**”) and guarantors of the Borrower claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on April 30, 2013 (“**Award**”). Our Company filed an Execution Application (L) No. 1155 of 2013 in Arbitration No.696 of 2012 which was dismissed vide an order dated January 29, 2014. The registrar of the Court on January 11, 2018 passed a Chamber Order (L) No. 53 of 2018 setting aside the order dated January 29, 2014 and restored the application. The amount involved in this matter is ₹ 1,923 lakhs along with interest till repayment date. The matter is currently pending.

17. Our Company granted a loan to Cosmas Pharmacls Limited (“**Borrower**”) in 2010 which was secured by a deed of guarantee dated June 25, 2013. The Borrower repeatedly defaulted on the repayment of the loan. The Bombay High Court (“**Court**”) appointed a receiver for recovery of the outstanding amount. Our Company filed a winding up petition numbered C.P. No. 37 of 2016 against Cosmas Pharmaceuticals Limited. The Borrower filed an application pointing out that it was not the same company as Cosmas Pharmaceuticals Limited. The said winding up petition is pending, and our Company is taking necessary steps to have the same withdrawn with liberty to initiate insolvency proceedings against the Borrower under the Bankruptcy Code. The matter is currently pending.

Our Company initiated arbitration proceedings against the Borrower and the guarantors claiming default in payment of instalment of the loan provided by our Company. The arbitrator passed an award in favour of Company on November 30, 2017 (“**Award**”) for an amount of ₹ 1440 Lakhs with further interest from September 30, 2014 till repayment. Borrower has challenged the said award by filing a petition under section 34 of the Arbitration Act being Arbitration Petition (L) No. 294 of 2018. The matter is currently pending.

18. Our Company initiated arbitration proceeding against Ahiliabai Sardesai, a partnership firm involved in mining activities (“**Borrower**”) and Ajith Sardesai and Ghanshyam Sardesai (“**Personal Guarantors**”) by filing statement of claims on August 21, 2018 before a sole arbitrator in Mumbai claiming default in payment of the loan provided by our Company. Our Company had granted a loan to the Borrowers on April 25, 2011 for ₹ 2,700 lakhs for the purchase of a barge mounted floating crane. It was secured by a personal guarantee given by the Personal Guarantors. As the Borrowers were defaulting repeatedly, the loan was restructured wherein the Borrower had to repay the outstanding amount of ₹ 1,867 lakhs but the tenure was increased by 12 months. However, the Borrowers continued defaulting on their payments even after sending a notice dated August 18, 2017. Our Company sent another notice dated November 1, 2017 informing the Borrower that it will be required to pay the outstanding plus penal interest at 18% from October 21, 2017 till realisation. Since the Borrower did not respond to any of the notices, our Company sent a notice to the Personal Guarantors dated May 16, 2018 invoking the guarantees. However, the Personal Guarantors failed to take concrete action to repay the outstanding amount. Thus, our Company initiated arbitration proceedings. The outstanding amount is ₹ 1,472 lakhs plus penal interest. The arbitration proceedings are currently pending.
19. Rentwork India Private Limited (“**RIPL**”) entered into a Master Rental Agreement (“**Agreement**”) with Unity Infraprojects Limited (“**UIL**”) wherein RIPL would lease out assets to UIL. RIPL assigned its rights under the Agreement in favour of our Company. UIL repeatedly defaulted on its payments under the Agreement and so our Company filed a UIL repeatedly defaulted on its payments under the Agreement and so our Company filed Summary Suit No. 489 of 2014 before the Bombay High Court. UIL filed Chamber Summons No. 782 of 2014 in Summary Suit No. 489 of 2014 praying for the dismissal of the plaint in the summary suit. The amount involved in this matter is ₹ 1,205 lakhs plus interest till repayment date. The matter is currently pending.
20. Our Company initiated arbitration proceedings against Rohan Consultancy Services Private Limited (“**Borrower**”) guarantors of the Borrower by filing statement of claims on September 2, 2014 before a sole arbitrator in Mumbai claiming default in payment of the loan provided by our Company. The amount involved is ₹ 1,486 lakhs. The matter is currently pending.

Our Company had sent a winding up notice to the Borrower demanding repayment of ₹ 1,421 lakhs granted to the Borrower by our Company. Our Company filed a winding up petition number Co. Pet. 204 of 2014 against the Borrower before the Delhi High Court (“**Court**”). Our Company then filed an application of transfer under Section 39 of the Bankruptcy Code before the Court. The Court transferred the winding up petition to National Company Law Tribunal, Delhi (“**NCLT**”) on September 29, 2018. The matter is pending before the NCLT at initial stages.

#### ***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 34,272 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 59,053.29 lakhs.

## II. Litigations involving the Directors of our Company

Our Company, including the Directors have been impleaded as a party in various civil proceedings, including but not limited to consumer cases, writ petitions, arbitration proceedings and civil suits filed by the borrowers of our Company on account of various disputes between the borrowers and our Company, before various forums. These disputes have arisen in the ordinary course of business activities of our Company, mostly on account of re-possession of hypothecated vehicles pursuant to defaults committed by the borrowers in the repayment of the financial assistance availed by them from our Company. These matters are at various stages of adjudication and are currently pending.

In these matters, the Directors have not been specifically named, except as disclosed under the heading of '*Civil proceedings involving any director of our Company*' and '*Criminal proceedings involving any director of our Company*'. Further, no allegation has been levelled against any of the Directors. Accordingly, the above disclosure has been made instead of including the same under the heading of '*Civil proceedings involving any director of our Company*' and '*Criminal proceedings involving any director of our Company*'.

### ***Civil proceedings involving any director of our Company***

Litigation or legal action pending and/or involving the director(s) of our Company by virtue of his/her position as on the date of the Draft Shelf Prospectus is as under:

There has been one civil proceeding initiated against Mr. Dinanath Dubashi, the Director of our Company (whose position, in the civil suit, has been incorrectly noted as the Managing Director of our Company) wherein Mr. Innocent Mawkhiew ("**Petitioner**") filed a civil suit bearing number No-232/2018 in the court of Munsif, Kamrup, Guwahati under Order 5, Rule 1 and 5 of the Code of Civil Procedure against Mr. Dinanath Dubashi and Mr. Sudeep Banerjee, the Human Resources Group Head of our Company, *inter alia*, alleging his illegal termination from services. The Petitioner has, *inter - alia* prayed for the reinstatement of his job and a compensation of ₹ 2 lakhs. The matter is currently pending.

### ***Criminal proceedings involving any director of our Company***

There has been one criminal proceeding initiated against Mr. Dinanath Dubashi, the Director of our Company (whose position, in the criminal complaint, has been incorrectly noted as the Managing Director of our Company) by Leo Duct Engineers & Consultants Ltd. (the "**Petitioner**") which had availed a loan from our Company to finance three machines. As the Petitioner defaulted in repaying the financial assistance, our Company repossessed the machines and sold them. The Petitioner filed a criminal complaint bearing No. 25/SW/16 before the Additional Chief Metropolitan Magistrate, Ballard Estate, Mumbai ("**Court**") under Section 200 of the Code of Criminal Procedure, 1973 against Mr. Dinanath Dubashi and others on the ground that the machines were repossessed wrongly. The police have filed a closure report in favour of our Company stating that in view of the dispute being civil in nature, the criminal case filed preferred by the Petitioner is not maintainable. Our Company is yet to receive summons from the Court. The matter is listed on January 19, 2019 for order on closure report by the Court.

## III. Litigations involving Group Companies

### A. **Larsen & Toubro Limited**

Larsen & Toubro Limited ("**L&T**") has taken the threshold of ₹ 10,000 lakhs for civil matters in accordance with the internal policy of L&T. Further, no threshold has been applied for other matters disclosed below.

#### a. **Civil Proceedings**

1. Northwest Redwater Partnership ("**NWR**") and L&T had entered into contract where L&T was to provide carbon steel, stainless steel and alloy pipe spools, piping materials and other materials to NWR, Canada. In March 2017, NWR issued a notice to L&T under the Arbitration Act of Alberta, *inter-alia*, claiming an amount of CAD 121 million (₹ 62,550 lakhs) on account of damages due to breach of contract and negligence. Simultaneously, with issue of arbitration notice NWR also filed



civil claim before Court of Queen's Bench, Alberta. L&T filed its reply to claims before the Court of Queen's Bench, Alberta and subsequently parties by consent agreed to withdraw the proceedings from the Court. NWR submitted an overview of claim to L&T in September 2017 revising claim to CAD 158 million (₹ 81,930 lakhs), L&T submitted its reply on December 22, 2017 reiterating its counterclaim of about CAD 16 million (₹ 8,300.8 lakhs). 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 (₹ 76,740 lakhs). The mediation is scheduled to be conducted in June 2019.

2. L&T had applied for de-notification from SEZ of certain units situated at Vadodara and accordingly was required to obtain no objection certificates ("NOCs") from various authorities including the stamp duty department (the "**Department**") of Gandhinagar. Accordingly, L&T had filed an application with the Department for obtaining a NOC. However, the Collector and Additional Superintendent of Stamps, Gandhinagar (the "**Collector**") passed an order against L&T (the "**Order**") demanding L&T to pay stamp duty aggregating to ₹ 3,350 lakhs. L&T then filed a writ petition before the Gujarat High Court against the Order. The writ petition was disposed of by the Gujarat High Court and L&T was directed to file an appeal before the Chief Controlling Revenue Authority ("**CCRA**"). The Gujarat High Court directed CCRA to issue the NOC during the pendency of the appeal, subject to L&T depositing a percentage of stamp duty amount and furnishing a corporate guarantee. L&T filed a revision application before the CCRA pursuant to the Gujarat High Court order. CCRA rejected the revision application and ordered payment of stamp duty along with a penalty. L&T filed a special civil application bearing number 15654 of 2016 before the Gujarat High Court for, *inter-alia* setting aside the orders passed by the Collector and CCRA, stay on recovery of penalty and refund of amount deposited with Industries commissioner and CCRA. The Gujarat High Court has admitted the matter. The matter is currently pending.
3. The Additional Director of Mines, Kota, passed order against L&T for deposit of approximately ₹ 2,000 lakhs towards royalty payment in connection with a supercritical thermal power project executed for Rajasthan Rajya Vidyut Utpadan Nigam Limited ("**RRVUNL**"), which was thereafter confirmed by the Appellate Authority for Mining. RRVUNL withheld such deposit amount from L&T's running bills. Thus, L&T filed a writ petition numbered CW 119 of 2017 before the Rajasthan High Court against the withholding of deposit amount. The Rajasthan High Court admitted the petition, directing 50% of the demanded amount to be released by RRVUNL in favour of L&T and Department of Mining. The matter is currently pending.
4. L&T initiated arbitration proceedings against Visa Power Limited ("**Visa Power**") in relation to the disputes arising out of contract entered into between Visa Power and L&T. Visa Power had awarded a contract to L&T for balance of plant package for setting up of a 2x600 MW Visa Raigarh Super Thermal Power Project at Devari and Dumarपाली 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 ₹ 60,297.5 lakhs along with interest of 18% per annum till realisation of the same. Visa Power filed a counter claim of ₹ 18,298.7 lakhs consisting mainly consequential damages. An application before the National Company Law Tribunal ("**NCLT**") is pending for 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 has been appointed. As the bank guarantee was encashed, L&T has filed applications before the NCLT 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. NCLT 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. Visa Power has gone into liquidation. L&T has filed its claim before the Official Liquidator at present.
5. 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 ₹ 17,200 lakhs. L&T has filed an execution application against IOCL for the aforesaid award which is heard

along with the aforesaid appeal. The appeal under Section 34 of the Arbitration and Conciliation Act, 1996 was decided in L&T's favour *vide* an order dated June 1, 2018. IOCL has filed a second appeal number F.A.O. (O.S.)(Comm) No. 171 of 2018, before the division bench of Delhi High Court. The matter is currently pending.

6. L&T has filed 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 ₹ 3,230 lakhs. The matter is currently pending.
7. 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 ₹ 23.6 lakhs from L&T. L&T raised objection to the same and paid an amount of ₹ 4.5 lakhs 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 ₹ 23.6 lakhs. 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 ₹ 19 lakhs, which was deposited by L&T on June 28, 2002. The writ petition was admitted on November 18, 2002. The matter is currently pending.
8. Municipal Corporation of Greater Mumbai ("MCGM") had issued notices to L&T under the Mumbai Municipal Corporation Act, 1888 for fixation of the ratable value of amenity with respect to a parcel of land held by L&T. The Small Causes Court passed an order in favour of L&T. MCGM then filed First Appeal No. 270 of 2006, First Appeal No. 287 of 2006 and First Appeal No. 269 of 2006, before the Bombay High Court against the order passed by the Small Causes Court, Mumbai against the ratable value fixed by MCGM. The amount involved in the matter is ₹ 11.2 lakhs. The first appeal has been admitted and no interim relief has been granted in favour of MCGM. The matter is currently pending.
9. Municipal Corporation of Greater Mumbai ("MCGM") has filed First Appeal No. 2207 of 2006 before the Bombay High Court against the order passed by the Small Causes Court, Mumbai tax in favour of L&T pertaining to assessment of property. The first appeal has been admitted by the Bombay High Court and will come up for final hearing in due course. The first appeal has been admitted and no interim relief has been granted in favour of MCGM. The amount involved in the matter is ₹ 365.7 lakhs. The matter is currently pending.
10. 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 ₹ 30.7 lakhs 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.
11. 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 ₹ 8,930 lakhs 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 ₹ 13,000 lakhs 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 ₹ 14,200 lakhs. The aggregate amount involved in this matter is ₹ 12,956.97 lakhs as on March 31, 2015 plus interest at the rate of 20% per annum till realization. The matter is pending.

12. G V Bapat, a food inspector filed a complaint against L&T, 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.
13. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (NTPC) Project Lot - 1. Disputes have arisen 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 ₹ 25,100 lakhs. The Arbitrators (by majority) have published an award 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.
14. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms long underground tunnel and HRT for Tapovan Vishnugad Hydro Electric Power Project of National Thermal Power Corporation (NTPC) Project Lot -2. The arbitration in progress and the next hearing has been fixed for February 15, 2019
15. L&T in joint venture with M/s. Alpine Mayreder Bau GmbH were the contractors for the construction of 12 kms 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 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 ₹ 86,700 lakhs towards reimbursement of costs, payment of balance amounts and claims. NTPC has raised counter claim of ₹ 3,15,070 lakhs. The arbitration is in progress and the next hearing has been fixed between March 4- March 6, 2019.
16. L&T has raised claims of ₹ 16,567 lakhs 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 in progress and the next hearing has been fixed for February 19, 2019.
17. L&T-SCOMI Engg. Bhd Consortium initiated arbitration against Mumbai Metropolitan Region Development Authority (“MMRDA”) with respect to claims of ₹ 10,855 lakhs and ₹ 5,200 lakhs, on escalation on uncovered price adjustment during extended period. The arbitration is in progress and MMRDA has sought to postpone cross examination date to February 27, 2019.
18. L&T had referred its disputes to arbitration against National Hydroelectric Power Corporation Limited (“NHPCL”) pertaining to Subansiri Lower Hydro Electric Project. L&T has raised contractual claims under various head to the tune of ₹ 1,90,883 lakhs. NHPCL has made a counter claim of ₹ 5,459 lakhs plus 14% interest. The filing of pleadings is in progress and the next meeting is on February 8, 2019.
19. L&T has initiated arbitration and filed a claim of ₹ 22,125 lakhs 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 is in the process of filing its reply to the defence cum counter claim for which time has been granted till January 24, 2019.

20. L&T has a claim of ₹ 4,050 lakhs 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 ₹ 2,050 lakhs. The submissions have been concluded and the matter has been reserved for passing of award..
21. L&T invoked arbitration with a claim of ₹ 5,297 lakhs 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 cost and cost incurred towards variations. BMRCL has made a counter claim of ₹ 1,668 lakhs. The matter has been posted for further arguments on February 10, 2019.
22. In respect of prolongation cost claims and variation, L&T has invoked arbitration against Bangalore Metro Rail Corporation Limited (“**BMRCL**”) for a claim amount of ₹ 11,950 Lakhs. BMRCL made a counter claim of ₹ 2,857 lakhs. The arbitral tribunal in its Award on April 30, 2018 order for payment of ₹ 3,651 lakhs plus the arbitrator’s fee of ₹ 15.12 lakhs 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. The matter has been posted for January 18, 2019 for further hearing.
23. In respect of certain claims relating to Viaduct and Elevated stations - Reach 3 package, L&T had initiated arbitration against Bangalore Metro Rail Corporation Limited (“**BMRCL**”). L&T had also filed their counter claim of ₹ 16,283 lakhs. On August 4, 2018, the arbitral tribunal awarded an amount of ₹ 1,743.94 lakhs to L&T and allowed BMRCL’s Counter Claim to an extent of ₹ 31.21 lakhs. 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. The matter has been adjourned to January 17, 2019 to file objections to L&T’s application under Section 34 of the Arbitration and Conciliation Act, 1996. 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.
24. The Collector and District Registrar, Hyderabad, issued a show cause notice No. G3/Sec-73/2013 dated March 3, 2013 (“**Notice**”) to L&T Metro Rail (Hyderabad) Ltd. (“**LTHMRL**”) and L&T alleging that in respect of an EPC contract executed between LTHMRL and L&T, L&T had paid less stamp duty. L&T had challenged the Notice vide a writ petition before the High Court, Andhra Pradesh (“**Court**”), wherein the Notice was suspended by the interim order of the Court dated April 7, 2014. The matter is pending, and interim stay has been extended until further orders. The amount involved in the matter is ₹ 61,975 lakhs.
25. The Joint Commissioner of Labour and Assessing officer, Government of Telengana, Ranga Reddy Zone, Hyderabad (“**Authority**”) issued a demand notice No. A/BOCW-27/2014 dated September 29, 2014 directing L&T Metro Rail (Hyderabad) Limited (“**LTHMRL**”) to pay cess of 1% under the Building & Other Construction Workers Act, 1996 (“**BOCW**”) on the cost of construction carried out up to end of February 2014, failing which the Authority has stated that he will assess the amount of cess and recover the arrears along with one time penalty. LTHMRL filed a case numbered W.P. No. 35582 of 2014 against the Authority before the High Court, Hyderabad. The court granted interim stay on the demand of 1% on cost of construction on November 24, 2014 for a period of 3 weeks. The High Court on December 09, 2014 extended the stay until further orders and directed the Respondents to file their counter. The date of next date of hearing has not been notified. The amount involved in the matter is ₹ 14,000 lakhs.
26. Sugruha, an association, had filed a complaint before the District Consumer Forum, Bangalore, alleging deficiency in services in respect of the South City Project but the same was dismissed. Sugruha then filed an appeal before the State Consumer Forum which was later on withdrawn by Sugruha with a liberty to approach the National Consumer Disputes Redressal Commission, New Delhi (“**NCDRC**”). Sugruha has now filed a complaint numbered 386 of 2014 before the NCDRC seeking the transfer of management and supervision of south city complex to Sugruha and to provide amenities like club house, restaurant, cycle track, library, jogging track, restaurant etc.

detailed in the development agreement, brochures, sale deed, agreement to sell and have claimed a sum of ₹ 44,200 lakhs on various accounts. The matter is fixed for hearing on February 19, 2019.

27. 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 next date of hearing is on April 23, 2019.
28. Mr. Surendra Sharma (“**Petitioner**”) filed a suit bearing Suit No. 2755/ 2011 before the Bombay High Court. The suit arises from a family dispute with respect to non-payment of money as agreed in a settlement deed executed between the Petitioner and Smit Properties Pvt. Ltd. (“**Smit Properties**”), being L&T’s predecessor regarding the property. The property was bought by L&T from Lt. Durgadevi Sharma who had made a will and all defendants in the matter are family members and beneficiaries to the will. L&T was made defendant no. 20 since one of the prayers in the suit challenges the conveyance between L&T and Smit Properties. The matter is currently pending before Ld.Prothonotary and Sr Master and is adjourned to January 29, 2019.
29. 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.
30. Writ petition bearing Writ Petition No.1783 of 2017 was filed by L&T before the Bombay High Court (“**Court**”) on the grounds of the issuance of the stop work notice dated June 21, 2017 (“**Notice**”) and consequent inaction on part of MCGM in processing the plans, permissions, papers of L&T. L&T has sought interim relief including a stay on the Notice and directions to process or issue all permission in relation to the lands in Powai. The Court passed an interim order dated June 29, 2017 granting interim relief directing that no further action be taken by MCGM on the basis of the impugned Notice. The Urban Land Ceiling Authorities were free to proceed in accordance with land. However, during the pendency of the petition, the Notice issued by MCGM was withdrawn on July 29, 2017. The next date of hearing is February 6, 2019.
31. 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 and March 31, 2018 has been deposited in the Court. The matter has been posted to February 20, 2019 for the reply of the Plaintiff and is currently pending.

#### **b. Criminal Proceedings**

1. Central Bureau of Investigation (“**CBI**”) has registered a FIR with Case No. RC. 8A/2017-D on September 8, 2017 in Dhanbad, Jharkhand against certain officials of Bharat Coking Coal Limited, L&T Ltd and unknown others in relation to alleged criminal conspiracy, cheating and criminal misconduct with regard to award of contract to L&T Ltd against notice inviting tender dated March 25, 2013 for supply of 100 numbers of 35 Te Tippers with Maintenance & Annual Repair Contract (MARC) for 6 years for estimated cost of ₹ 38,392 lakhs. Investigation is pending.
2. Manoj Mendon was an employee of a clearing house agent appointed by L&T for clearing pay-orders and customs duties for goods and components imported by L&T. While performing his

duties, Manoj Mendon fraudulently claimed ₹ 29 lakhs 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. Next date of hearing is on January 21, 2019.

3. Ramesh Bhatt (“**Accused**”) was working with L&T in accounts department at Powai Works. He was handling and was familiar with procedure for passing bills and releasing payments to the vendors. He indulged in preparing forged documents during the period of June 9, 1986 to June 16, 1992. He duped L&T to the tune of ₹ 125 lakhs 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. Next date of hearing is on January 7, 2019.
4. Kamaljeet Singh Shekhawat, a customer of L&T, filed a criminal case numbered CRLMP/2388/2014 against L&T and Komatsu India Private Limited before the Thana Mandan, District Alwar, Rajasthan alleging that Komatsu failed to return the equipment belonging to the Complainant. The matter is currently pending.
5. Mr. Uday Dixit is a disgruntled ex-employee of L&T Ltd. He had circulated various defamatory messages against L&T and its senior management in its Kolkata office. In relation to the same, criminal complaint numbered CS/0045822/2017 has been filed before the Court of 18th Metropolitan Magistrate, Calcutta under relevant provisions of Indian Penal Code, 1860 (“**IPC**”) for defamation and extortion. Summons had been issued for appearance of accused but the accused did not appear before the Court and thus a warrant was issued. The next hearing is on February 12, 2019.
6. 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 next date of hearing is January 08, 2019.
7. 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 ₹ 2,200 lakhs 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 in to 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 next date of hearing is fixed on January 28, 2019.
8. 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 next date of hearing is fixed on February 08, 2019.

9. 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 has been posted for January 19, 2019.
10. Central Bureau of Investigation (“**CBI**”) has filed a criminal case CC No.70/2004 against the officials of L&T alleging conspiracy with the officials of Oriental Insurance in respect of NTPC Simhadri job claims settled by them. Separate appeals have been filed for the convicted individuals and our Company. The matter has been posted for March 1, 2019.
11. 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 lower court proceedings have been adjourned to April 2019.
12. 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 matter is posted for the defendant's evidence and the next date of hearing is fixed on January 17, 2019.
13. During the execution of a bridge project (minor bridge location CH 429), a police head constable travelling on a motor cycle passing through L&T’s construction site met with a fatal accident on March 24, 2016. His brother, Mr. Govind Bapurao Gaikwad, 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 has been posted for plea and particulars on February 6, 2019.
14. 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 last hearing for the purpose of reporting was held on December 7, 2018 and has now been posted next on February 08, 2019. for reporting of Accuse No.1 and 2.
15. 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 next hearing has now been posted on February 08, 2019.
16. 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 ₹ 113.6 lakhs and complaint bearing C.C. No. 4200003/Misc/16 was filed for evasion of Octroi duty of ₹ 6.7 lakhs. The next hearing had been posted for March 25, 2019.

17. Sandhya engineering, a sub-contractor in Techno park project filed a criminal complaint bearing C.C. No.124/2017 in J.M.F.C. Paravur, Kollam before Judicial Magistrate, Paravur, Kerala alleging cheating and criminal breach of trust relating to his sub contract payments and under the Orders of the Court, police conducted investigation and filed final report. L&T filed a quash petition before the High Court and secured stay of proceedings. L&T has filed a discharge petition before the lower court. The matter has been posted on January 17, 2019 for arguments.
18. A complaint has been filed by a sub-contractor alleging the 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. The matter is posted on January 18, 2019 for reply and arguments.
19. A complaint bearing Suit No. CC No. 161/2L/16 has been filed by Labour Enforcement Officer against L&T before the Patiala House Courts, New Delhi for alleged violation of Sections 23 & 24 of Contract Labour (Regulation and Abolition) Act. The appearance has been entered and the matter has been posted on January 11, 2019.
20. A complaint bearing No. CC No. 109/2L/18 has been filed by Labour Enforcement Officer against L&T before the Patiala House Courts, New Delhi for alleged violation of Sections 23 & 24 of Contract Labour (Regulation and Abolition Act). The appearance has been entered and the matter has been posted on February 28, 2019.
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 5th floor to British Airways. A summons was issued and subsequently Sadhana Mishra was produced in Court on October 14, 2004 and released on bail on a surety of ₹ 0.10 lakhs. L&T filed an application under Section 205 which has been allowed. The last hearing was held on December 31, 2018. The matter is 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 date for the next hearing has not been notified.
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 December 17, 2018 and the matter is 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 Shama 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, High Court of Jharkhand at Ranchi against L&T’s staff under Section 323, 385, 379 and 34, Indian Penal Code, 1860. The matter has been posted for next hearing on January 16, 2019.
25. In connection with non-compliance of labour laws and series of variation, Deputy Director of Factories, Kancheepuram, issued a show cause notice and initiated criminal proceedings bearing CC Nos. 137 to 142 of 2018 before the Chief Judicial Magistrate, Chenglepet against the Occupier (MVS) and the Factory Manager, Mr. P Dinesh Kumar. However, fresh notice was issued against MVS and the matter was posted on January 8, 2019 for the next hearing on which date, the matter was closed.



### **c. Regulatory Proceedings**

1. The Regional Officer, of Gujarat Pollution Control Board (the "**GPCB**") filed a criminal complaint numbered 73507 of 2014 on behalf of GPCB, against L&T and seven officers of L&T, before the Chief Judicial Magistrate First Class, Surat under Section 15 read with Section 16 of the Environment (Protection) Act, 1986 alleging that the construction of flats and buildings was commenced without obtaining an environment clearance as required under the notification issued by the Ministry of Environment and Forests. The matter is currently pending.
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 is currently pending.
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 ₹ 404 lakhs. The next date of hearing is January 29, 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 ₹ 406 lakhs. The next date of hearing is January 29, 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 ₹ 504 lakhs. The next date of hearing is January 29, 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 next date of hearing is January 24, 2019.

### **d. Proceedings pertaining to Tax**

1. L&T has filed this appeal vide Case No. 7223/M/13 against the Income Tax Department before the Income Tax Appellate Tribunal in Mumbai, in relation to direct tax matters regarding, amongst others, ESOP expenses, provision for foreseeable losses, 80-IA deduction- infrastructure projects, 14A disallowance, TP adjustment, etc. The amount involved in this matter is ₹ 8,044 lakhs.
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 ₹ 5,176 lakhs.
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 ₹ 12,862 lakhs.

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 ₹ 21,359 lakhs.
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 ₹ 20,002 lakhs.
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 ₹ 23,007 lakhs.
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 ₹ 31,354 lakhs.
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 ₹ 18,085 lakhs.
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 ₹ 3,273 lakhs.
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 ₹ 1,320 lakhs.
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 ₹ 35,845 lakhs and ₹ 28,524 lakhs.

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 ₹ 32,322 lakhs.
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 ₹ 15,291 lakhs.
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 ₹ 12,764 lakhs.
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 ₹ 11,274 lakhs.
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 ₹ 18,487 lakhs.
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 ₹ 10,145 lakhs.
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 ₹ 44,091 lakhs. The matter is currently pending.
19. 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 ₹ 35,241.6 lakhs. The matter is currently pending.
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 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 ₹ 28,805.7 lakhs. The matter is currently pending.

**B. L&T Finance Holdings Limited (our Promoter)**

There are no civil litigations initiated by and/or against our Promoter basis the materiality policy adopted by our Promoter. Further, there are no criminal cases initiated by and/or against our Promoter.

**C. L&T Infrastructure Finance Company Limited**

L&T Infrastructure Finance Company Limited (“**LTIFL**”) is a related party of our Company. There are various litigations instituted by and against LTIFL from time to time, mostly arising in the ordinary course of its business. For the purpose of disclosure of such cases in this Draft Shelf Prospectus, LTIFL has applied the same materiality threshold which has been applied for our Company.

1. LTIFL has filed an original application numbered 122 of 2017 before the Debt Recovery Tribunal, Chennai (“**Tribunal**”) against Surana Power Pvt. Ltd (“**Borrower**”) and its guarantors, G.R. Surana, Vijayraj Surana, Shantilal Surana, Dinesh Chand Surana and Surana Industries Ltd. (“**Guarantors**”), for a claim of ₹ 10,498 lakhs, 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) pass a decree against the personal guarantors; (iv) pass orders for disclosure of assets of guarantors. The Tribunal *vide* its order dated November 7, 2018 has directed the Guarantors to disclose their assets, allowed an application of LTIFL to permit and continue proceedings as against the Guarantors while the moratorium subsists as against the Borrower under the Bankruptcy Code. The Guarantors have also been directed not to leave the country without getting prior permission of the Tribunal. The matter is currently pending.
2. LTIFL has filed an original application before the Debt Recovery Tribunal, New Delhi (“**Tribunal**”) for the adjudication of the debt owed by C&C Western Up Expressway Limited (“**Borrower**”) and its personal guarantors, which is to the tune of ₹ 4,668 lakhs. The matter is at the stage of evidence, wherein LTIFL has completed its evidence and the matter has been posted for January 4, 2019 for directions on the right of the Defendants to lead evidence in the application. The matter is currently pending.
3. LTIFL has filed an original application numbered 39 of 2018 against SVOGL Oil Gas & Energy Limited (“**Borrower**”) before the Debt Recovery Tribunal, Delhi (“**Tribunal**”) for a claim of ₹ 26,767.48 lakhs, *inter-alia* praying for issuance of recovery certificate for the claim amount and other reliefs as against the guarantors. However, LTIFL have also filed an application for withdrawal of original application, due to discrepancy of documents annexed to it. The matter is currently pending.
4. A moratorium on Aircel Cellular Limited, the corporate debtor (“**Corporate Debtor**”) is going on under the Bankruptcy Code. LTIFL has submitted Form C before NCLT, Mumbai with its claim of ₹ 21,421.5 lakhs 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.
5. A moratorium on Aircel Limited, the corporate debtor (“**Corporate Debtor**”) is going on under the Bankruptcy Code. LTIFL has submitted Form C before NCLT, Mumbai with its claim of ₹ 21,421.5 lakhs 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.
6. A moratorium on Dishnet Wireless Limited, the corporate debtor (“**Corporate Debtor**”) is going on under the Bankruptcy Code. LTIFL has submitted Form C before NCLT, Mumbai with its claim of ₹ 21,421.5 lakhs 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.

7. An application to initiate corporate insolvency resolution process (“**CIRP**”) against Ind-Barath Thermal Power Ltd. was filed by an operational creditor, Gandhar Oil Refinery (India) Ltd. LTIFL has submitted Form C before NCLT, Hyderabad with its claim of ₹ 8588.6 lakhs against the Corporate Debtor. The matter is currently pending.
8. LTIFL has filed an original application numbered 776 of 2017 against Emta Coal Limited (“**Borrower**”) and its personal guarantors before the Debt Recovery Tribunal, Kolkata (“**Tribunal**”) for a claim of ₹ 2,056 lakhs, *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.
9. LTIFL has filed an original application numbered 932 of 2015 against Icomm Tele Limited (“**Borrower**”) and Sumanth Paturu, Rama Rao Paturu and Istiva Ventures Pvt. Ltd. (“**Guarantors**”), before the Debt Recovery Tribunal, Hyderabad (“**Tribunal**”) for a claim of ₹ 2,956 lakhs, *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 on. LTIFL had approached Debt Recovery Appellate Tribunal, Kolkata against the aforesaid order. The matter is currently pending.
10. LTIFL filed an application numbered CP(IB)462/7/HDB/2018 (“**Application**”) against Icomm Tele Limited (“**Borrower**”) under Section 7 of the Bankruptcy Code before the National Company Law Tribunal, Hyderabad (“**Tribunal**”) to initiate corporate insolvency resolution process (“**CIRP**”). The Application was admitted and the CIRP is ongoing with LTIFL claiming an amount of ₹ 4,454.92 lakhs against the Borrower. The matter is currently pending.
11. An appeal bearing reference Co. Appeal 709/2018 was filed by a financial creditor, PTC India Financial Services of the Borrower (“**Financial Creditor**”) against LTIFL before the National Company Law Appellate Tribunal. The Financial Creditor contended that the Application filed by LTIFL could not have been admitted by the Tribunal as the company petition filed by the Financial Creditor before the Hyderabad High Court had already been admitted in 2016. LTIFL is taking necessary steps to have the appeal dismissed. The matter is currently pending.
12. LTIFL filed an application numbered CP(IB)672/7/HDB/2018 against RVK Energy and Infrastructure Private Limited (“**Borrower**”) under Section 7 of the Bankruptcy Code before the National Company Law Tribunal, Hyderabad (“**Tribunal**”) to initiate corporate insolvency resolution process (“**CIRP**”). The application application is currently pending admission.
13. LTIFL filed an application numbered CP(IB)674/7/HDB/2018 against KVK Energy and Infrastructure Private Limited (“**Borrower**”) under Section 7 of the Bankruptcy Code before the National Company Law Tribunal, Hyderabad (“**Tribunal**”) to initiate corporate insolvency resolution process (“**CIRP**”). The application is currently pending admission.
14. LTIFL 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 ₹ 2,468 lakhs. The matter is at the stage of evidence and is currently pending.
15. LTIFL has filed an original application numbered 652 of 2015 against Neueon Towers Ltd (erstwhile Sujana Towers Ltd.) (“**Borrower**”) and Yalamanchili Satyanarayana Choudary and G. Srinivasa Raju (“**Guarantors**”), before the Debt Recovery Tribunal, Chennai (“**Tribunal**”) for a claim of ₹ 4,931.96 lakhs. The application, *inter-alia*, prays for (i) issuance of recovery certificate for the claim amount; (ii) sale of the scheduled properties in case of failure to make payment; (iii) other reliefs as against the Guarantors; (iv) a decree against the personal guarantors and (v) pass orders for disclosure of assets of Guarantors. The matter is currently pending.
16. LTIFL has filed an original application numbered 328 of 2015 against Hanjer Biotech Mira Pvt. Ltd (“**Borrower**”) and Irfan Ashraf Furniturewala, Nazim Ashraf Furniturewala, Nadeem Ashraf Furniturewala, Nuzhat Irfan Furniturewala, Hanjer Biotech Energies Pvt. Ltd. and Hanjer Biotech Pvt. Ltd. (“**Guarantors**”) before the Debt Recovery Tribunal, Delhi for a claim of ₹ 2,697.3 lakhs.

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 LTIFL. The matter is currently pending.

17. LTIFL has filed an original application numbered 1243 of 2011 against IDEB Projects Pvt. Ltd and Harkirat Singh Bedi ("**Borrowers**") before the Debt Recovery Tribunal, Mumbai for a claim of ₹ 4,052 lakhs. 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, LTIFL terminated the MOU in 2018. 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. LTIFL has a claim of ₹ 8,938.92 lakhs. The Resolution Professional has published the Expression of Interest. The matter is currently pending.
19. An application numbered CP(IB)1765/MB/2018 to initiate corporate insolvency resolution process ("**CIRP**") was filed by Raj Infrastructure Development (India) Private Limited against Lavasa Corporation Limited ("**Corporate Debtor**") before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. LTIFL has submitted Form C with a claim of ₹ 27,465 lakhs against the Corporate Debtor in its capacity as a Corporate Guarantor to LTIFL for the financial assistance provided by it to Warasgaon Assets Maintenance Limited ("**Borrower**"). The Resolution Professional has published the Expression of Interest. The matter is currently pending.
20. An application numbered CP(IB)1765/MB/2018 to initiate corporate insolvency resolution process ("**CIRP**") was filed by Raj Infrastructure Development (India) Private Limited against Lavasa Corporation Limited ("**Corporate Debtor**") before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. LTIFL has submitted Form C with a claim of ₹ 30,428.12 lakhs against the Corporate Debtor in its capacity as a Corporate Guarantor to LTIFL for the financial assistance provided by it to Warasgaon Assets Maintenance Limited ("**Borrower**"). The Resolution Professional has published the Expression of Interest. The matter is currently pending.
21. An application numbered CP 1757/I&BP/NCLT/MAH/2018 was filed to initiate corporate insolvency resolution process ("**CIRP**") against Warasgaon Assets Maintenance Limited ("**Borrower**") before National Company Law Tribunal, Mumbai. The application was admitted and the CIRP is going on. LTIFL has filed a claim of ₹ 27,465 lakhs. The matter is currently pending.
22. LTIFL has filed an original application numbered 341 of 2017 against Gupta Infrastructure Pvt Ltd ("**Borrower**") and Padmesh Gupta, Piyush Marodia and Anuradha Gupta ("**Guarantors**") before the Debt Recovery Tribunal, Mumbai for a claim of ₹ 8,660.53 lakhs. The application, *inter-alia*, prays for issuance of recovery certificate for the claim amount and other reliefs as against the Guarantors. The Borrower and Guarantors are to file their reply on the interim reliefs against the Guarantors. The matter is currently pending.
23. 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 LTIFL as

fraudulent, preferential and undervalued transactions; (ii) directed the security interests created by the Corporate Debtor in favour of the lenders, including LTIFL be released and discharged; and (iii) declared that the mortgaged properties shall now be deemed to be vested in the Corporate Debtor. LTIFL 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. LTIFL has also filed its claim of ₹ 18,991 lakhs with the resolution professional. The matter is currently pending.

24. State Bank of India filed an application for initiation of corporate insolvency resolution process ("CIRP") against the 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. LTIFL has filed its claim of ₹ 17,672 lakhs on January 02, 2019. The matter is currently pending.

In the meantime, a consortium of lenders including LTIFL, led by the State Bank of India, \ filed an original application before the Debt Recovery Tribunal, Hyderabad for recovery of debt owed by Coastal Projects Limited ("**Corporate Debtor**"). The original application is yet to come up for admission. The matter is currently pending.

25. LTIFL filed its claim amount to be recovered from Essar Steel India Limited ("**Corporate Debtor**") in the format provided in Form C. However, the resolution professional ("**RP**") rejected LTIFL's claim and refused to declare LTIFL as a financial creditor of the Corporate Debtor. Aggrieved by this, LTIFL 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 ₹ 3,367 lakhs. The matter is currently pending.
26. The resolution professional ("**RP**") of Essar Steel India Limited ("**Corporate Debtor**") filed an interlocutory application against LTIFL 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 LTIFL 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 ₹ 617 lakhs from LTIFL on the ground that LTIFL encashed cheques of the said amount during the moratorium period. The matter has been reserved for order and is currently pending.

#### *Cases filed by LTIFL under Section 138 of the Negotiable Instruments Act, 1881*

LTIFL has filed various complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are approximately 44 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 19,816.56 lakhs.

#### **D. Larsen & Toubro Infotech Limited**

Larsen & Toubro Infotech Limited ("**LTIL**") is a related party of our Company with only criminal litigations, as disclosed below. LTIL has no civil litigations against or by it, which crosses the materiality threshold adopted by the board of LTIL.

1. Suhas Ambade filed an 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 ₹ 3.5 lakhs towards compounding charges. The matter is currently pending.

2. Krishnan Subramanian had filed an FIR before the Powai police station against Munnawar Bux, Ghanshyam Mhatre, Ganesh Apte and V. K. Magapu, and Chris Colaco (the “**Petitioners**”) under, *inter-alia*, Sections 34, 120B, 201 and 406 of the Indian Penal Code 1860 read with Sections 20 and 25 of the Indian Telegraph Act, 1885 and Sections 65, 66 and 85 of Information Technology Act, 2000 alleging illegal transfer of the international calls and related losses to the Government and Tata Teleservices (Maharashtra) Limited amounting to ₹ 64.5 lakhs. Subsequently, the Petitioners filed discharge applications filed in criminal case no. 3700327/PW/2007, which were rejected by the Magistrate. The Petitioners have filed two criminal writ petitions numbered 1743 of 2006 and 217 of 2007 before the Bombay High Court in relation to criminal proceedings initiated against the Petitioners and seeking quashing of the FIR lodged. Our Company has withdrawn one of the writ petitions bearing no. 1743 of 2006 and the Bombay High Court has disposed the other writ petition filed by our Company bearing no. 217 of 2007 by directing the Magistrate to dispose of the discharge applications filed by the Petitioners. The matter is currently pending.

**E. L&T Capital Company Limited**

L&T Capital Company Limited (“**LTCCL**”) is a related party of our Company and is involved in the only litigation as disclosed below which would have a material adverse effect, in accordance with its internal policy.

During the course of assessment of LTCCL for Assessment Year 2010-11, the assessing officer disallowed a sum of ₹ 239 lakhs by invoking provisions of Section 14A, Income Tax Act, 1961 read with Rule 8D, Income Tax Rules, 1962. The assessing officer invoked Rule 8D for the purpose of computing disallowance under section 14A without indicating any cogent reasons in assessment order for dissatisfaction of the correctness of the method followed by LTCCL. The said disallowance was upheld by Commissioner of Income Tax (Appeals). However, Income Tax Appellate Tribunal (“**ITAT**”) has considered the view of the LTCCL and has directed the assessing officer to adjudicate the issue afresh. The matter is currently pending.

**F. L&T Capital Markets Limited**

There are no civil or criminal litigation by or against L&T Capital Markets Limited as on the date of the Draft Shelf Prospectus.

**G. L&T Housing Finance Limited**

L&T Housing Finance Limited (“**LTHFL**”) is a related party of our Company. There are various litigations instituted by and against LTHFL from time to time, mostly arising in the ordinary course of its business. For the purpose of disclosures in this Draft Shelf Prospectus, LTHFL has applied the same materiality threshold which has been applied for our Company.

1. LTHFL had filed an arbitration petition 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 Pvt. Ltd. (“**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 ₹ 800 lakhs 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 ₹ 800 lakhs, 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 not 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 ₹ 954 lakhs. The matter is currently pending before the arbitrator. The petition under Section 17, Arbitration and Conciliation Act, 1996 is currently pending before the arbitrator.

2. LTHFL had filed an arbitration petition against JSM Devcons Pvt. Ltd., ("**Borrower**") Mr. Ashish Das, Mr. Puspendra Badera, Ashok Hi-Tech Builders Pvt., Vijaynagar Police Station, the Registrar, Indore and District Registration Authority (collectively referred to as the "**Respondents**") before the Bombay High Court ("**Bombay High Court**"). The Court passed an order dated July 25, 2018 appointing a court receiver who has taken physical possession of the phase II property, 3 incomplete buildings and Phase III land which is an open plot of land, by putting appropriate boards. Security Guards have also been appointed. The court receiver and the surveyor have filed their respective reports in the Court. The matter is currently pending.

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 ₹ 3,765 lakhs plus interest till realisation. There have been notices by LTHFL to the Respondents under Section 13 (2) and Section 13(4), SARFAESI Act, 2002. The matter is currently pending.

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 ₹ 3,765 lakhs 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.

3. LTHFL had made a demand for ₹ 1,745 lakhs due as 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 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 directing the Respondents to, *inter-alia*, deposit an amount of ₹ 1,593 lakhs 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. LTHFL is now required to file it's affidavit of evidence before the arbitrator. The matter is currently pending.

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. The matter is currently pending.

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. The matter is currently pending.

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**"). The matter is currently pending before the DRAT.

With respect to the Bangalore property, LTHFL had filed a petition under Section 14 of the

SARFAESI Act for obtaining possession of the property. However, before the final order, the Borrower filed an appeal before the DRT against the petition filed by LTHFL with a prayer to set the petition aside. The DRT passed an order setting aside the petition filed by LTHFL. LTHFL has filed an appeal before the DRAT against such order. The matter is currently pending before the DRAT.

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. The matter is currently pending.

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 ₹ 2,079 lakhs. The matter is currently pending.

*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 842 such cases pending before various courts. The total amount involved in such cases is approximately ₹ 5,419.25 lakhs.

**H. L&T Investment Management Limited**

There are no civil or criminal litigation by or against L&T Investment Management Limited as on the date of the Draft Shelf Prospectus.

**I. L&T Financial Consultants Limited**

L&T Financial Consultants Limited for the purpose of disclosure of the cases in this Draft Shelf Prospectus, has applied the materiality threshold which has been applied for our Company. There are no civil or criminal cases above the materiality threshold.

**J. L&T Infra Investment Partners Advisory Private Limited**

There are no civil or criminal litigation by or against L&T Infra Investment Partners Advisory Private Limited as on the date of the Draft Shelf Prospectus.

**K. L&T Infra Debt Fund Limited**

There are no civil or criminal litigation by or against L&T Infra Debt Fund Limited as on the date of the Draft Shelf Prospectus.

**Details of acts of material frauds committed against our Company since fiscal year 2014 till period ended December 31, 2018, if any, and if so, the action taken by our Company in response:**

There have been instances of fraud, which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company since fiscal year 2014 till period ended December 31, 2018. The total amount involved in all acts of fraud committed against our Company in the last five Fiscals is set forth below:

| <b>December 31, 2018</b>   | <b>Fiscal 2018</b>  | <b>Fiscal 2017</b>  | <b>Fiscal 2016</b>  | <b>Fiscal 2015</b>   | <b>Fiscal 2014</b>   |
|--|---|---|---|--|--|
| 1 instance of fraud aggregating to ₹ 13.48 lakhs was reported in the quarter ended June 2018.      | 12 instances of frauds aggregating to ₹62.52 lakhs were reported. | 20 instances of frauds aggregating to ₹ 59.21 lakhs were reported | 7 instances of cash misappropriation were reported aggregating to ₹ 24.84 lakhs | 10 instances of misrepresentation by customers were reported whereby loans were obtained on the basis of fictitious documents aggregating ₹ 54.87 lakhs and 3 instances of loan instalments collected by a third party under false identity of employees of our Company aggregating to ₹ 0.58 lakhs. | 15 instances of loans given based on fraudulent misrepresentation by the borrowers aggregating to ₹ 19.21 lakhs. |
| 1 instance of fraud aggregating to ₹ 27.30 lakhs was reported in the quarter ended September 2018. |   |   |   |  |  |
| 1 instance of fraud aggregating to ₹13.58 lakhs was reported in the quarter ended December 2018.   |   |   |   |  |  |

## 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 Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. For purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.*

*The following description is a summary of certain sector specific laws and regulations and policies as prescribed by the Government of India and other regulatory bodies, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

The major regulations governing our Company are detailed below:

We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI Regulations applicable to non-public deposit accepting NBFCs (“NBFC-ND”).

As at September 1, 2016, the RBI issued an *updated Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016*, (as updated from time to time) 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, Peer to Peer Lending Platform (Reserve Bank) Directions, 2017 (“**Peer to Peer Regulations**”), 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:

- Asset finance companies;
- Investment companies;
- Systemically Important Core Investment Company;
- Loan companies and/or
- Infrastructure finance companies.
- Infrastructure debt fund - NBFCs;
- NBFC - micro finance institutions;
- NBFC –Factors;
- Mortgage guarantee companies;
- NBFC- non-operative financial holding company; and
- Non-Banking Financial Company-Peer to Peer Lending Platform.

Our Company has been classified as an NBFC-ND-SI.

#### *Systemically Important NBFC-NDs*

As per the NBFC Master Directions, the revised threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹ 5,000 million and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹ 5,000 million and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs-ND-SI is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 15%.

#### *Rating of NBFCs*

Pursuant to the RBI circular DNBS (PD) CC. No.134/03.10.001/2008-2009 dated February 04, 2009, all NBFCs with an asset size of ₹1,000 million are required to, as per RBI instructions, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

#### *Prudential Norms*

The RBI Master Circular on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (“**ND-SI-Directions**”), amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The ND-SI-Directions state that the credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or

indirectly, and not issuing guarantees.

#### *Corporate governance norms*

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, RBI *vide* notification dated November 10, 2014 has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

#### *Provisioning Requirements*

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms Directions.

In the interests of counter cyclicity 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 15% of the Tier -I capital.

*Hybrid debt* means, capital instrument, which possess certain characteristics of equity as well as debt.

*Subordinated debt* means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

#### *Exposure Norms*

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Master Direction, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings. Further, NBFC ND SI may exceed the concentration of credit/investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

#### *Asset Classification*

The Prudential Norms Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40%.

#### *Other stipulations*

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

#### *Net Owned Fund*

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 20 million. For this purpose, the RBI Act has defined “net owned fund” to mean:

*Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii)*

*deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,*

- (i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and
- (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.

Further, in accordance with RBI Notification No DNBR.007/CGM (CDS) 2015 dated March 27, 2015 which provides that a non banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than ₹ 20 million may continue to carry on the business of non banking financial institution, if such company achieves net owned fund of:

- (i) ₹ 10 million before April 1, 2016; and
- (ii) ₹ 20 million before April 1, 2017

#### *Reserve Fund*

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

#### *Maintenance of liquid assets*

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI's Non- Deposit Accepting Companies Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone numbers, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 1,000 million or more or holding public deposits of ₹ 2,000 million or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer 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.

### ***Accounting Standards & Accounting policies***

Subject to the changes in Indian Accounting Standards (“IAS”) and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the statement of profit and loss of these changes in each of the accounting years preceding the change. In such cases our profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made. The Ministry of Corporate Affairs has amended the existing IAS *vide* Companies (Indian Accounting Standards) (Amendment) Rules, 2017 on March 17, 2017 and the same shall be applicable to our Company from April 1, 2018.

### ***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, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

### ***Master Direction – Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016***

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and

whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

#### ***Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016***

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits on a quarterly basis as well as all Special Mention Accounts-2 status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

#### ***Master Direction on Information Technology Framework for the NBFC Sector, 2017***

All systematically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information Security Framework (“IT”) business continuity planning, disaster recovery and management. NBFCs must constitute an IT Strategy Committee and IT Steering Committee and formulate an IT Policy and an Information Security Policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks. The Master Direction has to be implemented by applicable NBFCs by June 30, 2018.

#### ***Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017***

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs (“**Risk Management Directions**”). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

#### ***Financing of NBFCs by bank***

The RBI has issued guidelines *vide* a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies/entities; and (v) further lending to individuals for the purpose of subscribing to an initial public offer.

#### ***Norms for excessive interest rates***

In addition, the RBI has introduced *vide* a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

#### ***Supervisory Framework***

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted

electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor's report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the statement regarding any of the items referred above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

### ***Asset Liability Management***

The RBI has prescribed the Guidelines for Asset Liability Management (“**ALM**”) System in relation to NBFCs (“**ALM Guidelines**”) that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015 and Asset Liability Management (ALM) System for NBFCs – Guidelines dated June 27, 2001. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 10,000 lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 2,000 lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

### ***Foreign Investment Regulations***

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment (“**FDI**”) Policy and Foreign Exchange Management Act, 1999 (“**FEMA**”). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion (“**DIPP**”) issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the “**SOP**”). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the “**Competent Authority**”) for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict, FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100% FDI/ Non-Resident Indian (“**NRI**”) investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

### ***The Recovery of Debts due to Banks and Financial Institutions Act, 1993***

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the “**DRT Act**”) provides for establishment of the Debts Recovery Tribunals (the “**DRTs**”) for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

### ***Anti-Money Laundering***

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 (“**PMLA**”) is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten 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 ten 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.

### ***Companies Act, 2013***

The Companies Act, 2013 (“**Companies Act**”) has been notified by the Government of India on August 30, 2013 (the “**Notification**”). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director’s liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

Under the Companies Act every company having Net Worth of ₹ 5,000 million or more, or turnover of ₹ 10,000 million or more or a net profit of ₹ 50 million or more during the immediately preceding financial year shall formulate a corporate social responsibility policy. Further, the board of every such company shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its corporate social responsibility policy.

### ***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 31, 2018 and July 19, 2018 the Directors approved the issue of NCDs to the public in one or more tranches, upto an amount not exceeding ₹ 5,00,000 lakhs. Further, the present borrowing is within the overall borrowing limits of ₹ 56,000,00,00,000 (Indian Rupees Fifty Six Thousand 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.

### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A. K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•].**

### **DISCLAIMER CLAUSE OF THE BSE**

**BSE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED [•], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:**

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS**

**COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.**

#### **DISCLAIMER CLAUSE OF NSE**

**AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: [•] DATED [•] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THE DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.**

#### **DISCLAIMER CLAUSE OF THE RBI**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MAY 04, 2017 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.**

#### **DISCLAIMER CLAUSE OF INDIA RATINGS**

**ALL CREDIT RATINGS ASSIGNED BY INDIA RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.INDIARATINGS.CO.IN/RATING-DEFINITIONS](https://www.indiaratings.co.in/rating-definitions). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE [WWW.INDIARATINGS.CO.IN](http://WWW.INDIARATINGS.CO.IN). PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. INDIA RATINGS' CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS**



SITE.

#### **DISCLAIMER STATEMENT OF CARE**

**CARE RATINGS ARE OPINIONS ON CREDIT QUALITY AND ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL, OR HOLD ANY SECURITY. 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.**

**IN CASE OF PARTNERSHIP/PROPRIETARY CONCERNS, THE RATING/OUTLOOK ASSIGNED BY CARE IS BASED ON THE CAPITAL DEPLOYED BY THE PARTNERS/ PROPRIETOR AND THE FINANCIAL STRENGTH OF THE FIRM, AT PRESENT. THE RATING/OUTLOOK MAY UNDERGO CHANGE IN CASE OF WITHDRAWAL OF CAPITAL OR UNSECURED LOANS BROUGHT IN BY THE PARTNERS/ PROPRIETORS IN ADDITION TO THE FINANCIAL PERFORMANCE AND OTHER RELEVANT FACTORS.**

#### **DISCLAIMER STATEMENT OF ICRA**

**DISCLAIMER CLAUSE OF ICRA LIMITED ICRA RATINGS SHOULD NOT BE TREATED AS RECOMMENDATION TO BUY, SELL OR HOLD THE RATED DEBT INSTRUMENTS. ICRA RATINGS ARE SUBJECT TO A PROCESS OF SURVEILLANCE, WHICH MAY LEAD TO REVISION IN RATINGS. AN ICRA RATING IS A SYMBOLIC INDICATOR OF ICRA'S CURRENT OPINION ON THE RELATIVE CAPABILITY OF THE ISSUER CONCERNED TO TIMELY SERVICE DEBTS AND OBLIGATIONS, WITH RESPECT TO THE INSTRUMENT RATED. PLEASE VISIT OUR WEBSITE [WWW.ICRA.IN](http://WWW.ICRA.IN) OR CONTACT ANY ICRA OFFICE FOR THE LATEST INFORMATION ON ICRA RATINGS OUTSTANDING. ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE, INCLUDING THE RATED ISSUER. ICRA HOWEVER HAS NOT CONDUCTED ANY AUDIT OF THE RATED ISSUER OR OF THE INFORMATION PROVIDED BY IT. WHILE REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION HEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND ICRA IN PARTICULAR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED AS TO THE ACCURACY, TIMELINES OR COMPLETENESS OF ANY SUCH INFORMATION. ALSO, ICRA OR ANY OF ITS GROUP COMPANIES MAY HAVE PROVIDED SERVICES OTHER THAN RATING TO THE ISSUER RATED. ALL INFORMATION CONTAINED HEREIN MUST BE CONSTRUED SOLELY AS STATEMENT OF OPINION, AND ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS PUBLICATION OR ITS CONTENTS.**

#### **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>   |
|--------------------------------------|--|
| Edelweiss Financial Services Limited | <a href="http://www.edelweissfin.com">www.edelweissfin.com</a> |
| A. K. Capital Services Limited       | <a href="http://www.akgroup.co.in">www.akgroup.co.in</a>       |

|   |                   |
|---|-------------------|
| Trust Investment Advisors Private Limited | www.trustgroup.in |
| Axis Bank Limited                         | www.axisbank.com  |

## **Listing**

An application has been made to the BSE and NSE for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchange mentioned above, are taken within 6 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 under subscription to any one or more of the series, such NCDs with series shall not be listed.

## **Consents**

Consents in writing of: (a) the Directors, (b) our 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, 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.

The consent of the Statutory Auditors of our Company, namely Deloitte Haskins & Sells LLP, Chartered Accountants for inclusion of their name as the Statutory Auditors and to include their (i) examination reports, each dated January 15, 2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018 on Limited Review Financial Results (iii) their report dated January 17, 2019 on the statement of tax benefits, in this Draft Shelf Prospectus (have been obtained and has not withdrawn such consent and the same will be filed with the BSE, NSE and the RoC, along with a copy of the Shelf Prospectus and Tranche Prospectus(es).

## **Expert Opinion**

Except the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

- Vide Consent Letter dated January 17, 2019, the Statutory Auditors of our Company, have given their consent to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this 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 January 15, 2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018 on Limited Review Financial Results (iii) their report dated January 17, 2019 on the statement of tax benefits, 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 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.

## **Filing of the Draft Shelf Prospectus**

A copy of the Draft Self Prospectus will be filed with the BSE and NSE in terms of Regulation 7 of the SEBI Debt Regulations for dissemination on their website.

## **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**

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (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 clause (f) of Section 20 of the Indian Trusts Act, 1882. The above mentioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31<sup>st</sup> day of March of that year.

## **Issue Related Expenses**

The expenses of this Issue include, *inter alia*, lead management fees and selling commission to the lead managers, lead-brokers, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses shall be as specified in the relevant Tranche Prospectus.

## **Reservation**

No portion of this Issue has been reserved

**Public / Rights Issues****Public / Rights Issues 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 - 2009  | Public Issue - 2010  |
|--------------------------------|--|--|
| <b>Date of Opening</b>         | August 18, 2009  | February 09, 2010  |
| <b>Date of Closing</b>         | September 04, 2009   | February 22, 2010  |
| <b>Total Issue Size</b>        | ₹ 1,000 crores   | ₹ 500 crores   |
| <b>Date of Allotment</b>       | September 17, 2009   | March 10, 2010   |
| <b>Date of Refunds</b>         | September 17, 2009   | March 11, 2010   |
| <b>Date of Listing</b>         | September 24, 2009   | March 12, 2010   |
| <b>Utilisation of Proceeds</b> | The funds raised through the above issues have been utilized for our Company's financing activities, repayment of existing loans and for its business operations including capital expenditure and working capital requirements. | The funds raised through the above issues have been utilized for our Company's financing activities, repayment of existing loans and for its business operations including capital expenditure and working capital requirements. |

*\*Note: The aforesaid two public issues were issued by L&T Finance Limited prior to its amalgamation with Family Credit Limited (now L&T Finance Limited) pursuant to the Scheme of Amalgamation.*

**Public / Rights Issues (to the public) by our Group Companies in the last 5 (five) years from 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 Holdings Limited   |
|--------------------------|---|--|
| <b>Date of Opening</b>   | July 11, 2016   | March 8, 2018  |
| <b>Date of Closing</b>   | July 13, 2016   | March 13, 2018   |
| <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 ₹ 1,23,637.50 lakh | Qualified Institutions Placement of 63,051,702 equity shares of face value of ₹10 each for cash at a price of ₹158.60 per equity share aggregating to ₹ 999,99. 99 lakhs |
| <b>Date of Allotment</b> | July 19, 2016   | March 15, 2018   |
| <b>Date of Refunds</b>   | July 19, 2016   | Not applicable   |
| <b>Date of Listing</b>   | July 21, 2016   | March 16, 2018   |

|                                |  |  |
|--------------------------------|--|--|
| <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 issue has been used for repayment of loans of L&T Finance Holdings Limited and to invest in its subsidiaries for various purposes, including but not limited to fund their business growth, capital adequacy, business purposes and for general corporate purposes. |
|--------------------------------|--|--|

#### Rights Issue:

Our Company has undertaken the following rights issue of equity shares of face value of ₹10 each in the last 5 (five) years.

| Date of allotment  | No. of Equity Shares | Issue price (₹) | Consideration in cash/<br>Other than cash | Cumulative           |                          |                           | Details of Utilisation   |
|--------------------|----------------------|-----------------|---|----------------------|--------------------------|---------------------------|--|
|                    |                      |                 |   | No. of Equity Shares | Equity Share capital (₹) | Share premium account (₹) |  |
| September 24, 2013 | 2,50,00,000          | 20              | 50,00,00,000                              | 17,93,09,610         | 1,79,30,96,100           | 4,33,33,48,380            | Augmentati on of the share capital of our Company followed by the utilization of the proceeds for its business purposes by our Company |
| October 23, 2013   | 25,00,00,00          | 20              | 50,00,00,000                              | 20,43,09,610         | 2,04,30,96,100           | 4,58,33,48,380            |  |
| January 30, 2018   | 4,54,54,545          | 88              | 399,99,99,960                             | 14,85,501,839*       | 14,85,50,18,390          | 8,12,88,02,890            |  |
| March 27, 2018     | 11,36,36,360         | 88              | 9,99,99,99,680                            | 1,59,9138,199        | 15,99,13,81,990          | 16,99,24,38,970           |  |

\*Pursuant to the merger of L&T Finance Limited and L&T FinCorp Limited with Family Credit Limited (now L&T Finance Limited), there was an allotment of 1,235,737,684 equity shares of Rs 10 each on February 13, 2017.

Other than as disclosed above, there are no other public / rights issues (to the public) by our Group Companies during the last 5 (five) years from the date of the Draft Shelf Prospectus.

#### Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on December 31, 2018, 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 146 of this Draft Shelf Prospectus. Our Company has not issued any preference shares as on December 31, 2018.

#### 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 2018, 2017, 2016, 2015 and 2014.

| 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 | For the year ended March 31, 2014 |
|--|---------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Equity Share Capital (₹ in lakh)               |         | 15,991.38                         | 14,400.47                         | 2,043.10                          | 2,043.10                          | 2,043.10                          |
| Face Value Per Equity Share (₹)                | (a)     | 10.00                             | 10.00                             | 10.00                             | 10.00                             | 10.00                             |
| Dividend on Equity Shares (₹ per equity share) | (b)     | -                                 | -                                 | -                                 | -                                 | -                                 |
| Total dividend on equity shares (₹ in lakh)    |         | -                                 | -*                                | -                                 | -                                 | -                                 |
| Dividend Declared Rate (In %)                  | (c=b/a) | 0.00%                             | 0.00%                             | 0.00%                             | 0.00%                             | 0.00%                             |
| Dividend tax (gross) on dividend (₹ in lakh)   |         |                                   |                                   |                                   |                                   |                                   |

*\*L&T Fincorp Limited, one of the amalgamating companies in the Scheme of Amalgamation had declared and paid an interim dividend of ₹ 14,003.20 lakhs prior to the effective date of amalgamation and our Company has incorporated the payment in its financial statements as at and for the year ended March 31, 2017 respectively.*

#### Revaluation of assets

Our Company has not revalued its assets in the last five years.

#### Mechanism for redressal of investor grievances

The Registrar Agreement dated January 8, 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, 1st Floor, 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.ltfin2019@linkintime.co.in

Investor Grievance Email: ncd.ltfin2019@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Shanti Gopalkrishnan

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly 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:

Ms. Apurva Rathod  
*Compliance Officer*  
 Brindavan Building, Plot No 177,  
 Vidyanagari Marg, CST Road, Kalina,  
 Santacruz, Mumbai – 400 098  
 Tel: +91 022 6212 5000  
 Fax: +91 022 6621 7509  
 Email: apurvar@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) financial years preceding the date of this Draft Shelf Prospectus as follows:

| <b>Name</b>  | <b>Address</b>   | <b>Date of appointment</b> | <b>Date of resignation</b> |
|--|--|----------------------------|----------------------------|
| Deloitte Haskins & Sells LLP,<br>(Firm Registration No. 117366W/W-100018)          | Indiabulls Finance Centre,<br>Senapati Bapat Marg,<br>Elphinstone Road (West),<br>Babasaheb Ambedkar Nagar,<br>Lower Parel, Mumbai - 400013  | June 15, 2016              | -                          |
| S. R. Batliboi & Co. LLP,<br>Chartered Accounts<br>(Firm Registration No. 301003E) | 12th Floor, The Ruby,<br>29 Senapati Bapat Marg,<br>Dadar West, Mumbai-400028  | September 15, 2015         | December 9, 2015           |
| M/s. Sharp & Tannan,<br>Chartered Accountants<br>(Firm Registration No.109982W)    | Ravindra Annexe,<br>194, Churchgate Reclamation,<br>Dinshaw Vachha Road,<br>Mumbai - 400020.<br>Tel no: (22) 22047722,<br>22047723, 22869900 | December 28, 2015          | June 15, 2016              |

#### **Details of overall lending by our Company as of March 31, 2018**

##### **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, 2018 is as follows:

(₹ in lakhs)

| <b>S. No.</b> | <b>Type of Loans</b>         | <b>Amount</b>       |
|---------------|------------------------------|---------------------|
| 1.            | Secured (net of provision)   | 26,94,811.48        |
| 2.            | Unsecured (net of provision) | 10,87,512.41        |
| <b>Total</b>  |                              | <b>37,82,323.89</b> |

##### **B. Sectoral Exposure as on March 31, 2018**

| <b>S. No</b> | <b>Segment-wise break-up of AUM</b>               | <b>Percentage of AUM (%)</b> |
|--------------|---|------------------------------|
| <b>1</b>     | <b>Retail</b>                                     |                              |
| a            | Mortgages (home loans and loans against property) | 0.4%                         |
| b            | Gold loans  | 0.0%                         |

|              |   |               |
|--------------|---|---------------|
| c            | Vehicle finance   | 24.6%         |
| d            | MFI   | 0.0%          |
| e            | M&SME   | 0.7%          |
| f            | Capital market funding (loans against shares, margin funding) | 0.0%          |
| g            | Others  | 19.3%         |
| <b>2</b>     | <b>Wholesale</b>  |               |
| a            | Infrastructure  | 16.5%         |
| b            | Real estate (including builder loans)                         | 14.0%         |
| c            | Promoter funding  | 5.4%          |
| d            | Structured Finance Group                                      | 13.5%         |
| e            | Supply Chain finance  | 4.4%          |
| f            | Others  | 1.2%          |
| <b>Total</b> |   | <b>100.0%</b> |

**C. Denomination of the loans outstanding by ticket size as on March 31, 2018\*:**

| Sl. No.      | Ticket size** (in ₹) | Percentage of AUM |
|--------------|----------------------|-------------------|
| 1.           | Upto 2 Lakhs         | 28.1%             |
| 2.           | 2 to 5 Lakhs         | 10.1%             |
| 3.           | 5 to 10 Lakhs        | 4.3%              |
| 4.           | 10 to 25 Lakhs       | 0.7%              |
| 5.           | 25 to 50 Lakhs       | 0.6%              |
| 6.           | 50 lakh-1 Crores     | 0.7%              |
| 7.           | 1 - 5 Crores         | 2.5%              |
| 8.           | 5 - 25 Crores        | 3.6%              |
| 9.           | 25 - 100 Crores      | 9.7%              |
| 10.          | Above 100 Crores     | 39.8%             |
| <b>Total</b> |                      | <b>100%</b>       |

**D. Denomination of loans outstanding by LTV as on March 31, 2018\***

| Sl. No.      | LTV       | Percentage of AUM |
|--------------|-----------|-------------------|
| 1.           | Upto 40%  | 0.95%             |
| 2.           | 40%-50%   | 2.19%             |
| 3.           | 50%-60%   | 6.31%             |
| 4.           | 60%-70%   | 17.45%            |
| 5.           | 70%-80%   | 35.27%            |
| 6.           | 80%-90%   | 29.92%            |
| 7.           | Above 90% | 7.92%             |
| <b>Total</b> |           | <b>100%</b>       |

\*LTV at the time of origination

\*\*LTV is provided only for Retail products: Two Wheeler and, Farm Equipments

**E. Geographical classification of our borrowers as on March 31, 2018**

| Sl. No.      | Top 5 States | Percentage of AUM |
|--------------|--------------|-------------------|
| 1.           | Maharashtra  | 50.35%            |
| 2.           | Tamil Nadu   | 7.49%             |
| 3.           | Telangana    | 6.22%             |
| 4.           | Delhi        | 5.41%             |
| 5.           | West Bengal  | 4.95%             |
| <b>Total</b> |              | <b>74.42%</b>     |

**F. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2018  
(₹ in lakhs)**



| Particulars   | Amount      |
|---|-------------|
| Total advances to twenty largest borrowers  | 7,30,178.16 |
| Percentage of advances to twenty largest borrowers to total advances to our Company | 18.65%      |

*(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2018:*

*(₹ in lakhs)*

| Particulars   | Amount      |
|---|-------------|
| Total exposure to twenty largest borrowers  | 7,79,767.86 |
| Percentage of exposure to twenty largest borrowers to total exposure to our Company | 18.81%      |

**G. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2018:**

**1. Movement of Gross NPAs**

| Sl. No. | Particulars                | Amount (₹ in lakhs) |
|---------|----------------------------|---------------------|
| 1.      | Opening balance            | 190,521.56          |
| 2.      | Additions during the year  | 223,187.50          |
| 3.      | Reductions during the year | 176,045.25          |
| 4.      | Closing balance            | 237,663.81          |

**2. Movement of provisions for NPAs (excluding provisions on standard assets)**

| Sl. No. | Particulars                                 | Amount (₹ in lakhs) |
|---------|---|---------------------|
| 1.      | Opening balance                             | 76,756.60           |
| 2.      | Provisions made during the year             | 105,812.36          |
| 3.      | Write-off / write-back of excess provisions | 51,381.27           |
| 4.      | Closing balance                             | 131,187.69          |

**3. Segment-wise gross NPA as on March 31, 2018**

| S. No    | Segment-wise gross NPA  | Gross NPA (%) |
|----------|---|---------------|
| <b>1</b> | <b>Retail</b>   |               |
| a        | Mortgages (home loans and loans against property)             | 0.1%          |
| b        | Gold loans  | 0.0%          |
| c        | Vehicle finance   | 46.9%         |
| d        | MFI   | 0.0%          |
| e        | M&SME   | 5.5%          |
| f        | Capital market funding (loans against shares, margin funding) | 0.0%          |
| g        | Others  | 14.9%         |
| <b>2</b> | <b>Wholesale</b>  |               |
| a        | Infrastructure  | 6.1%          |
| b        | Real estate (including builder loans)                         | 0.0%          |
| c        | Promoter funding  | 1.2%          |
| d        | Structured Finance Group                                      | 19.9%         |
| e        | Supply Chain finance  | 3.6%          |
| f        | Others  | 1.9%          |
|          | <b>Total</b>  | <b>100.0%</b> |

*\*Gross NPA means percentage of NPAs to total advances in that sector.*

4. *Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter except as provided for in the chapter titled “Related Party Transaction” on page 139.*

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 lakhs) | Percentage of exposure (C) = B/Total AUM |
|--------------------------|--|--|
| Nil                      | Nil  | Nil                                      |

5. *Residual/ Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of March 31, 2018)*

(₹ in lakhs)

| 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)             | 1,38,631.17      | 1,71,528.21                 | 1,36,094.98                  | 2,87,325.11                  | 5,08,391.79                | 12,17,524.22                     | 4,88,184.11                      | 9,66,881.15  | 39,14,560.74 |
| Investments (Net)            | 740.57           | 2,232.87                    | -                            | 1,43,690.00                  | 3,695.23                   | 38,449.40                        | 68.20                            | 52,417.57    | 2,41,293.84  |
| Borrowings                   | 1,04,250.00      | 1,16,025.00                 | 3,36,515.33                  | 4,16,853.33                  | 3,98,274.25                | 16,14,940.96                     | 4,32,633.33                      | 74,000.00    | 34,93,492.20 |
| Foreign Currency Assets      | -                | -                           | -                            | -                            | -                          | -                                | -                                | -            | -            |
| Foreign Currency liabilities | -                | -                           | -                            | -                            | -                          | 10,116.28                        | -                                | -            | 10,116.28    |

6. *Concentration of Exposure and NPA as of March 31, 2018*

(₹ in lakhs)

| Particulars                             | Amount    |
|---|-----------|
| <b>Concentration of NPAs</b>            |           |
| Total Exposure to top four NPA accounts | 37,899.88 |

- (a) Lending policy: For details on lending policy please see the chapter titled “*Our Business*” on page 90 of this Draft Shelf Prospectus.
- (b) Classification of loans/advances given to associates, entities/person relating to the board, senior management, Promoter: As disclosed in the chapter titled “*Financial Information*” on page 140 of this Draft Shelf Prospectus.

#### Pre-Issue Advertisement:

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under SEBI Debt Regulations. Material updates, if any, between the date of filing of this Draft Shelf Prospectus 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 financial years immediately preceding this Draft Shelf Prospectus.

#### Trading

Debt securities issued by our company, which are listed on BSE and NSE’s wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

#### Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

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

*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*  
*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447."*

## SECTION VII- ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in the chapter titled “*Terms of the Issue*” on page 224 of this Draft Shelf Prospectus.

The key common terms and conditions of the NCDs are as follows:

|   |  |
|---|--|
| <b>Issuer</b>   | L&T Finance 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>                                  | Edelweiss Financial Services Limited, A. K. Capital Services Limited, Axis Bank Limited, Trust Investment Advisors Private Limited.  |
| <b>Debenture Trustee</b>                              | Catalyst Trusteeship Limited ( <i>earlier known as GDA Trusteeship Limited</i> )   |
| <b>Depositories</b>                                   | NSDL and CDSL  |
| <b>Registrar</b>                                      | Link Intime India Pvt. Ltd.  |
| <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 237 of this Draft Shelf Prospectus  |
| <b>Objects of the Issue</b>                           | See the chapter titled “ <i>Objects of the Issue</i> ” on page 60 of this Draft Shelf Prospectus   |
| <b>Details of utilization of the proceeds</b>         | See the chapter titled “ <i>Objects of the Issue</i> ” on page 60 of this Draft Shelf Prospectus.  |
| <b>Interest rate</b>                                  | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Security</b>                                       | The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of exclusive and / or <i>pari passu</i> charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets adequate to ensure 100% asset cover for the Secured NCDs (along with the interest due thereon). For further details see “ <i>Terms of the Issue – Security</i> ” on page no. 224 of this Draft Shelf Prospectus.<br>No security will be created for the Unsecured NCDs to be issued in terms of this Issue. |
| <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>Interest on application money</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <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 [ICRA] AAA with Stable Outlook, CARE AAA with Stable Outlook and IND AAA with Stable Outlook for an amount of ₹ 5,00,000 lakhs each, by ICRA, CARE and India Ratings respectively vide their letters dated December 21, 2018, December 28, 2018 and December 31, 2018 respectively, these respectively indicate that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rationale for these ratings, see Annexures A, B and C of this Draft Shelf Prospectus.  |
| <b>Listing</b>  | The NCDs are proposed to be listed on BSE & NSE. NSE shall be the Designated Stock Exchange for the Issue. The NCDs shall be listed within 6 (six) Working Days from the date of Issue Closing Date.   |
| <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 250 of this Draft Shelf Prospectus.  |
| <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<br>**The Issue shall remain open for subscription on Working Days from 10 am to 5 pm during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Authorised Personnel thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date Application Forms will be accepted only between 10.00 am and 3.00 pm |

|  |   |
|--|---|
|  | (Indian Standard Time) and uploaded until 5.00 pm or such extended time as may be permitted by BSE and NSE.   |
| <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 Trustee Agreement, the Tripartite Agreements, the Registrar Agreement, the Agreement with the Lead Managers. For further details see the chapter titled <b>“Material Contracts and Documents for Inspection”</b> on page 274 of this Draft Shelf Prospectus.   |
| <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 <b>“Terms of the Issue – Events of Default”</b> on page 226 of this Draft Shelf Prospectus  |
| <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 <b>“Terms of the Issue – Trustees for the NCD holders”</b> on page 226 of this Draft Shelf Prospectus.  |
| <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> |

*\*\* The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Authorised Personnel duly appointed by resolution of the Board dated July 19, 2018. In the event of such early closure or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be*

*permitted by the BSE or NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the BSE and NSE.*

## **SPECIFIC TERMS FOR EACH SERIES OF NCDs**

As specified in the relevant Tranche Prospectus.

### **Terms of payment**

The entire face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser amount of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA account, in accordance with the terms of the Draft Shelf Prospectus.

**Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.**

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “Securities Act”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory **permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

For further details, see the chapter titled “**Issue Procedure**” on page 236 of this Draft Shelf Prospectus.

## TERMS OF THE ISSUE

### GENERAL TERMS OF THE ISSUE

#### Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to resolutions passed at their meetings held on March 21, 2018 and July 19, 2018. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* their resolution dated April 2, 2018, upto an amount of ₹ 56,000 crores.

#### Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the Application Forms, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

#### Ranking of Secured NCDs

The Secured NCDs would constitute secured obligations of our Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of exclusive charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company and/or *pari passu* charge on our Company's right, title and interest in relation to an identified immovable property, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the Secured NCD Holders on the assets equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The claims of the Secured NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. The Secured NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

#### Ranking of Unsecured NCDs

The Unsecured NCDs would constitute unsecured and subordinated obligations of our Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The Unsecured NCDs proposed to be issued under the Issue and all earlier issues of unsecured debentures outstanding in the books of our Company, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the Unsecured NCD holders shall be subordinated to those of the other creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI requirements and other applicable statutory and/or regulatory provisions, treat the Unsecured NCDs as Tier II Capital.

#### Security

The principal amount of the Secured NCDs to be issued in terms of the 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 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**

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the outstanding value of the NCDs issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (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 clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

### **Face Value**

The face value of each NCD shall be ₹ 1,000

### **Trustees for the Secured NCD Holders**

We have appointed Catalyst Trusteeship 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 Catalyst Trusteeship 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 Catalyst Trusteeship 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 the 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 the Draft Shelf Prospectus, the Prospectus, the Application Forms, the Abridged Prospectus, Corrigendum if any, addendum if any, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Unsecured NCDs.
5. For the Unsecured NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the Unsecured NCDs in dematerialized Form. For Unsecured NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the Unsecured NCDs will be

paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of Unsecured NCDs maintained by a Depository for any Unsecured NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of Unsecured NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the Unsecured NCD holders.

6. Subject to compliance with applicable statutory requirements, the Unsecured NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the Unsecured NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Unsecured NCDs, who have not given their positive consent to the roll-over.

The aforementioned rights of the Unsecured NCD Holders are merely indicative. The final rights of the Unsecured NCD Holders will be as per the terms of the Offer Document and the Debenture Trust Deed.

### **Nomination facility to NCD Holder**

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rule 19**”) and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

**Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.**

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.  
**Application in the Issue**

NCDs being issued through this Draft Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

## **Form of Allotment and Denomination of NCDs**

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD (“**Market Lot**”). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled “**Issue Procedure**” beginning on page no. 236 of this Draft Shelf Prospectus.

## **Transfer/Transmission of NCD(s)**

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant.

Please see “**Issue Structure – Interest**” on page 220 of this Draft Shelf Prospectus for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 (“**SEBI LODR IV Amendment**”), NCDs held in physical form, pursuant to any rematerialisation, as above, can not 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 222 of this Draft Shelf Prospectus, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.*

#### **Day Count Convention:**

Interest shall be computed on an actual / actual basis on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

#### **Effect of holidays on payments:**

If the Interest Payment Date falls on a day other than a Working Day, the interest payment shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

#### **Illustration for guidance in respect of the day count convention and effect of holidays on payments:**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be disclosed in the relevant Tranche Prospectus.

#### **Maturity and Redemption**

As specified in the relevant Tranche Prospectus.

#### **Put / Call Option**

As specified in the relevant Tranche Prospectus.

#### **Application Size**

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) as specified in the relevant Tranche Prospectus.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions.**

#### **Terms of Payment**

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Draft Shelf Prospectus. For further details please see “**Interest on Application Money**” on page 220 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 the 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”

### **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 described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Tranche Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

### **Minimum Subscription**

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

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circulars (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

### **Guarantee/Letter of Comfort**

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

### **Utilisation of Application Amount**

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

### **Utilisation of Issue Proceeds**

- (a) All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) We shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security and confirmation of the same in terms of Secured NCDs and (iv) receipt of listing and trading approval from BSE.
- (e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.
- (f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

### **Monitoring & Reporting of Utilisation of Issue Proceeds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended. Our Board shall monitor the utilization of the proceeds of the Issue. For the relevant quarters commencing from the financial year ending March 31, 2018, our Company will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

### **Lien**

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

### **Lien on Pledge of NCDs**

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

### **Events of Default**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the respective Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s)

**Filing of the Shelf Prospectus and Tranche Prospectus with the RoC**

A copy of the Shelf Prospectus and relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

**Listing**

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on the BSE and the NSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter dated [•] and from the NSE *vide* their letter dated [•]. For the purposes of the Issue, NSE shall be the Designated Stock Exchange.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

**Guarantee/Letter of Comfort**

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

## ISSUE PROCEDURE

*This section applies to all Applicants. Pursuant to the circular (CIR/DDHS/P/121/2018) dated August 16, 2018 issued by SEBI, all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.*

*Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.*

*Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“Debt Application Circular”) as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI (“ASBA Circular”).*

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility as provided for in the Debt Application Circular have been sought from the Stock Exchange.*

*Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.*

**PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGE WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE.**

**THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR 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 Saturdays, Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post Issue period, i.e. period beginning from Issue 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 the Draft Shelf Prospectus, the Shelf Prospectus, Tranche Prospectus, Abridged Prospectus, and Application Form**

**Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.**

Physical copies of the abridged Shelf Prospectus containing the salient features of the Shelf Prospectus, the respective Tranche Prospectus together with Application Forms may be obtained from:

- (a) Our Company's Registered Office and Corporate Office;
- (b) Offices of the Lead Managers;
- (c) Trading Members; and
- (d) Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of the Shelf Prospectus, the respective Tranche Prospectus and Application Form can be obtained from our Company's Registered and Corporate Office, as well as offices of the Lead Managers. Electronic copies of this Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

#### Who are eligible to apply for NCDs?

The following categories of persons are eligible to apply in the Issue:

| Category I  | Category II  | Category III   | Category IV   |
|---|--|--|---|
| Institutional Investors   | Non Institutional Investors  | High Net-worth Individuals ("HNIs")  | Retail Individual Investors   |
| <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</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> </ul> | High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakhs across all series of NCDs in Issue | Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakhs across all series of NCDs in Issue |

| Category I  | Category II   | Category III                        | Category IV                 |
|---|---|-------------------------------------|-----------------------------|
| Institutional Investors   | Non Institutional Investors   | High Net-worth Individuals (“HNIs”) | Retail Individual Investors |
| <p>Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</p> <ul style="list-style-type: none"> <li>Insurance Companies registered with IRDA;</li> <li>State industrial development corporations; 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 ₹50,000 lakh 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> | <ul style="list-style-type: none"> <li>Partnership firms in the name of the partners;</li> <li>Limited liability partnerships formed and registered under the provisions of the</li> <li>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> |                                     |                             |

**Note:** All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as “**Individuals**”.

All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as “Non Individuals”.

**Please note that it is clarified that Persons Resident Outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.**

**Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

#### **Who are not eligible to apply for NCDs?**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- (a) Minors without a guardian name\* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- (b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (c) Persons resident outside India and other foreign entities;
- (d) Foreign Institutional Investors;
- (e) Foreign Portfolio Investors;
- (f) Qualified Foreign Investors;
- (g) Overseas Corporate Bodies; and
- (h) Persons ineligible to contract under applicable statutory/regulatory requirements.

*\*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments and implementing measures thereto, the “**Prospectus Directive**”) has been or will be made in respect of the Issue or otherwise in respect of the NCDs, in any Member State of the European Economic Area which has implemented the Prospectus Directive (a “**Relevant Member State**”) except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the NCDs.

Please see “**Rejection of Applications**” on page 253 of this Draft Shelf Prospectus for information on rejection of Applications.

#### **Method of Application**

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt

Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

## **APPLICATIONS FOR ALLOTMENT OF NCDs**

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

### **Applications by Mutual Funds**

Pursuant to the SEBI Circular 2016, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduced group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) 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 therefor.



### **Application by Commercial Banks, Co-operative Banks and Regional Rural Banks**

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

**Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

### **Application by Insurance Companies**

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

### **Application by Indian Alternative Investment Funds**

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

### **Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications

made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications by Public Financial Institutions, Statutory Corporations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

**Applications by National Investment Fund**

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

**Companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)**

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) Specimen signature of authorized person. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

**Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws

must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

## **APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM**

### ***Submission of Applications***

Applicants can apply for NCDs only using the ASBA facility pursuant to ASBA Circular. ASBA Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.
- (b) Physically through the Consortium, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

Upon receipt of the Application Form by the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Consortium, Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the

Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Tranche Prospectus is made available on their websites.
- (b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to the section titled “**Issue Related Information**” on page 220 of this Draft Shelf Prospectus.
- (c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

### **Submission of Direct Online Applications**

***Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.***

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated UAN and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

## **INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM**

### **General Instructions**

#### **A. General instructions for completing the Application Form**

- Applications must be made in prescribed Application Form only;

- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus the abridged Tranche Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in the Tranche Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- ASBA will be the default "Mode of Application" as per the ASBA Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Lead Managers, Trading Member of the Stock Exchange, Public Issue Account Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series of NCDs, as specified in the relevant Tranche Prospectus to all valid

Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

**B. Applicant's Beneficiary Account and Bank Account Details**

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

### **C. Permanent Account Number (PAN)**

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

### **D. Joint Applications**

If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

### **E. Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size and multiples as determined in the Tranche Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

### **Do's and Don'ts**

Applicants are advised to take note of the following while filling and submitting the Application Form:

#### **Do's**

1. Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs

in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.

5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be.
7. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
8. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
9. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
10. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
11. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
12. Ensure that the Applications are submitted to the Lead Managers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "**Issue Related Information**" on page 220 of this Draft Shelf Prospectus.
13. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
14. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
15. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
16. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
17. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
18. Tick the series of NCDs in the Application Form that you wish to apply for.
19. Check if you are eligible to Apply under ASBA;
20. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name



and branch;

21. Ensure that your Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, and not directly to the Public Issue Account Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;
22. In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Trading Members of the Stock Exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>);
23. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, in case of an SCSB making an ASBA Application, such ASBA Application should be made through an ASBA Account utilised solely for the purpose of applying in public issues and maintained in the name of such SCSB Applicant with a different SCSB, wherein clear demarcated funds are available.
24. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
25. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form and that your signature in the Application Form matches with your available bank records;
26. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
27. Ensure that you receive an acknowledgement from the Designated Branch or the concerned Lead Manager or Trading Member of the Stock Exchange, as the case may be, for the submission of the Application Form.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

**Dont's:**

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;
3. Do not send Application Forms by post; instead submit the same to the Consortium, sub-brokers, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without the full Application Amount;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;

10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
13. Do not make an application of the NCD on multiple copies taken of a single form.
14. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
15. Do not submit the Application Form to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
16. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
17. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

**Please see “Rejection of Applications” on page 253 of this Draft Shelf Prospectus for information on rejection of Applications.**

## **TERMS OF PAYMENT**

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount or the excess amount shall be unblocked in the ASBA Account.

### **Payment mechanism for ASBA Applicants**

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Lead Managers or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

**ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful ASBA Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 (five) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Payment mechanism for Direct Online Applicants**

*Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.*

#### **SUBMISSION OF COMPLETED APPLICATION FORMS**

| <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 refer to section titled “**Issue Related Information**” on page 220 of this Draft Shelf Prospectus.

#### **Electronic Registration of Applications**

- (a) The Consortium, Trading Members of the Stock Exchange and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange.

The Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.

In case of apparent data entry error by the Consortium, Trading Members of the Stock Exchange, Public Issue Account Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Trading Member of the Stock Exchange in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Consortium, Trading Members of the Stock Exchange and the SCSBs during the Issue Period. The Lead Managers and Trading Members of the Stock Exchange can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see section titled “***Issue Related Information***” on page 220 of this Draft Shelf Prospectus.
- (c) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
  - Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each series of NCD
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Bank account number
  - Application amount
- (d) With respect to ASBA Applications submitted to the Consortium, or Trading Members of the Stock Exchange only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
  - Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - Series of NCDs applied for
  - Number of NCDs Applied for in each series of NCD
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained
  - Location of Specified City
  - Application amount

- (e) A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. It is the Applicant's responsibility to obtain the acknowledgement from the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Lead Managers, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
- (f) Applications can be rejected on the technical grounds listed on page 253 of this Draft Shelf Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- (h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for allocation/ Allotment. The Consortium, Trading Members of the Stock Exchange and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Consortium, Trading Members of the Stock Exchange, the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

## **REJECTION OF APPLICATIONS**

Applications would be liable to be rejected on the technical grounds listed hereinbelow or if all required information is not provided or the Application Form is incomplete in any respect. The Authorised Personnel reserves their full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- (i) Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- (ii) Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- (iii) Applications where a registered address in India is not provided for the Applicant;
- (iv) In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However, a Limited Liability Partnership firm can apply in its own name;
- (v) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants;
- (vi) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;

- (vii) PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- (viii) DP ID and Client ID not mentioned in the Application Form;
- (ix) GIR number furnished instead of PAN;
- (x) Applications by OCBs;
- (xi) Applications for an amount below the minimum application size;
- (xii) Submission of more than five ASBA Forms per ASBA Account;
- (xiii) Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- (xiv) In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- (xv) Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- (xvi) Signature of sole Applicant missing or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- (xvii) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- (xviii) Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- (xix) ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- (xx) Application Forms submitted to the Lead Managers, or Trading Members of the Stock Exchange does not bear the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Lead Managers, or Trading Members of the Stock Exchange, as the case may be;
- (xxi) ASBA Applications not having details of the ASBA Account to be blocked;
- (xxii) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- (xxiii) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- (xxiv) SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- (xxv) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (xxvi) Authorization to the SCSB for blocking funds in the ASBA Account not provided;

- (xxvii) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (xxviii) Applications by any person outside India;
- (xxix) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- (xxx) Applications not uploaded on the online platform of the Stock Exchange;
- (xxxi) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- (xxxii) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Shelf Prospectus and as per the instructions in the Application Form, this Draft Shelf Prospectus and the relevant Tranche Prospectus;
- (xxxiii) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- (xxxiv) Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- (xxxv) ASBA Applications submitted to the Consortium, or Trading Members of the Stock Exchange at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- (xxxvi) Applications tendered to the Trading Members of the Stock Exchange at centers other than the centers mentioned in the Application Form;
- (xxxvii) Investor Category not ticked; and/or
- (xxxviii) Application Form accompanied with cheque.
- (xxxix) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
- (xl) Forms not uploaded on the electronic software of the Stock Exchange.
- (xli) Applications for the allotment of NCDs in dematerialized form providing an inoperative demat account number.

**Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).**

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see “*Information for Applicants*” on page 255 of this Draft Shelf Prospectus.

### **Information for Applicants**

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Lead Managers, and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

## **BASIS OF ALLOTMENT**

### **Basis of Allotment for NCDs**

As specified in the relevant Tranche Prospectus.

### **Allocation Ratio**

Reservations shall be made for each of the Portions as specified relevant Tranche Prospectus.

### **Retention of oversubscription**

As specified in the relevant Tranche Prospectus

## **PAYMENT OF REFUNDS**

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 5 Working Days of the Issue Closing Date.

## **ISSUANCE OF ALLOTMENT ADVICE**

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 (five) Working Days of the Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

## **OTHER INFORMATION**

### **Withdrawal of Applications**

ASBA Applicants can withdraw their ASBA Applications till the issue closure date by submitting a request for the same to the Consortium, Trading Member of the Stock Exchange or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Lead Manager, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.



In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

### **Early Closure**

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

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

### **Revision of Applications**

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Lead Managers/ Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Lead Managers, Trading Members of the Stock Exchange, the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day (till 1:00 PM) after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. The Stock Exchange shall validate the bid details with DP records by the end of each bidding day. The Registrar shall every day provide the bid file received from the Stock Exchange to all SCSBs for validation/reconciliation at their end.

### **Depository Arrangements**

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- (i) Agreement dated December May 31, 2012 between us, the Registrar to the Issue and NSDL, and dated June 23, 2016, between us, the Registrar to the Issue and CDSL, respectively for offering depository option to the investors.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

- (iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- (iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (v) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- (vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange has connectivity with NSDL and CDSL.
- (vii) Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- (viii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form only.

Please see "***Instructions for filling up the Application Form - Applicant's Beneficiary Account and Bank Account Details***" on page 246 of this Draft Shelf Prospectus.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

**PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.**

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchange or Designated Branch, as the case may be, where the Application was submitted, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

### **Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

## Undertaking by the Issuer

### *Statement by the Board:*

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilized.
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Shelf Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.
- (f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) Undertaking by our Company for execution of Debenture Trust Deed.

### *Other Undertakings by our Company*

Our Company undertakes that:

- (a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;
- (d) Funds required for refund or unblocking of application monies/Allotment Advice will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Draft Shelf Prospectus;
- (g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

## **SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

The main provisions of the AOA relating to the issue and allotment of debentures and matters incidental thereto have been set out below. Please note that each provision herein below is numbered as per the corresponding article number in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term "Article" hereunder means the corresponding article contained in the AOA.

### **APPLICABILITY OF TABLE 'F'**

1. To the extent of specific provisions contained in these Articles, the regulations contained in Table F of Schedule I to the Companies Act, 2013, shall not apply to this Company, but the regulations for the management of the Company and for the observance of the Members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations by resolution, as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

To the extent of any specific provisions not contained in these Articles but contained in Table F of Schedule I to the Companies Act, 2013, such regulations contained in Table F in the Schedule I to the Companies Act, 2013, in so far as they are applicable to a Public Company shall apply to this Company as if such regulations are contained in these Articles.

### **INTERPRETATION**

2. In the interpretation of these Articles, unless repugnant to the subject or context:-
  - (a) "The Company" or "This Company" means L&T Finance Limited<sup>1</sup>.
  - (b) "The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
  - (c) "The Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
  - (d) "The Articles" means these Articles of Association of the Company or as altered from time to time.
  - (e) "Alter" or "Alteration" includes the making of additions, omissions and substitutions.
  - (f) "Authorized Capital" or "Nominal Capital" means such capital as is authorized by the Memorandum of the Company to be the maximum amount of share capital of the Company.
  - (g) "Beneficial Owner" means beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
  - (h) "Board of directors" or "Board" means the collective body of the directors of the Company.
  - (i) "Charge" means an interest or lien created on the property or assets of the Company or any of its undertakings or both as security and includes a mortgage.
  - (j) "Chief Executive Officer" means an officer of the Company, who has been designated as such by the Company.
  - (k) "Chief Financial Officer" means a person appointed as the Chief Financial Officer of the Company.
  - (l) "Company Secretary" or "Secretary" means a Company Secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the Company to perform the functions of a Company Secretary under this Act.
  - (m) "Debenture" means debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.
  - (n) "Depository" means a depository as defined in Clause (e) of Sub-section (1) of Section 2 of the Depositories Act, 1996 (22 of 1996).

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<sup>1</sup> The Company has amended Articles of Association vide special resolution passed by the Shareholders at the EGM held on January 24<sup>th</sup> 2017.

- (o) "Dividend" includes any interim dividend.
- (p) "Directors" mean directors appointed to the Board of the Company.
- (q) "Employees' Stock Option" means the option given to the directors, officers or employees of the Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.
- (r) "Global Depository Receipt" means any instrument in the form of a depository receipt, by whatever name called, created by a foreign depository outside India and authorized by the Company making an issue of such depository receipts.
- (s) "Independent Director" means an Independent Director referred to in sub-section (5) of Section 149.
- (t) Investors means BC Investments VI Limited and BC Asia Growth Investments Limited who has invested in L&T Finance Holdings Limited, parent company.
- (u) "Investors' Director" means one non retiring non-executive director jointly nominated by the Investors for appointment as a director on the Board.
- (v) "Issued Capital" means such capital as the Company issues from time to time for subscription.
- (w) "Key Managerial Personnel", in relation to the Company, means:-
  - (x) the Chief Executive Officer or the Managing Director or the Manager;
  - (y) the Company Secretary;
  - (z) the whole-time director;
  - (aa) the Chief Financial Officer; and
  - (bb)(v) such other officer as may be prescribed under the Rules.
- (cc) "Listing Agreement" means an agreement entered with the stock exchanges where the Company is listed.
- (dd) "Managing Director" means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in its General Meeting, or by its Board of directors, is entrusted with substantial powers of management of the affairs of the Company and includes a director occupying the position of managing director, by whatever name called.
- (ee) "Memorandum" means the Memorandum of Association of the Company as originally framed or as altered from time to time in pursuance of any previous Company law or of this Act.
- (ff) "Officer" includes any director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board or any one or more of the directors is or are accustomed to act.
- (gg) "Paid-up share capital" or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called.
- (hh) "Postal Ballot" means voting by post or through any electronic mode.
- (ii) "Promoter" means a person who has been named as such in a prospectus or is identified by the Company in the annual return or who has control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise or in accordance with whose advice, directions or instructions the Board of directors of the Company is accustomed to act expect a person who is acting merely in a professional capacity.
- (jj) "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 (43 of 1961) or any modification or re-enactment thereof.
- (kk) "The Seal" means the common seal of the Company.
- (ll) "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- (mm) "Securities" means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

(nn) "Share" means a share in the share capital of the Company and includes stock.

(oo) "Subscribed capital" means such part of the capital which is for the time being subscribed by the Members of the Company

(pp) "Whole-time director" includes a director in the whole-time employment of the Company.

"Gender" – Words importing the masculine gender also include the feminine gender.

The "marginal notes" and "catch lines" hereto shall not affect the construction hereof.

"In writing" and "written"-include printing, lithography and other modes of representing or reproducing words in visible form.

Words importing the singular number include where the context admits or requires, the plural number and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company. In case any word is not defined in the Act but defined in the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Securities and Exchange Board of India Act, 1992 (15 of 1992) or the Depositories Act, 1996 (22 of 1996) shall have the meanings respectively assigned to them in those Acts.

"Investment Agreement" means the investment agreement executed on September 21, 2015 by and amongst the L&T Finance Holding Limited (Holding Company), Investor 1 and Investor 2.

Investor 1" means BC Investments VI Limited, a company incorporated under the laws of Mauritius and having its registered office at Suite 110, 10th Floor, Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius.

"Investor 2" means BC Asia Growth Investments Limited, a company incorporated under the laws of Mauritius and having its registered office at Suite 110, 10th Floor, Ebene Heights Building, 34 Ebene Cybercity, Ebene, Republic of Mauritius

"Investors" means Investor 1 and Investor 2 collectively.

"Investors' Director" means one non retiring non-executive director jointly nominated by the Investors for appointment as a director on the Board.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

3. The Authorized Capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of the Company, for the time being or as may be varied, from time to time, under the provisions of the Act, and divided into such numbers, classes and descriptions of shares and into such denominations as stated therein.

The paid-up share capital of the Company shall be, at any point of time, minimum of ₹ 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.

4. Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Board shall not issue any shares at discount except issue of such class of shares as may be permitted by the Act.
5. The Company may issue equity shares with voting right and/or with differential voting rights as to dividend, voting or otherwise and preference shares in accordance with these Articles, the Act, the Rules and other applicable laws.
6. 1. The Board or the Company as the case may be, may, in accordance with the Act and the Rules, issue further shares to:

- a. Persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
  - b. Employees under any scheme of Employees' Stock Option; or
  - c. any persons, whether or not those person include the persons referred to in clause (a) or (b) above.
2. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of right issue, bonus issue, preferential offer, private placement and any other issue in accordance with the provisions of the Act.
7. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted into equity shares, on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act and the Rules. Such preference shares shall be redeemable in accordance with the Act and the Rules made there under.
  8. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the Capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up shares, as the case may be.
  9. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the register of members shall, for the purposes of these Articles, be a Member.
  10. The money which the Board of directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
  11. Every Member, or his heirs, executors or administrators, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Board of directors shall, from time to time, in accordance with these Articles, the Act, the Rules and other applicable laws require or fix for the payment thereof.
  12. 1. Every person whose name is entered as a Member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt of application for the registration of transfer or transmission or within such other period as may be prescribed by SEBI from time to time or by the conditions of issue:
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, without payment of any fees for each certificate after the first unless otherwise decided by the Board.
    2. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
    3. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for such shares to one of several joint holders shall be sufficient delivery to all such holders.
    4. Certificate shall be issued in the form and manner prescribed in the Act, the Rules and other applicable laws.
  13. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities, rematerialize its existing shares, debenture and other securities held in a depository and/or offer further shares, debentures and other securities in dematerialized form pursuant to Depositories Act, 1996 and rules framed there under.
  14. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in dematerialized form with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share(s) to enable the depository to enter in its records the name of such person as the beneficial owner.

15. Every share in the Company shall be distinguished by its distinctive number provided that nothing shall apply to a share held by a person whose name is entered as holder of beneficial interest in such share in the records of a depository.
16. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then, upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of any fees unless otherwise decided by the Board.
17. 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).
18. Except so far as otherwise provided by the conditions of issue by these presents, any Capital raised by the creation of new class of shares, shall be considered as part of the existing Capital, and shall rank *pari-passu* in all respects with the existing shares of the Company and shall be entitled to dividend and corporate benefits, if any, declared by the Company after the allotment.

However, the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari-passu* therewith.

19. 1. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class or in such other manner as may be prescribed by the Act and the Rules.
2. To every such separate meeting, the provisions of these regulations relating to General Meetings shall *mutatis mutandis* apply.
20. The provisions of Articles shall *mutatis mutandis* apply to issue and allotment of any other securities including debentures (except where the Act otherwise requires).
21. 1. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be in accordance with the provisions of the Act and the Rules and shall be disclosed in the manner required therein.
2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules and/or the Act, as the case may be.
3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
4. The Company may pay brokerage to the extent and in the manner prescribed under the Act in connection with subscription to its securities.

### **LIEN**

22. 1. The Company shall have a first and paramount lien :-
  - (a) on every share (not being a fully paid share), for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a Member, for all moneys presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.



2. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
  3. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
23. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made:-
- a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
24. 1. To give effect to any such sale, the Board may authorize one of their Members or any other Officer of the Company to transfer the shares sold to the purchaser thereof.
2. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share comprised in any such transfer.
3. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
25. 1 The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
2. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares, at the date of the sale.
26. In exercising the lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by any statute) be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
27. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures issued by the Company from time to time.

### **ALTERATION OF CAPITAL**

28. 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.
29. 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.
30. 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.
31. 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.

### **CAPITALISATION OF PROFITS**

32. 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
  - e. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
33. 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**

34. 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 specified securities.

### **GENERAL MEETINGS**

35. 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.
36. All General Meetings other than Annual General Meeting shall be called Extra-ordinary General Meeting.
37. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

38. 1. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.
2. No business shall be discussed or transacted at any General Meeting except election of Chairperson whilst the chair is vacant.
3. Save as otherwise provided herein, the quorum for the General Meetings shall be as prescribed in the Act.
39. The Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
40. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the directors present shall elect one of their Members to be Chairperson of the meeting.
41. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairperson of the meeting.
42. On any business at any General Meeting, in case of equality of votes, whether on show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
43. The Company shall cause minutes of the proceedings of every General Meeting or any class of Members or creditors and every resolution passed by a postal ballot to be prepared and signed in such manner as may be prescribed by the Act and the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:-

- a. is, or could reasonable by regarded as defamatory of any person; or
- b. is irrelevant or immaterial to the proceedings; or
- c. is detrimental to the interests of the Company.

The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

44. 1. The books containing the minutes of the proceedings of any General Meeting of the Company or a resolution passed by postal ballot shall:-
- a. be kept at the registered office of the Company or such other place as may be permitted by the Act or Rules thereof;

- b. be open to inspection of any Member without any charge on all working days except Saturdays during such time as may be fixed by the Board.
  - 2. Any Member shall be entitled to be furnished, within time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of the minutes referred to in clause (1) above. Provided that a Member who has made request for provision of soft copy of the minutes of any previous General Meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
45. The Board, and also any person(s) authorized by it, may take any action before the commencement of any General Meeting or any meeting of a class of Members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final and right to attend and participate in the meeting shall be subject to such decision.

### **ADJOURNMENT OF GENERAL MEETING**

46. 1. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place
- 2. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - 3. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - 4. Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
  - 5. In case quorum is not present the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

### **VOTING RIGHTS**

47. Subject to any rights or restrictions for the time being attached to any class or classes of shares:-
- 1. on a show of hands, every Member present in person shall have one vote; and
  - 2. on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.
48. A Member may exercise his vote at a meeting by electronic means in accordance with the provisions of the Act and the Rules and shall vote only once.
49. 1. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
2. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
50. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy.
51. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission clause to any share may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such share unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending taking of the poll.
53. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

54. A Member shall not be prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set forth in the preceding Article.
55. Any Member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.

### **PROXY**

56. 1. Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf for that meeting.
2. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
57. An instrument appointing a proxy shall be in the form as prescribed in the Act and the Rules.
58. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **BOARD OF DIRECTOR**

59. 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).
60. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
61. All the Directors (Other than Independent Directors and the Investor Director) including the Managing Director(s) and Whole Time Director(s) shall be liable to retire by rotation. However, such retirement shall not be deemed as break in service, if such Managing Director(s) or Whole Time Director(s) are re-appointed immediately. The Board shall have the power to determine the directors whose period of office is or is not liable to retire by rotation subject to the provisions of the Act.<sup>2</sup>
62. 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.
63. 1. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
2. The remuneration payable to the directors, including any managing or whole time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act or Rules thereof.
3. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid sitting fees as may be decided by the Board of directors within the limit prescribed under the Act and all travelling, hotel and other expenses properly incurred by them:-
- a. in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company;
  - b. in connection with the business of the Company.

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<sup>2</sup> The Company has amended Articles of Association vide special resolution passed by the Shareholders at the EGM held on January 24, 2017.

- 64 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.
- 65 1. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as additional director, provided that the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
2. Such person shall hold office only up to the date of the next annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.
- 66 1. The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
2. An alternate director shall not hold office for a period longer than the permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- 67 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.
- 68 1. If the office of the director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
2. The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.
- 69 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.
- 70 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).
- 71 A director shall not be required to acquire qualification Shares.

### **PROCEEDINGS OF THE BOARD**

- 72 1. Subject to the provisions of the Act, the Board of directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
2. The Chairperson or any other director with the previous consent of the Board may, and the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
3. The quorum for a Board Meeting shall be as provided in the Act.
4. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Law.
- 73 1. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
2. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 74 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.
- 75 1. The Chairperson of the Company shall be the Chairperson at the meetings of the Board. In his absence, the Board may elect a Chairperson of its meeting and determine the period for which he holds the office.

2. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their Member to be Chairperson of the meeting.
76. 1. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such Member or Members of its body as it thinks fit.
2. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
3. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing as may be prescribed by the Rules or permitted under law.
77. 1. A Committee may elect a Chairperson of its meetings.
2. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.
78. 1. Subject to the provisions of the Act and directions of the Board of directors, a Committee may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
2. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
79. 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.
80. 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.
81. 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**

82. 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.
83. 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.
84. 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.

### **THE SEAL**

85. 1. The Board shall provide for the safe custody of the seal.
2. The Seal shall be under the safe custody of Company Secretary or such other officer(s) as may be authorised by the Board.
86. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or chief executive or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or chief executive or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

### **DIVIDENDS AND RESERVES**

87. 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.
88. 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.
89. 1. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
2. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
90. 1. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
2. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
3. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
91. 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.
92. 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.
93. 1. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
2. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
94. 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.
95. No dividend shall bear interest against the Company.
96. 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.



97. Unclaimed dividend shall be dealt in the manner as prescribed under the provisions of the Act and the Rules and other applicable laws.

### **REGISTERS**

98. 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.

99. 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.

### **WINDING UP**

100. 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**

- 101.1. Subject to the provisions of the Act, every director, managing director, whole time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expenses) which such director, manager, Company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
2. Subject as aforesaid, every director, managing director, whole time director, manager, company secretary and other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
  3. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## **SECTION IX- OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at Brindavan, Plot No. 177, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400098, Maharashtra between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus.

#### **MATERIAL CONTRACTS**

1. Issue Agreement dated January 17, 2019 executed between our Company and the Lead Managers.
2. Registrar Agreement dated January 8, 2019 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated January 8, 2019 executed between our Company and the Debenture Trustee.
4. Tripartite agreement dated June 24, 2016 among our Company, the Registrar and CDSL.
5. Tripartite agreement dated May 31, 2012 among our Company, the Registrar and NSDL.

#### **MATERIAL DOCUMENTS**

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated November 24, 1993, February 14, 1994, July 12, 2007 and March 17, 2017, issued by Registrar of Companies, Kolkata (previously Registrar of Companies, West Bengal).
3. Certificate of Registration as an NBFC dated September 03, 2007 and May 04, 2017 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934.
4. Copy of shareholders resolution dated 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.
5. Copy of the resolution by the Board of Directors dated July 19, 2018, read together with resolution by the Board of Directors dated March 21, 2018 approving the issue of NCDs.
6. Copy of the resolution dated January 17, 2019 passed by circulation by the Committee of Directors approving the Draft Shelf Prospectus.
7. Credit rating Letter dated December 21, 2018, credit rating rationale dated January 2, 2019 by ICRA Limited assigning a rating of [ICRA] AAA / Stable (pronounced as ICRA triple A with Stable Outlook) to the long term borrowing programme of our Company.
8. Credit rating Letter dated December 28, 2018, credit rating rationale dated December 31, 2018 by CARE Ratings assigning a rating of CARE AAA / Stable (pronounced as CARE triple A with Stable Outlook) to the long term borrowing programme of our Company.
9. Credit rating Letter dated December 31, 2018, credit rating rationale dated December 24, 2018 by India Ratings assigning a rating of IND AAA / Stable (pronounced as IND triple A with Stable Outlook) to the long term borrowing programme of our Company.
10. Consents of the Directors, our Compliance Officer, Chief Financial Officer, Lead Managers, Legal Advisor to the Issue, Registrar to the Issue, the Debenture Trustee for the Issue, Banker to the Company, ICRA for the Industry Report and Credit Rating Agencies to include their names in this Draft Shelf Prospectus, in their respective capacities.
11. Consent Letter dated January 17, 2019 from the Current Statutory Auditors, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this 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 January 15,

2019 on our Reformatted Consolidated Financial Information and our Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018 on Limited Review Financial Results (iii) their report dated January 17, 2019 on the statement of tax benefits, included in this Draft Shelf Prospectus. Statement of tax benefits dated January 17, 2019 issued by our Current Statutory Auditors.

12. Annual Report of our Company for the last five Fiscals.
13. In-principle listing approval from BSE by its letter no. [•] dated [•].
14. In-principle listing approval from NSE by its letter no. [•] dated [•].
15. Due Diligence Certificate dated January 17, 2019 filed by the Lead Managers with SEBI.
16. Examination Report dated January 15, 2019 issued by Deloitte Haskins & Sells LLP, Chartered Accountants along with the Reformatted Financial Information dated January 15, 2018.
17. Limited Review Financial Results of our Company for the year ended September 30, 2018.
18. Industry report titled 'Industry Overview of Retail focused NBFCs, Housing Finance Companies and Infrastructure Finance NBFCs' dated January 2018 issued by ICRA.
19. Shareholders Agreement dated June 5, 2015 executed amongst our Company, Grameen Foundation Asia, Mr. Amit Patni, Mr. Arihant Patni, Citicorp Finance (India) Limited and Grameen Capital India Limited.
20. Securities Subscription Agreement dated June 5, 2015 between our Company and Grameen Capital India Limited.
21. Group Function Outsourcing Agreement dated October 5, 2018 between L&T Finance Holdings Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited, L&T Housing Finance Limited and L&T Finance Limited made effective from April 1, 2018.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debentureholders, in the interest of our Company in compliance with applicable laws.

## **DECLARATION**

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, in connection with the Issue have been complied with and no statement made in Draft Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

**Signed by the Board of Directors of the Company**

**Dinanath Mohandas Dubhashi**  
Non-Executive Director & Chairperson

**Pradeep Vasudeo Bhide**  
Independent Director

**Rajani Rajiv Gupte**  
Independent Director

**Ashish Arvind Kotecha**  
Non-Executive Director

Date: January 17, 2019

Place: Mumbai

## **ANNEXURE A**

### **CREDIT RATING LETTER AND RATING RATIONALE FROM ICRA**

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ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2018-19/MUM/1456  
Date: December 21, 2018

Mr. Kumar Ayashkanta  
Head- Treasury Strategy and Ratings Group  
L&T Finance Limited  
2nd Floor, Brindavan Bldg,  
Plot no.177, Kalina,  
Santacruz (East), Mumbai - 400098

Dear Sir,

**Re: ICRA Credit Rating for Rs. 5000 Crore Public issue of Secured Redeemable Non-convertible Debenture programme (the rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue])**

Please refer to the Rating Agreement dated December 12, 2018 for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a [ICRA]AAA (pronounced as ICRA triple A) rating to the captioned NCD Programme. Instruments with [ICRA]AAA rating indicate highest degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. The outlook on the long term rating is 'Stable'.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA]AAA (stable)". We would request if you can sign the acknowledgement and send it to us latest by **January 01, 2019** as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on '**Monitoring and Review of Ratings by Credit Rating Agencies(CRAs)**' issued by the Securities and Exchange Board of India. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you. The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us. We look forward to your communication and assure you of our best services.

With kind regards,  
For ICRA Limited

  
**KARTHIK SRINIVASAN**  
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**RATING • RESEARCH • INFORMATION 33985**

## L&T Finance Limited (erstwhile Family Credit Limited)

January 02, 2019

### Summary of rated instruments

| Instrument*   | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action                        |
|---|-----------------------------------|----------------------------------|--------------------------------------|
| Secured Redeemable Non-convertible Debenture [public issue] # | 0                                 | 5,000.00                         | [ICRA]AAA (stable); assigned         |
| Long-term Market Linked Debenture Programme                   | 500.00                            | 500.00                           | PP-MLD[ICRA]AAA(stable); outstanding |
| Non-convertible Debenture Programme                           | 6,519.00                          | 6,519.00                         | [ICRA]AAA (stable); outstanding      |
| Non-convertible Debenture Programme (Public Issuance)         | 681.70                            | 681.70                           | [ICRA]AAA (stable); outstanding      |
| Subordinated Debt Programme                                   | 1,325.00                          | 1,325.00                         | [ICRA]AAA (stable); outstanding      |
| Perpetual Debt Programme                                      | 600.00                            | 600.00                           | [ICRA]AA+ (stable); outstanding      |
| Commercial Paper Programme                                    | 18,500.00                         | 18,500.00                        | [ICRA]A1+; outstanding               |
| <b>Total</b>  | <b>28,125.70</b>                  | <b>33,125.70</b>                 |                                      |

\*Instrument details are provided in Annexure-1

# The rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue]

### Rationale

L&T Finance Holdings Limited (LTFHL, rated [ICRA]AAA(Stable)/[ICRA]A1+) is a non-operating holding company with a diversified business profile in the financial services space. LTFHL's wholly-owned subsidiaries operate in rural, housing and wholesale finance and asset management businesses. While arriving at the rating for L&T Finance Limited (LTF), ICRA has considered the consolidated performance of LTFHL and its finance subsidiaries (namely L&T Housing Finance Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited & L&T Finance Limited, collectively referred to LTFHL Group) given the strong operational and financial synergies between the companies.

The ratings continue to draw significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA/Stable) holding 63.97% equity in the company as on September 30, 2018. The ratings also draw comfort from the LTFHL Group's increased strategic importance to the parent with financial services being a focus area for the L&T group and LTFHL being the holding company for L&T Group's financial services business. The ratings also take into consideration the change in LTFHL's business profile during FY2017, following a rationalisation of product offerings and increasing proportion of retail loans on the total book (34% as on September 30, 2018 as compared with 27% as on March 31, 2017). The ratings also factor in the capital funding, management, systems and infrastructure support that the company receives from LTFHL and other Group companies. ICRA expects the company to be adequately capitalised in relation to its growth plans over the medium term, supported by timely capital infusion by LTFHL.

The long-term rating factors in the group's ability to profitably grow the business volumes (the AUM grew by 26% in FY2018 and further to Rs. 91,201 crore as on September 30, 2018) while gradually improving the share of retail loans in the overall mix and improved capitalisation profile of the group supported by the sizeable capital infusion of Rs. 3,000 crore in March 2018. The ratings factor in ICRA's expectation of continued commitment from L&T in the form of management, liquidity and capital support (Rs. 2,000-crore equity infusion by L&T in Q4FY2018) to LTFHL group and expects the group to maintain prudent leverage levels going forward as well. The ratings also factor in the group's experience in the appraisal of infrastructure projects, and its focus on underwriting with the subsequent down-selling of assets, provides scope for fee-based income, which is likely to support overall profitability. ICRA has also taken note of



the higher share of the wholesale lending book and exposure to the infrastructure sector and real estate loans, and management's efforts to realign the portfolio towards the retail segments like micro loans and two-wheeler loans. While the focus is on sectors such as renewable, transportation and transmission in the wholesale segment, which are relatively less risky, the full benefit of this would only be visible over the medium term. While the group has provided for the legacy stressed assets, the ability of the group to continue to grow the business while controlling fresh slippages would be a key rating sensitivity. ICRA has also taken note of the Group's improving profitability indicators though these are expected to remain largely at current levels in FY2019 with the Group continuing to provide for the stressed assets in excess of regulatory requirements. In ICRA's opinion, accelerated provisioning, in addition to augmentation of capital through various avenues, would help the Group strengthen the consolidated balance sheet. Going forward, continued support from L&T and the sustained financial performance and asset quality indicators of LTFHL's subsidiaries will remain key rating sensitivities.

### Outlook: Stable

LTF is the Group's primary vehicle for retail financing and also provides non-infrastructure related financing to corporates. ICRA believes LTF will continue to benefit from being a part of L&T Financial Services Group, its demonstrated track record of scaling its operations and its ability to raise funds at competitive rates. Any change in the risk profile of L&T Financial Services Group will affect LTF's rating given their close linkages. The outlook may be revised to 'Negative' if there is a significant deterioration in LTF's asset quality and profitability indicators, thereby adversely affecting its financial risk profile.

### Key rating drivers

#### Credit strengths

Expectation of continued support from the ultimate parent; experienced management team with strong leadership -LTF is a wholly-owned subsidiary of LTFHL, which, in turn, is majority owned by L&T. LTFHL and its subsidiaries, while operating independently, benefit from L&T's brand name. LTF also receives capital and management support from its parent. Thus, LTF's ratings draw significant strength from L&T and LTFHL and any change in the rating of the parent and/or support from the Group could warrant a rating change. LTF also has a strong management team with considerable experience across functions.

**Diversified product mix with portfolio growth supported by well-established franchise, good market knowledge and standing as part of L&T Group** -LTFHL undertook a rationalisation of its product offering in FY2017 following which, certain product segments (including four-wheeler financing, commercial vehicles, construction equipment, leases, SME term loans and receivable discounting) were discontinued. Nonetheless, the product offering remains extensive. Also, as part of the restructuring, L&T Finance Limited and L&T FinCorp Limited were merged with Family Credit Limited with the merged entity being rechristened L&T Finance Limited. Going forward, LTF along with L&T Housing Finance, will be one of the Group's primary vehicles for retail financing, while it will also extend non-infrastructure loans to corporates. LTF's portfolio stood at Rs. 42,590 crore as on September 30, 2018 (Rs. 39,146 crore as on March 31, 2018). LTF benefits from the brand name of L&T, which it has leveraged to grow its corporate and retail portfolios while maintaining adequate profitability.

At a consolidated level, LTFHL's lending book stood at Rs. 91,201 crore as on September 30, 2018 (compared to Rs. 73,487 crore as on September 30, 2017) and comprised of 35% of the loans to retail segments ( Micro loans (11%), Two-wheeler(5%) & Farm Equipment(7%) and Home Loans/LAP(11%) ) and balance 66% to the wholesale segments ( Real Estate Finance (13%), Infrastructure Financing (38%) and the balance towards corporate loans, supply chain finance, Debt & Capital Markets book, etc).



**Adequate capitalisation levels with committed financial support from parent**—LTF's capital adequacy ratio stood at 17.11% as on September 30, 2018, above the 15% level stipulated by the RBI. The gearing, as on September 30, 2018, was moderate at 4.90 times. While internal capital generation is likely to be subdued in the medium term due to the amortisation of goodwill of Rs. 2,829 crore (as on March 31, 2017) over five years starting March 2017, the strategic importance of the company to the Group and the track record of capital infusion from LTFHL (equity infusion of Rs. 1,400 crore by LTFHL in Q4FY2018) to its subsidiary companies supports capitalisation. ICRA's opinion is that the capital support from the parent should remain forthcoming as and when required. At a consolidated level, the Group's leverage remains moderate (7.05 times as on September 30, 2018) given that a significant proportion (~65%) of the lending book consists of the wholesale<sup>1</sup> lending segment. ICRA expects the Group to maintain prudent capitalisation and expects that support from L&T would be forthcoming as and when required.

**Good financial flexibility enables company to raise funding at competitive rates; comfortable liquidity position**—LTF has a fairly-diversified funding mix with 50% of the funding as on September 30, 2018 raised from the capital markets (NCDs, subordinated debt, perpetual debt and commercial papers). Given its operational track record and the strong parentage, LTF is able to raise funding at competitive rates, which supports the overall profitability. The company also maintains a healthy liquidity profile with positive cumulative mismatches in all the buckets till 1 year as per ALM as on September 30, 2018. The unutilised bank limits, and liquidity support from the ultimate parent L&T adds to the comfort.

### Credit challenges

**Moderate asset quality indicators**—LTF's asset quality indicators improved during FY2018 even after migration to stricter NPA recognition norms and slippages in a few product segments during the year. The improvement was supported by healthy collections and continuous risk monitoring. Asset quality indicators improved further in H1FY2019. Gross and net Stage 3 assets were 4.21% and 1.62%, respectively, as on September 30, 2018, compared to Gross and Net NPA of 6.1% and 2.8%, respectively, as on March 31, 2018 (8.36% and 5.13% respectively, as on September 30, 2017). However, given that a large part of the incremental business is coming from relatively riskier asset classes such as micro loans, two-wheelers and real estate finance. While so far, the asset quality has been holding in these segments, the ability of the group to manage the asset quality through cycles would be a monitorable.

At a consolidated group level, on account of transition to IND AS, standard stressed assets have been included as part of Stage 3 over and above the Non-Performing Assets. This has resulted in Gross and Net Stage 3 Assets of 7.10% and 2.79% respectively as on September 30, 2018 as compared to Gross and Net NPA of 4.80% and 2.34% respectively as on March 31, 2018. The asset quality indicators are expected to remain stable given group is taking incremental exposure in sectors such as renewable, transportation and transmission in the wholesale segment, which are relatively less risky though, the full benefit of this would only be visible over the medium term. Overall, the Group's ability to profitably grow business volumes while improving the asset quality would have a bearing on its overall financial profile and would be a key monitorable.

**Modest profitability indicators**—During H1FY2019, the company reported return on asset (RoA) of 1.85% and return on net worth (RoNW) of 10.35% (vis-à-vis RoA of 0.71% and RoNW of 3.75% during FY2018) supported by an improvement in yield on account of increased retailisation of the portfolio and improved credit cost. ICRA expects improvement in the profitability indicators, provided the company is able to maintain its credit cost.

LTFHL Group's profitability, at a consolidated level, has been moderate over the last five years. However, in FY2017, the company implemented a change in strategy which included the rationalisation of the products and streamlining of the Group's structure. ICRA notes that with the implementation of the new strategy, the company's profitability indicators improved in FY2018 and vis-à-vis FY2017. Profitability improved further in H1FY2019. The return on equity during FY2018

<sup>1</sup> Wholesale book + Real Estate Finance segment of the Housing book

improved to 14.28% (as per IGAAP) from 13.81% (as per IGAAP) in FY2017 and further to 17.68% (as per IND AS) in H1FY2019.

### Liquidity Position:

The liquidity profile of the group is comfortable at a consolidated level. As on November 30, outflows due to repayments, over the next three months stood at Rs. 14,363 crore, while collections expected from loan assets' inflows were about Rs. 6000 crore. The company had cash and liquid investments of Rs. 6,262 crore, unutilized bank lines of Rs. 2,877 crore and Rs. 2,000 crore backup line of credit from L&T Ltd. as on November 30, 2018 which it can use to meet the funding gaps and future funding requirements. LTF enjoys strong financial flexibility to mobilized long term funding on the back of its established track record and strong parentage. ICRA expects the liquidity support from the parent to be forthcoming, as and when required.

### Analytical approach:

| Analytical Approach             | Comments  |
|---------------------------------|---|
| Applicable Rating Methodologies | <a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a>  |
| Parent/Group Support            | Ultimate parent / Investor: Larsen & Toubro Ltd.<br>The assigned rating derives significant strength from LTFHL's parentage, with Larsen & Toubro Ltd. (L&T, rated [ICRA]AAA/Stable) holding 63.97% (as on September 30, 2018) equity in the company, and LTFH group's increased strategic importance to the parent with financial services being a focus area for the L&T group and LTFHL being the holding company for L&T Group's financial services business. |
| Consolidation / Standalone      | While arriving at the rating for L&T Finance Limited (LTF), ICRA has considered the consolidated performance of LTFHL and its subsidiaries carrying businesses as finance companies (namely L&T Housing Finance Limited, L&T Infrastructure Finance Company Limited, L&T Infra Debt Fund Limited & L&T Finance Limited, collectively referred to LTFHL group) given the strong operational and financial synergies between the companies.                         |

### About the company:

#### L&T Finance Limited

L&T Finance Limited (LTF), erstwhile Family Credit Limited, was originally incorporated as Apeejay Finance Group Ltd in 1993. In December 2012, L&T Finance Holdings Limited (LTFHL) acquired 100% equity in the entity, following which its name was changed to Family Credit Limited. In FY2017, as a part of LTFHL's business restructuring, L&T Finance Limited and L&T FinCorp Limited (both entities now dissolved) were merged with Family Credit Limited and the combined entity was rechristened L&T Finance Limited.

For H1FY2019, LTF reported PAT of Rs. 448 crore on an asset base of Rs. 52,388 crore. As on September 30, 2018, the company had a total loan book of Rs. 42,590 crore, with the corporate finance portfolio accounting for 31%, micro loans for 24%, farm equipment for 15%, housing finance for 14%, two-wheelers for 10% and supply chain finance and other retail products for the balance.

#### L&T Finance Holdings Limited

L&T Finance Holdings Limited (LTFHL) was originally incorporated as L&T Capital Holdings Ltd in May 2008 and its name was subsequently changed in September 2010. The company is registered as an NBFC-CIC with the RBI. It is promoted by Larsen & Toubro Limited (L&T) as the holding company of L&T Group's financial services companies. LTFHL has three wholly-owned subsidiaries, namely, L&T Infrastructure Finance Company Limited, L&T Finance Limited and L&T Housing



Finance Limited, which undertake the Group's lending operations. L&T Infra Debt Fund, an NBFC-IDF, was incorporated in 2013, with LTFHL and its subsidiaries together holding a 100% stake in the company.

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), through its subsidiaries. Following an initial public offering in July 2011, L&T's shareholding in LTFHL declined to 82.64% from 99.99% earlier. Following some open market transactions, L&T's shareholding reduced further to 72.95% as on March 31, 2015. L&T currently holds a 64.01% stake in LTFHL.

On a consolidated basis, for H1FY2019, LTFHL reported PAT of Rs. 1,099 crore on an asset base of Rs. 1,00,316 crore compared to PAT of Rs. 669 crore for H1FY2018 (as per IGAAP), on a total asset base of Rs. 78,649 crore as on September 30, 2017 (as per IGAAP). The consolidated entity's net worth was Rs. 12,315 crore as on September 30, 2018.

#### **Larsen & Toubro Limited**

Larsen & Toubro Limited (L&T, rated [ICRA]AAA(Stable)) is a leading engineering and construction company in India with a global presence. Headquartered in Mumbai, it has interests in infrastructure, power, metallurgical & material handling, heavy engineering, shipbuilding, electrical & automation, machinery and industrial products, and realty. Apart from India, it has a significant presence in the Middle East. Through its subsidiaries, associate companies and joint ventures, the Group is engaged in the hydrocarbon business, IT services, financial services, and infrastructure development ventures. For H1FY2019, L&T reported a consolidated PAT of Rs. 3,903 crore on a total asset base of Rs. 2,61,776 crore as on September 30, 2018 compared to PAT of Rs. 3,197 crore for H1FY2018 on a total asset base of Rs. 2,22,694 as on September 30, 2017.

#### **Key financial indicators for L&T Finance Limited (Standalone)**

|  | <b>FY2017</b>      | <b>FY2018</b>      | <b>H1 FY2019<br/>(unaudited)</b> |
|--|--------------------|--------------------|----------------------------------|
|  | <b>IGAAP</b>       | <b>IGAAP</b>       | <b>Ind-AS</b>                    |
| Total Income                                     | 4,145              | 5,246              | 3,282                            |
| Profit after tax (PAT)                           | 16.04              | 289.92             | 447.61                           |
| Net Worth  | 6,879 <sup>^</sup> | 8,587 <sup>^</sup> | 8,704 <sup>^</sup>               |
| Total managed portfolio                          | 29,246             | 39,146             | 42,590                           |
| Total managed assets                             | 35,977             | 44,657             | 52,388                           |
| Return on managed assets (PAT/AMA)               | 0.08%*             | 0.71%*             | 1.85%                            |
| Return on average net worth (PAT/Avg. net worth) | 0.43%*             | 3.75%*             | 10.35%                           |
| Gearing  | 4.0                | 4.0                | 4.90                             |
| Gross NPA/Stage 3 %                              | 6.5%               | 6.1%               | 4.21%                            |
| Net NPA/Stage 3 %                                | 4.0%               | 2.8%               | 1.62%                            |
| Net NPA/Net worth %                              | 16.54%             | 12.40%             | 7.70%                            |
| CRAR%  | 16.4%              | 17.99%             | 17.11%                           |

Gross NPA recognised at 120+ dpd for FY2017 and 90+ dpd for FY2018

\*Profitability indicators are based on reported PAT of Rs.290 crore; the reported PAT is mainly subdued owing to the amortisation of goodwill (Rs.653 crore in fiscal 2018) on account of restructuring within the Group

<sup>^</sup>Includes goodwill

#AMA –Average managed asset

Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

| Instrument  | Type       | Rated Amount (Rs. crore) | Amount Outstanding (Rs. crore) | Current Rating (FY2019)  |                          |                     |                     |                     | Chronology of Rating History for the past 3 years |                     |                     |
|---|------------|--------------------------|--------------------------------|--------------------------|--------------------------|---------------------|---------------------|---------------------|---|---------------------|---------------------|
|   |            |                          |                                | Jan 2019                 | Sep 2018                 | Aug 2018            | Jul 2018            | Jun 2018            | FY2018  | FY2017              | FY2016              |
|   |            |                          |                                |                          |                          |                     |                     |                     | Mar 18  | Mar 17              | Mar 16              |
| 1. Secured Redeemable Non-convertible Debenture [public issue]# | Long Term  | 5000                     | 0                              | AAA (Stable)             | -                        | -                   | -                   | -                   | -   | -                   | -                   |
| 2. Long Term Market Linked Debenture Programme                  | Long Term  | 500                      | 0                              | PP-MLD(ICRA)AAA (Stable) | PP-MLD(ICRA)AAA (Stable) | -                   | -                   | -                   | -   | -                   | -                   |
| 3. Non-convertible Debenture Programme                          | Long Term  | 6,519                    | 4,482.50                       | [ICRA] AAA (stable)      | [ICRA] AAA (stable)      | [ICRA] AAA (stable) | [ICRA] AA+ (stable) | [ICRA] AA+ (stable) | [ICRA] AA+ (stable)                               | [ICRA] AA+ (Stable) | [ICRA] AA+ (stable) |
| 4. Subordinated Debt Programme                                  | Long Term  | 1,325                    | 765.00                         | [ICRA] AAA (stable)      | [ICRA] AAA (stable)      | [ICRA] AAA (stable) | [ICRA] AA+ (stable) | [ICRA] AA+ (stable) | [ICRA] AA+ (stable)                               | [ICRA] AA+ (Stable) | [ICRA] AA+ (Stable) |
| 5. Perpetual Debt Programme                                     | Long Term  | 600                      | 250                            | [ICRA] AA+ (stable)      | [ICRA] AA+ (stable)      | [ICRA] AA+ (stable) | [ICRA] AA (stable)  | [ICRA] AA (stable)  | [ICRA] AA (stable)                                | [ICRA] AA (Stable)  | [ICRA] AA (stable)  |
| 6. NCD Programme (public issuance)                              | Long Term  | 681.70                   | 457.33                         | [ICRA] AAA (stable)      | [ICRA] AAA (stable)      | [ICRA] AAA (stable) | [ICRA] AA+ (stable) | [ICRA] AA+ (stable) | [ICRA] AA+ (stable)                               | [ICRA] AA+ (Stable) | -                   |
| 7. CP Programme   | Short Term | 18,500                   | 13,030                         | [ICRA]A1+                | [ICRA]A1+                | [ICRA]A1+           | [ICRA]A1+           | [ICRA]A1+           | [ICRA]A1+   | -                   | -                   |

# The rated limit is interchangeable with Unsecured subordinated Redeemable Non-convertible Debenture [public issue]

#### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument Details

| ISIN No      | Instrument Name                  | Date of Issuance / Sanction | Coupon Rate (In %) | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|--------------|----------------------------------|-----------------------------|--------------------|---------------|--------------------------|----------------------------|
| INE523E07BS2 | Non-Convertible Debenture        | 20-May-15                   | 8.87%              | 20-May-20     | 26                       | [ICRA]AAA (stable)         |
| INE523E07DC2 |                                  | 29-Mar-16                   | 8.90%              | 29-Apr-19     | 185                      | [ICRA]AAA (stable)         |
| INE523E07DE8 |                                  | 13-Apr-16                   | 8.69%              | 12-Mar-19     | 170                      | [ICRA]AAA (stable)         |
| INE523E07DF5 |                                  | 13-Apr-16                   | 8.70%              | 12-Apr-19     | 10                       | [ICRA]AAA (stable)         |
| INE523E07DG3 |                                  | 13-Apr-16                   | 8.69%              | 31-May-19     | 25                       | [ICRA]AAA (stable)         |
| INE523E07DH1 |                                  | 13-Apr-16                   | 8.69%              | 13-Jun-19     | 275                      | [ICRA]AAA (stable)         |
| INE523E07DI9 |                                  | 13-Apr-16                   | 8.68%              | 12-Sep-19     | 75                       | [ICRA]AAA (stable)         |
| INE523E07DJ7 |                                  | 13-Apr-16                   | 8.68%              | 30-Sep-19     | 4                        | [ICRA]AAA (stable)         |
| INE759E07830 |                                  | 13-Jun-16                   | 8.80%              | 13-Jun-19     | 10                       | [ICRA]AAA (stable)         |
| INE759E07822 |                                  | 13-Jun-16                   | 8.80%              | 11-Jun-21     | 10                       | [ICRA]AAA (stable)         |
| INE523E07DN9 |                                  | 14-Jun-16                   | 8.72%              | 14-Jun-19     | 50                       | [ICRA]AAA (stable)         |
| INE523E07DO7 |                                  | 29-Jun-16                   | 8.72%              | 28-Jun-19     | 130                      | [ICRA]AAA (stable)         |
| INE523E07DP4 |                                  | 29-Jun-16                   | 8.71%              | 22-Jul-19     | 2.5                      | [ICRA]AAA (stable)         |
| INE027E07345 |                                  | 05-Aug-16                   | 8.65%              | 05-Aug-19     | 5                        | [ICRA]AAA (stable)         |
| INE759E07871 |                                  | 08-Sep-16                   | 8.31%              | 06-Sep-19     | 50                       | [ICRA]AAA (stable)         |
| INE759E07889 |                                  | 12-Sep-16                   | 8.31%              | 12-Sep-19     | 200                      | [ICRA]AAA (stable)         |
| INE523E07DV2 |                                  | 19-Jan-17                   | 7.66%              | 18-Jan-19     | 50                       | [ICRA]AAA (stable)         |
| INE523E07DW0 |                                  | 19-Jan-17                   | 7.83%              | 20-Jan-20     | 150                      | [ICRA]AAA (stable)         |
| INE027E07386 |                                  | 29-Mar-17                   | 7.90%              | 29-Apr-20     | 100                      | [ICRA]AAA (stable)         |
| INE027E07394 |                                  | 31-Mar-17                   | 8.07%              | 29-May-20     | 300                      | [ICRA]AAA (stable)         |
| INE027E07402 |                                  | 10-Apr-17                   | 7.71%              | 10-Apr-19     | 150                      | [ICRA]AAA (stable)         |
| INE027E07410 |                                  | 10-Apr-17                   | 7.80%              | 08-May-20     | 100                      | [ICRA]AAA (stable)         |
| INE027E07436 |                                  | 25-May-17                   | 7.85%              | 25-May-20     | 25                       | [ICRA]AAA (stable)         |
| INE027E07543 |                                  | 08-Aug-17                   | 7.71%              | 08-Aug-22     | 465                      | [ICRA]AAA (stable)         |
| INE027E07550 |                                  | 06-Oct-17                   | 7.70%              | 06-Oct-22     | 310                      | [ICRA]AAA (stable)         |
| INE027E07576 |                                  | 17-Oct-17                   | 7.68%              | 18-Dec-20     | 150                      | [ICRA]AAA (stable)         |
| INE027E07584 |                                  | 24-Nov-17                   | 7.85%              | 11-Dec-20     | 305                      | [ICRA]AAA (stable)         |
| INE027E07592 |                                  | 04-Dec-17                   | 7.90%              | 04-Dec-20     | 750                      | [ICRA]AAA (stable)         |
| INE027E07600 |                                  | 06-Dec-17                   | 7.84%              | 06-Jan-21     | 215                      | [ICRA]AAA (stable)         |
| INE027E07618 |                                  | 12-Dec-17                   | 7.95%              | 12-Dec-22     | 85                       | [ICRA]AAA (stable)         |
| INE027E07626 |                                  | 29-Dec-17                   | 8.00%              | 27-Nov-20     | 100                      | [ICRA]AAA (stable)         |
|              |                                  | NA                          | NA                 | NA            | 2,036.50 <sup>^</sup>    | [ICRA]AAA (stable)         |
| INE523E07459 | Retail Debentures (Public Issue) | 9/17/2009                   | 10.24%             | 9/17/2019     | 457.33                   | [ICRA]AAA (stable)         |
|              |                                  | NA                          | NA                 | NA            | 224.37 <sup>^</sup>      | [ICRA]AAA (stable)         |



| ISIN No      | Instrument Name   | Date of Issuance / Sanction | Coupon Rate (In %) | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|--------------|---|-----------------------------|--------------------|---------------|--------------------------|----------------------------|
| INE027E08079 | Perpetual Debt  | 3/30/2016                   | 10.10%             | 3/30/2026     | 50                       | [ICRA]AA+ (stable)         |
| INE523E08NG0 |   | 12/30/2011                  | 11.50%             | 12/30/2021    | 200                      | [ICRA]AA+ (stable)         |
|              |   | NA                          | NA                 | NA            | 350.00^                  | [ICRA]AA+ (stable)         |
| INE523E08NH8 | Subordinated Debt   | 21-Dec-12                   | 9.80%              | 21-Dec-22     | 275                      | [ICRA]AAA (stable)         |
| INE523E08NI6 |   | 27-Mar-14                   | 10.35%             | 27-Mar-24     | 50                       | [ICRA]AAA (stable)         |
| INE027E08053 |   | 09-Feb-16                   | 9.35%              | 09-Feb-26     | 18                       | [ICRA]AAA (stable)         |
| INE027E08061 |   | 04-Mar-16                   | 9.48%              | 04-Mar-26     | 50                       | [ICRA]AAA (stable)         |
| INE759E08044 |   | 23-Mar-16                   | 9.30%              | 23-Mar-26     | 100                      | [ICRA]AAA (stable)         |
| INE027E08020 |   | 27-Mar-14                   | 10.90%             | 27-Mar-24     | 50                       | [ICRA]AAA (stable)         |
| INE759E08028 |   | 30-Mar-15                   | 9.95%              | 28-Mar-25     | 50                       | [ICRA]AAA (stable)         |
| INE027E08038 |   | 30-Jun-14                   | 10.40%             | 28-Jun-24     | 40                       | [ICRA]AAA (stable)         |
| INE759E08036 |   | 09-Sep-15                   | 9.25%              | 09-Sep-25     | 100                      | [ICRA]AAA (stable)         |
| INE027E08046 |   | 29/01/16                    | 9.35%              | 29-Jan-26     | 32                       | [ICRA]AAA (stable)         |
|              |   | NA                          | NA                 | NA            | 485.00^                  | [ICRA]AAA (stable)         |
| -            | Commercial Paper  | NA                          | NA                 | 7-365 days    | 13030.00                 | [ICRA]A1+                  |
| -            | Long Term Market Linked Debenture Programme                 | NA                          | NA                 | NA            | 500.00^                  | [ICRA]AAA (stable)         |
| -            | Secured Redeemable Non-convertible Debenture [public issue] | NA                          | NA                 | NA            | 5000.00^                 | [ICRA]AAA (stable)         |

^Yet to be placed

Source: L&T Finance Limited

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**ANNEXURE B**

**CREDIT RATING LETTER AND RATING RATIONALE FROM CARE**

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No. CARE/HO/RL/2018-19/4196  
Mr. Kumar Ayashkanta  
Head Treasury Strategy & Ratings Group  
L&T Finance Ltd. (erstwhile Family Credit Ltd),  
L&T Financial Services Group,  
2nd Floor, Brindavan Bldg, Plot no.177,  
Kalina, Santacruz (East).  
Mumbai - 400098

December 28, 2018

**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 non-convertible debenture/subordinated debt public issue aggregating to Rs.5000 crore of your company.

The following rating has been assigned by our Rating Committee:

| Instrument  | Amount<br>(Rs. crore)                  | Rating <sup>1</sup>                            | Rating Action |
|---|--|--|---------------|
| Public issue of Long-term debt programme (Secured Redeemable Non-Convertible Debentures/ Unsecured Subordinated Redeemable Non-convertible Debenture) | 5000<br>(Rs. Five Thousand Crore only) | CARE AAA; Stable<br>[Triple A; Outlook Stable] | Assigned      |

- 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 June 23, 2019).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- 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) | Coupon Rate | Coupon Payment | Terms of Redemption | Redemption date | Name and contact | Details of top 10 |
|-----------------|------|-----------------|-------------|----------------|---------------------|-----------------|------------------|-------------------|
|-----------------|------|-----------------|-------------|----------------|---------------------|-----------------|------------------|-------------------|

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

CARE Ratings Limited  
(Formerly known as Credit Analysis & Research Limited)

4<sup>th</sup> Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.  
Tel: +91 22 4754 2456 • Fax: +91 22 022 4754 2457 • [www.careratings.com](http://www.careratings.com) • CIN: L67100MH4002PLC071401

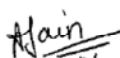
|  |  | cr) |  | Dates |  |  | details of<br>Debenture<br>Trustee | investors |
|--|--|-----|--|-------|--|--|------------------------------------|-----------|
|--|--|-----|--|-------|--|--|------------------------------------|-----------|

5. 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.
6. The rationale for the rating will be communicated to you separately.
7. 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.
8. 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.
9. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
10. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

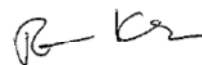
Thanking you,

Yours faithfully,



**[Akansha Jain]**  
Analyst

[akansha.jain@careratings.com](mailto:akansha.jain@careratings.com)



**[Ravi Kumar]**  
Associate Director

[ravi.kumar@careratings.com](mailto:ravi.kumar@careratings.com)

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Encl.: As above

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**CARE Ratings Limited**

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**L&T Finance Ltd.**  
**(Erstwhile Family Credit Ltd.)**  
 December 31, 2018

**Rating**

| Instrument   | Amount<br>(Rs. crore)                   | Rating <sup>1</sup>                             | Rating Action |
|--|---|---|---------------|
| Secured Redeemable Non-Convertible Debenture (public issue)/Unsecured Redeemable Subordinated Non-Convertible Debenture (Public Issue) | 5,000<br>(Rs. Five thousand crore only) | CARE AAA; Stable<br>[Triple A; Outlook: Stable] | Assigned      |

*Details of instruments/facilities in Annexure-1*

<sup>1</sup>Reclassification of the instrument for which rating assigned as per Press Release dated December 25, 2018.

**Detailed Rationale & Key Rating Drivers**

The rating factors in the strategic importance of L&TFHL group to the L&T group as the flagship holding company of the group's financial services business, sharing of the L&T brand name, experienced management and L&TFHL's strong resource raising ability. The rating further factors in L&TFHL's well-diversified business profile in the financial sector through its subsidiaries that have a good presence and track record in segments like rural finance, housing finance, wholesale finance and asset management services, profitable track record of its subsidiaries and moderate asset quality. The continued support from L&T, profitability and asset quality are the key rating sensitivities.

**Detailed description of the key rating drivers****Key Rating Strengths****Strong parentage and strategic importance for the parent company/group**

L&TFHL is promoted by Larsen and Toubro Ltd (L&T), which is one of India's leading engineering and construction companies, with interests in projects, infrastructure development, manufacturing, IT & financial services. L&TFHL, being the group's flagship holding company in the financial services field, has a strategic importance for the L&T group and L&T is expected to continue to hold a majority stake and provide support in times of stress.

L&TF is a wholly-owned subsidiary of L&T Finance Holdings Ltd (LTFHL), the flagship holding company for the L&T Financial services group. Larsen & Toubro Ltd. (L&T) one of India's leading engineering company, is the ultimate parent of LTF. As on March 31, 2018, L&T held 64.01% equity stake in L&TFHL. The credit profile of L&T Finance Ltd (LTF) (erstwhile Family Credit Ltd) derives significant strength from its parentage and the resultant financial, operational and management support. The company also benefits from the integrated treasury operations of L&T Financial Services Group.

**Experienced management and brand value of L&T**

The board and senior management of L&TFHL has representation from the senior management of L&T group. The company is led by Mr. Dinanath Dubhashi, the Managing Director and CEO of the company, who has extensive experience in the financial services industry. The company has a board comprising eminent industry personnel with extensive industry experience, including Mr.S.Haribhakti (Non-Executive Chairman), and Mr. R. Shankar Raman, CFO, L&T Ltd. (Non-Executive Director).

**Strong resource raising ability and capital position**

During Q4FY18, Rs.3,000 crore of equity was infused in L&TFHL, where Rs.1,000 crore was raised through qualified institutional placement (QIP) and Rs.2,000 crore was infused by L&T Limited. On a consolidated basis, L&TFHL's tangible net-worth stood at Rs.11,538 crore as on March 31, 2018. Post the equity infusion, on a consolidated basis, L&T Finance Holdings Limited (L&TFHL) is one of the few non-banking financial services group in India with such a large capital base. As on March 31, 2018, the overall gearing was 6.29 times (P.Y.: 8.55 times) on a consolidated basis because of rise in borrowings. On a consolidated basis, L&TFHL reported net worth of Rs.12,315 crore as on September 30, 2018. The gearing level stood at 6.95 times as on September 30, 2018.

The capitalization level of L&T Finance Ltd. (erstwhile Family Credit Ltd) has remained adequate. The Total CAR was 18% FY17: 16.42%) and Tier I CAR was 15.7% (FY17: 13.37%) respectively as on March 31, 2018. Overall gearing of the company was 5.72 times as on March 31, 2018. The company is expected to receive equity infusion as and when required from the parent LTFHL.



***Diversified revenue streams through subsidiaries that have established track record***

L&TFHL, through its subsidiaries has presence across various financial services like rural finance, housing finance, wholesale finance and asset management services. The company has revised its portfolio strategy with renewed focus on rural, housing and retail loan book.

***Financial Performance***

On a consolidated basis, the outstanding portfolio of L&TFHL grew by 25% during FY18 to Rs.83,654 crore as on March 31, 2018. On a consolidated basis, L&TFHL reported PAT of Rs.1,459 crore on total income of Rs.10,500 crore in FY18 as compared to PAT of Rs.1,042 crore on a total income of Rs.8,572 crore in FY17. Return on Total Assets (RoTA) was 1.81% in FY18 (FY17: 1.54%) on consolidated basis. As on September 30, 2018, the loan portfolio (gross) stood at Rs.91,201 crore.

During FY18, L&T Finance Limited (erstwhile Family Credit) reported PAT of Rs.290 crore on the total income of Rs.5,246 crore. The NIM was 7.27% in FY18.

***Liquidity profile of L&T Finance Ltd (erstwhile Family Credit Ltd)***

The ALM profile as on March 31, 2018 had cumulative positive mismatches in all buckets up to 1 year except 2-3 months' time frame. The company keeps undrawn bank lines on an ongoing basis to meet any liquidity requirement. Also the Company expects inflows due to sell down of assets. Furthermore, the group's resource raising capability through a common treasury provides comfort.

As on September 30, 2018, the liquidity profile of L&T Finance Ltd (erstwhile Family Credit Ltd) stood comfortable as the company maintained cumulative positive mismatches in all time frames. The company maintained liquidity to the tune of Rs.7,733 crore as on October 31, 2018 which consists of Rs.5,091 crore of cash & bank balance, fixed deposits and liquid investments, Rs.1,942 crore of undrawn bank lines and Rs.700 crore of back up line from L&T Limited.

***Key Rating Weaknesses***
***Moderate asset quality***

On a consolidated basis, L&TFHL's GNPA and NNPA ratio (90 d-p-d) was 4.80% and 2.34% respectively as on March 31, 2018, as compared to GNPA and NNPA ratio (120 d-p-d) of 4.94% and 2.89% as on March 31, 2017. The NNPA (90d-p-d) to Net-worth ratio was 14.67% as on March 31, 2018 as against 25.19% as on March 31, 2017. The Gross stage 3 assets and Net stage 3 assets ratio (90 d-p-d) was 7.10% and 2.79% respectively as on September 30, 2018 as per IND-AS. On a standalone basis, LTF's Gross and Net NPA ratio (90 d-p-d) was 6.07% and 2.82%, respectively as on March 31, 2018 [March 2017: 6.51% and 4.02%(120 d-p-d)]. The overall NPA has marginally improved despite transition to stricter NPA recognition norms. The Net NPA to tangible Net worth ratio was at 17.52% (March 2017: 29.3%).

***Industry Prospects***

Due to subdued economic environment, last few years have been challenging period for the NBFCs with moderation in growth and rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalization levels and liquidity management continue to provide comfort to the credit profile of NBFCs in spite of impact on profitability. Also with the improvement in economic environment, asset quality pressures should ease which will partially offset the impact of migration towards 90 day NPA recognition norm.

***Analytical Approach:***

L&T Finance Holdings Ltd, the holding company of L&T Financial Services 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 ratings. The list of the subsidiaries considered for consolidation is as per Annexure III.

***Applicable Criteria***

[Criteria on assigning Outlook to Credit Ratings](#)  
[CARE's policy on default recognition](#)  
[Rating Methodology- Non Banking Finance Companies](#)  
[Financial Ratios-Financial Sector](#)  
[Factor Linkages in Ratings](#)  
[Rating of Short term instruments](#)

***About L&T Finance Holdings Ltd. (parent company)***

L&TFHL 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. The board and senior management of L&TFHL has representation from the senior management of L&T. The company came up with an Initial Public Offer (IPO) during FY12 and as on March 31,

2018, L&T held 64.01% equity stake in L&TFHL. The group has three key business segments, namely rural finance (comprising farm equipment, two wheeler and microloans), housing finance (comprising home loans, LAP and real estate finance) and wholesale lending (comprising infra finance and structured corporate loans). As on March 31, 2018, the gross loan portfolio stood at Rs. 83,654 crore.

**L&TFHL (Consolidated)**

| Brief Financials (Rs. crore)                     | FY17 (A) | FY18 (A) |
|--|----------|----------|
| Total income                                     | 8,572    | 10,500   |
| PAT(after share of profit and minority interest) | 1,042    | 1,459    |
| Overall Gearing (times)                          | 8.55     | 5.69     |
| Total Assets (adjusted for Deferred Tax assets)  | 71,759   | 89,230   |
| Gross NPA (%)                                    | 4.94%    | 4.80     |
| ROTA (%) (PAT/Average Total Assets)              | 1.54     | 1.81     |

A: Audited

**About LTF**

L&T Finance Ltd. (erstwhile Family Credit Ltd) was originally incorporated as Apeejay Finance Group Ltd. in 1993. In September, 2006, Societe Generale Consumer Finance (SGCF), a division of Societe Generale Group, France, acquired 45% stake in the company and gradually increased its stake to 100% by October 2007. Subsequently, the company's name was changed to Family Credit Limited. In December 2012, L&T Finance Holding Limited (LTFHL) (rated CARE AAA; Stable); the flagship holding company for the financial services of the L&T Group acquired 100% shareholding in FCL. During March'17, L&TFHL has completed amalgamation of L&T Finance Limited and L&T FinCorp Limited with Family Credit Limited. The amalgamated entity is renamed as L&T Finance Limited. As on March 31, 2018, L&T Finance Ltd had a combined loan portfolio of Rs.37,823 crore.

**L&T Finance Ltd (erstwhile Family Credit Ltd)**

| Brief Financials (Rs. crore)  | FY17 (A) | FY18(A) |
|---|----------|---------|
| Total income  | 4,145    | 5,246   |
| PAT   | 16       | 290     |
| Overall Gearing (times)   | 7.16     | 5.72    |
| Total Assets (adjusted for Intangible assets and Deferred Tax assets) | 32,982   | 37,823  |
| Gross NPA (%)   | 6.51     | 6.07    |
| ROTA (%) (PAT/Average Total Assets)                                   | 0.05     | 0.77    |

A: Audited

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**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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service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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**Annexure-1: Details of Instruments/Facilities**

| Name of the Instrument  | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|---|------------------|-------------|---------------|-------------------------------|---|
| Secured Redeemable Non-Convertible Debenture (public issue)/ Unsecured Redeemable Subordinated Non-Convertible Debenture (Public Issue) | -                | -           | -             | 5000                          | CARE AAA; Stable                          |



## Annexure-2: Rating History of last three years

| Sr. No. | Name of the Instrument/Bank Facilities  | Current Ratings |                                |                  | Rating history                            |  |  |  |
|---------|---|-----------------|--------------------------------|------------------|---|--|--|--|
|         |   | Type            | Amount Outstanding (Rs. crore) | Rating           | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018  | Date(s) & Rating(s) assigned in 2016-2017  | Date(s) & Rating(s) assigned in 2015-2016        |
| 1.      | Debentures-Non Convertible Debentures   | LT              | 300.00                         | CARE AAA; Stable | -   | 1)CARE AAA; Stable (16-Mar-18)<br>2)CARE AA+; Positive (09-Oct-17)<br>3)CARE AA+; Stable (17-Apr-17)                                   | 1)CARE AA+; Stable (30-Dec-16)<br>2)CARE AA+ (04-Nov-16)   | 1)CARE AA+ (17-Nov-15)                           |
| 2.      | Commercial Paper                        | ST              | 18500.00                       | CARE A1+         | -   | 1)CARE A1+ (26-Feb-18)<br>2)CARE A1+ (09-Oct-17)<br>3)CARE A1+ (07-Jul-17)<br>4)CARE A1+ (17-Apr-17)                                   | 1)CARE A1+ (21-Mar-17)<br>2)CARE A1+ (30-Dec-16)<br>3)CARE A1+ (04-Nov-16)<br>4)CARE A1+ (30-Jun-16) | 1)CARE A1+ (17-Nov-15)<br>2)CARE A1+ (22-Jul-15) |
| 3.      | Borrowings-Secured Long Term Borrowings | LT              | 2300.00                        | CARE AAA; Stable | -   | 1)CARE AAA; Stable (30-Mar-18)<br>2)CARE AAA; Stable (26-Feb-18)<br>3)CARE AA+; Positive (09-Oct-17)<br>4)CARE AA+; Stable (17-Apr-17) | 1)CARE AA+; Stable (30-Dec-16)<br>2)CARE AA+ (04-Nov-16)   | 1)CARE AA+ (17-Nov-15)                           |
| 4.      | Debt-Subordinate Debt                   | LT              | 100.00                         | CARE AAA; Stable | -   | 1)CARE AAA; Stable (26-Feb-18)<br>2)CARE AA+; Positive (09-Oct-17)<br>3)CARE AA+; Stable (17-Apr-17)                                   | 1)CARE AA+; Stable (30-Dec-16)<br>2)CARE AA+ (04-Nov-16)   | 1)CARE AA+ (17-Nov-15)                           |
| 5.      | Debentures-Non                          | LT              | 300.00                         | CARE AAA;        | -   | 1)CARE AAA;  | 1)CARE AA+;  | 1)CARE AA+;                                      |

|     |                                       |    |        |                     |   |  |   |                           |
|-----|---------------------------------------|----|--------|---------------------|---|--|---|---------------------------|
|     | Convertible Debentures                |    |        | Stable              |   | Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17)                | Stable<br>(30-Dec-16)<br>2)CARE AA+<br>(04-Nov-16)                | (17-Nov-15)               |
| 6.  | Debt-Subordinate Debt                 | LT | 50.00  | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(30-Dec-16)<br>2)CARE AA+<br>(04-Nov-16) | 1)CARE AA+<br>(17-Nov-15) |
| 7.  | Debentures-Non Convertible Debentures | LT | 400.00 | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(30-Dec-16)<br>2)CARE AA+<br>(04-Nov-16) | 1)CARE AA+<br>(17-Nov-15) |
| 8.  | Debentures-Non Convertible Debentures | LT | 350.00 | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(30-Dec-16)<br>2)CARE AA+<br>(04-Nov-16) | 1)CARE AA+<br>(17-Nov-15) |
| 9.  | Debentures-Non Convertible Debentures | LT | 750.00 | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(30-Dec-16)<br>2)CARE AA+<br>(04-Nov-16) | 1)CARE AA+<br>(17-Nov-15) |
| 10. | Debt-Subordinate Debt                 | LT | 75.00  | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(30-Dec-16)<br>2)CARE AA+<br>(04-Nov-16) | 1)CARE AA+<br>(17-Nov-15) |

|   |    |         |                     |   |  |  |   |
|---|----|---------|---------------------|---|--|--|---|
| 11. Debt-Subordinate Debt                 | LT | 100.00  | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(30-Dec-16)<br>2)CARE AA+<br>(04-Nov-16)<br>3)CARE AA+<br>(06-Apr-16) | - |
| 12. Debt-Perpetual Debt                   | LT | 100.00  | CARE AA+;<br>Stable | - | 1)CARE AA+;<br>Stable<br>(26-Feb-18)<br>2)CARE AA;<br>Positive<br>(09-Oct-17)<br>3)CARE AA;<br>Stable<br>(17-Apr-17)   | 1)CARE AA;<br>Stable<br>(30-Dec-16)<br>2)CARE AA<br>(04-Nov-16)<br>3)CARE AA<br>(06-Apr-16)    | - |
| 13. Debentures-Non Convertible Debentures | LT | 4400.00 | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(08-Mar-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(21-Mar-17)   | - |
| 14. Debt-Subordinate Debt                 | LT | 350.00  | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(21-Mar-17)   | - |
| 15. Debentures-Non Convertible Debentures | LT | 600.00  | CARE AAA;<br>Stable | - | 1)CARE AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE AA+;<br>Positive<br>(09-Oct-17)<br>3)CARE AA+;<br>Stable<br>(17-Apr-17) | 1)CARE AA+;<br>Stable<br>(21-Mar-17)   | - |
| 16. Debt-Perpetual Debt                   | LT | 250.00  | CARE AA+;<br>Stable | - | 1)CARE AA+;<br>Stable<br>(26-Feb-18)<br>2)CARE AA;<br>Positive<br>(09-Oct-17)<br>3)CARE AA;<br>Stable<br>(17-Apr-17)   | 1)CARE AA;<br>Stable<br>(21-Mar-17)  | - |

|     |                                       |    |          |                  |                        |  |   |   |
|-----|---------------------------------------|----|----------|------------------|------------------------|--|---|---|
| 17. | Fund-based - LT-Term Loan             | LT | 18450.00 | CARE AAA; Stable | -                      | 1)CARE AAA; Stable (30-Mar-18)<br>2)CARE AAA; Stable (26-Feb-18)<br>3)CARE AA+; Positive (09-Oct-17)<br>4)CARE AA+; Stable (17-Apr-17) | - | - |
| 18. | Debt-Perpetual Debt                   | LT | 150.00   | CARE AA+; Stable | -                      | 1)CARE AA+; Stable (26-Feb-18)<br>2)CARE AA; Positive (09-Oct-17)<br>3)CARE AA; Stable (17-Apr-17)                                     | - | - |
| 19. | Fund-based - LT-Term Loan             | LT | 350.00   | CARE AAA; Stable | -                      | 1)CARE AAA; Stable (30-Mar-18)<br>2)CARE AAA; Stable (26-Feb-18)<br>3)CARE AA+; Positive (09-Oct-17)<br>4)CARE AA+; Stable (17-Apr-17) | - | - |
| 20. | Debt-Subordinate Debt                 | LT | 625.00   | CARE AAA; Stable | -                      | 1)CARE AAA; Stable (26-Feb-18)<br>2)CARE AA+; Positive (09-Oct-17)<br>3)CARE AA+; Stable (17-Apr-17)                                   | - | - |
| 21. | Debentures-Non Convertible Debentures | LT | 3625.00  | CARE AAA; Stable | -                      | 1)CARE AAA; Stable (26-Feb-18)<br>2)CARE AA+; Positive (09-Oct-17)<br>3)CARE AA+; Stable (17-Apr-17)                                   | - | - |
| 22. | Commercial Paper-Commercial Paper     | ST | 0.00     | Withdrawn        | 1)CARE A1+ (25-Jul-18) | 1)CARE A1+ (30-Mar-18)   | - | - |

|     |  |    |         |                            |   |   |   |   |
|-----|--|----|---------|----------------------------|---|---|---|---|
|     | (IPO Financing)                                    |    |         |                            | 2)Withdrawn<br>(23-Jul-18)<br>3)Withdrawn<br>(21-Jun-18)<br>4)CARE A1+<br>(21-Jun-18) | 2)Withdrawn<br>(08-Mar-18)<br>3)CARE A1+<br>(16-Jan-18)<br>4) Withdrawn<br>(07-Dec-17)<br>5)CARE A1+<br>(09-Oct-17) |   |   |
| 23. | Debentures-Market<br>Linked Debentures             | LT | 500.00  | CARE PP-MLD<br>AAA; Stable | -   | 1)CARE PP-<br>MLD AAA;<br>Stable<br>(26-Feb-18)<br>2)CARE PP-<br>MLD AA+;<br>Positive<br>(05-Dec-17)                | - | - |
| 24  | Non-Convertible<br>Debentures                      | LT | 1000.00 | CARE AAA;<br>Stable        | 1)CARE AAA;<br>Stable<br>(05-Sept-18)   | -   | - | - |
| 25  | Non-Convertible<br>Debentures/<br>Subordinate Debt | LT | 5000.00 | CARE AAA;<br>Stable        | 1)CARE AAA;<br>Stable<br>(25-Dec-18)  | -   | - | - |

**Annexure III: List of subsidiaries/associates considered for consolidation as on 31<sup>st</sup> March 2018**

| 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   |



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CIN - L67190MH1993PLC071691

## **ANNEXURE C**

### **CREDIT RATING LETTER AND RATING RATIONALE FROM INDIA RATINGS**

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Mr. Sachinn Joshi  
Group Chief Financial Officer,  
L&T Finance Limited,  
5th Floor, City-2, Kalina,  
Santacruz (East),  
Mumbai - 400098

December 31, 2018

Dear Mr. Sachinn Joshi,

**Re: Rating of L&T Finance Limited's (LTFL) non-convertible debentures**

India Ratings (see definition below) assigns the following debt rating to LTFL:-

INR50 bn 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])

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.

**India Ratings & Research Private Limited** A Fitch Group Company

Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | [www.indiaratings.co.in](http://www.indiaratings.co.in)





which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch at any time due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

Sincerely,

India Ratings



Rakesh Valecha  
Senior Director



Prakash Agarwal  
Director

## India Ratings Assigns L&T Finance's Additional NCDs at 'IND AAA'/Stable

# 24

DEC 2018

By Jindal Haria

India Ratings and Research (Ind-Ra) rated L&T Finance Limited's (LTFL) non-convertible debentures (NCDs) as follows:

| Instrument Type | Date of issuance | Coupon Rate | Maturity Date | Size of Issue (billion) | Rating/Outlook | Rating Action |
|-----------------|------------------|-------------|---------------|-------------------------|----------------|---------------|
| NCDs* ^         | -                | -           | -             | INR50                   | IND AAA/Stable | Assigned      |

\*Yet to be issued

^the rated limit is interchangeable with Unsecured subordinated Redeemable NCDs

**Analytical Approach:** Ind-Ra has taken a consolidated view of L&T Finance Holdings Limited (LTFL; 'IND AAA'/Stable) and its operating subsidiaries including LTFL (together referred to as financial services) while assigning the rating, given the financial and operational flexibilities that the consolidated finance platform offers to the company as well as the borrowers.

### KEY RATING DRIVERS

**L&T Group's High Propensity and Ability to Support:** The financial services business is among the high growth and profitability businesses in the L&T group. The financial services business has received regular capital infusions of about INR38 billion from the group since inception, of which INR20 billion was infused in 4QFY18. 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 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 (contingency lines of 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 profits in the medium term.

**Diversified Business Segments:** LTFL is the largest subsidiary of LTFHL by loan book size, almost 50% of the total loans in 1HFY19. It houses the high growth segments of rural business such as micro loans, and tractor and two-wheeler loans of the entire LTFHL platform. In addition, it has real estate finance (16% of LTFL book and 55% of total real estate finance across the LTFHL platform), and wholesale finance including infrastructure and structured corporate finance (totalling 31%). Further, LTFL also carries defocused book on its balance sheet (personal loans, car, commercial vehicle, construction equipment loans, etc); it has almost runoff and constitutes about 2% of LTFL's advances. The assets in infrastructure, corporate finance and real estate financing are booked in LTFL and other operating entities based on available liquidity and tenors, capital availability and regulations.

**Adequate Liquidity:** The treasury operations and officials are common for LTFHL and its operating subsidiaries. In terms of asset liability management, the company's short-term assets are in excess of short-term liabilities by about 3% of the total liabilities. The company also has 57% of borrowings with tenor of more than one year. It also has unavailed bank lines of INR16 billion, on balance sheet liquidity of about INR30 billion, and is likely to increase roughly in line with the growth in the company's loan book. LTFL has access to LTFHL's liquidity which, in addition to its own fund mobilising ability, has access to L&T group's liquidity.

**Moderate Asset Quality:** Overall, LTFL's stage 3 assets are about 4.2% of the total assets under management in 1HFY19. Rural business' stage 3 assets are at 4.3% in 1HFY19, primarily driven by farm equipment (in line with peers). The provision coverage ratio was 62% in 1HFY19; Ind-Ra expects the provision coverage to remain steady. The agency expects the asset quality of rural portfolio to depend on the portfolio quality of micro loans (microloan portfolio increased 127% yoy in September 2018). The real estate portfolio may also witness stress over the next one-to-two years, given the already present underlying and liquidity stress especially over the last three months.

For detailed rating rationale on LTFL's parent LTFHL, please click [here](#).

## RATING SENSITIVITIES

**Negative:** Dilution of support expectations in Ind-Ra's opinion, either on account of 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, or decreased importance of LTFL or financial services to the L&T group, or otherwise could lead to a rating downgrade. Lack of timely support in terms of equity capital for growth or a liquidity event would also lead to a negative rating action. Any deterioration in the credit profile of L&T group is also likely to impact the ratings. Change of ownership outside of the group could also lead to a negative rating action.

## COMPANY PROFILE

L&T Finance Ltd. (erstwhile Family Credit Ltd) is a wholly-owned subsidiary of LTFHL. It houses the rural business of LTFHL. It also has on-book real estate developer and wholesale finance loans.

### FINANCIAL SUMMARY

| Particulars                  | FY18      | FY17      |
|------------------------------|-----------|-----------|
| Total assets (INR million)   | 378,232.4 | 359,768.3 |
| Total equity (INR million)   | 85,867.5  | 68,793.9  |
| Net profit (INR million)     | 2,899.2   | 160.4     |
| Return on average assets (%) | 0.7       | 0.08      |
| Equity/assets (%)            | 20.3      | 19.1      |
| Source: LTFL                 |           |           |

## RATING HISTORY

| Instrument Type | Current Rating/Outlook |                        |                | Historical Rating/Outlook |
|-----------------|------------------------|------------------------|----------------|---------------------------|
|                 | Rating Type            | Rated Limits (billion) | Rating         | 24 January 2018           |
| NCDs            | Long-term              | INR110                 | IND AAA/Stable | IND AAA/Stable            |

## ANNEXURE

| Instrument | ISIN         | Date of Issuance | Coupon Rate | Maturity Date    | Size of Issue (billion) | Rating/Outlook |
|------------|--------------|------------------|-------------|------------------|-------------------------|----------------|
| NCD        | INE027E07634 | 27 March 18      | 8.25%       | 8 April 2021     | INR0.83                 | IND AAA/Stable |
| NCD        | INE027E07642 | 28 March 18      | 8.25%       | 21 June 2021     | INR0.95                 | IND AAA/Stable |
| NCD        | INE027E07659 | 6 June 2018      | 8.65%       | 28 April 2022    | INR0.55                 | IND AAA/Stable |
| NCD        | INE027E07667 | 29 June 2018     | 8.70%       | 29 June 2021     | INR10                   | IND AAA/Stable |
| NCD        | INE027E07675 | 6 July 2018      | 8.95%       | 10 June 2022     | INR0.35                 | IND AAA/Stable |
| NCD        | INE027E07683 | 6 July 2018      | 8.92%       | 6 October 2021   | INR1.27                 | IND AAA/Stable |
| NCD        | INE027E07691 | 20 July 2018     | 8.92%       | 30 July 2021     | INR0.25                 | IND AAA/Stable |
| NCD        | INE027E07709 | 20 July 2018     | 8.95%       | 16 August 2021   | INR3.6                  | IND AAA/Stable |
| NCD        | INE027E07642 | 27 July 2018     | 8.25%       | 21 June 2021     | INR0.8                  | IND AAA/Stable |
| NCD        | INE027E07717 | 2 Aug 2018       | 8.86%       | 2 Aug 2023       | INR0.35                 | IND AAA/Stable |
| NCD        | INE027E07642 | 9 August 2018    | 8.25%       | 21 June 2021     | INR0.55                 | IND AAA/Stable |
| NCD        | INE027E07691 | 20 August 2018   | 8.92%       | 30 July 2021     | INR0.11                 | IND AAA/Stable |
| NCD        | INE027E07709 | 20 August 2018   | 8.95%       | 16 August 2021   | INR0.51                 | IND AAA/Stable |
| NCD        | INE027E07725 | 20 August 2018   | 8.60%       | 19 December 2019 | INR0.25                 | IND AAA/Stable |
| NCD        | INE027E07733 | 20 August 2018   | 8.75%       | 19 August 2020   | INR0.8                  | IND AAA/Stable |
| NCD        | INE027E07733 | 27 August 2018   | 8.75%       | 19 August 2020   | INR3.4                  | IND AAA/Stable |



|                   |              |                   |       |                  |           |                |
|-------------------|--------------|-------------------|-------|------------------|-----------|----------------|
| NCD               | INE027E07725 | 31 August 2018    | 8.60% | 19 August 2020   | INR0.5    | IND AAA/Stable |
| NCD               | INE027E07741 | 31 August 2018    | 8.62% | 19 December 2019 | INR0.25   | IND AAA/Stable |
| NCD               | INE027E07683 | 31 August 2018    | 8.92% | 6 October 2021   | INR0.5    | IND AAA/Stable |
| NCD               | INE027E07758 | 12 September 2018 | 8.82% | 3 September 2021 | INR0.59   | IND AAA/Stable |
| NCD               | INE027E07758 | 31 October 2018   | 8.82% | 3 September 2021 | INR0.05   | IND AAA/Stable |
| NCD               | INE759E07897 | 31 October 2018   | 9.48% | 14 March 2022    | INR0.76   | IND AAA/Stable |
| NCD               | INE027E07618 | 31 October 2018   | 7.95% | 12 December 2022 | INR0.17   | IND AAA/Stable |
| NCD               | INE027E07659 | 14 November 2018  | 8.65% | 28 April 2022    | INR0.3    | IND AAA/Stable |
| NCD               | INE027E07741 | 20 November 2018  | 8.62% | 30 January 2020  | INR0.52   | IND AAA/Stable |
| NCD               | INE027E07550 | 20 November 2018  | 7.70% | 6 October 2022   | INR0.65   | IND AAA/Stable |
| <b>Utilised</b>   |              |                   |       |                  | INR28.85  |                |
| <b>Unutilised</b> |              |                   |       |                  | INR81.15  |                |
| <b>Total</b>      |              |                   |       |                  | INR110.00 |                |

## COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## SOLICITATION DISCLOSURES

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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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**ANNEXURE D**

**CONSENT LETTER FROM DEBENTURE TRUSTEE**

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CL/PUN/18-19/DEB/77

December 26, 2018

To,  
The Company Secretary  
L&T Finance Limited  
(Erstwhile known as Family Credit Limited)  
Technopolis, 7<sup>th</sup> Floor, A- Wing, Plot No. - 4,  
Block - BP, Sector -V, Salt Lake  
Kolkata - 700091

Dear Sir/Madam,

**Sub: Proposed Public Issue of Secured/Unsecured Redeemable Non-Convertible Debentures ("NCDs") aggregating up to Rs. Five Thousand Crore ("Issue") of L&T Finance Limited (Erstwhile known as Family Credit Limited) ("Company").**

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus / Tranche Prospectus(es) to be filed with the Registrar of Companies, Kolkata ("**RoC**"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and also in all related advertisements and in all the subsequent periodical communications to be sent to the holders of NCDs issued pursuant to the Issue. The following details with respect to us may be disclosed:

|                       |   |
|-----------------------|---|
| Name:                 | Catalyst Trusteeship Limited  |
| Address:              | GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune – 411038 |
| Tel:                  | 020 - 25280081  |
| Fax:                  | 020 - 25280275  |
| Email:                | dt@ctltrustee.com   |
| Website:              | www.catalysttrustee.com   |
| SEBI Registration No: | IND000000034  |

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.





We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We hereby propose below fee structure for the said issue:

| PARTICULARS                                | AMOUNT (In Rs.) |
|--|-----------------|
| Acceptance & Documentation fees (One time) | Rs.2,00,000/-   |
| Annual Trusteeship Fees                    | Rs.3,00,000/-   |

Note: 10 % rise of preceding year after every 3 years till redemption of the issue.

Rates and Taxes as applicable. All out of pocket expenses at actuals.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We confirm that we will immediately inform you and the Lead Manager of any change to the above information until the date when the NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the Lead Manager and the legal advisors to the Issue in respect of the Issue.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory